



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4161

by Rep. Angelo Saviano

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Finance Act to create the Regional Transportation Support Fund. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Requires the Department of Revenue to pay into the Regional Transportation Support Fund 80%, with certain limitations, of the net revenue realized for the preceding month from the counties of Cook, DuPage, Will, Kane, Lake, and McHenry from the 6.25% rate on the selling price of motor fuel and gasohol. Amends the Regional Transportation Authority Act. Requires the Authority to provide financial oversight of the Service Boards, allocate operating and capital funds made available to support public transportation in the metropolitan region, and undertake certain planning functions. Provides that the Authority shall adopt a Strategic Plan, a Five-Year Capital Program, and an Annual Budget and Two-Year Financial Plan. Provides that the Authority shall conduct audits of each of the Service Boards no less than every 5 years, and may conduct audits of certain transportation agencies. Provides that the Authority shall establish certain Funds. Repeals certain Sections of the Act. Makes changes to the Board of the Authority and the Commuter Rail Board. Amends the Illinois Pension Code. Provides that the retirement system for Chicago Transit Authority employees shall be known as the Retirement Plan for Chicago Transit Authority Employees. Contains provisions regarding employee contributions. Contains provisions concerning the amount of retirement allowances, the normal retirement date, and early retirement. Amends the Downstate Public Transportation Act. Contains other provisions. Effective immediately.

LRB095 14190 HLH 40125 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Illinois State Auditing Act is amended by
5 adding Section 3-2.3 as follows:

6 (30 ILCS 5/3-2.3 new)

7 Sec. 3-2.3. Report on Chicago Transit Authority.

8 (a) No less than 60 days prior to the issuance of bonds or
9 notes by the Chicago Transit Authority (referred to as the
10 "Authority" in this Section) pursuant to Section 12c of the
11 Metropolitan Transit Authority Act, the following
12 documentation shall be submitted to the Auditor General and the
13 Regional Transportation Authority:

14 (1) Retirement Plan Documentation. The Authority shall
15 submit a certification that:

16 (A) it is legally authorized to issue the bonds or
17 notes;

18 (B) scheduled annual payments of principal and
19 interest on the bonds and notes to be issued meet the
20 requirements of Section 12c(b)(5) of the Metropolitan
21 Transit Authority Act;

22 (C) no bond or note shall mature later than
23 December 31, 2039; and

1 (D) after payment of costs of issuance and
2 necessary deposits to funds and accounts established
3 with respect to debt service on the bonds or notes, the
4 net bond and note proceeds (exclusive of any proceeds
5 to be used to refund outstanding bonds or notes) will
6 be deposited in the Retirement Plan for Chicago Transit
7 Authority Employees and used only for the purposes
8 required by Section 22-101 of the Illinois Pension
9 Code.

10 (2) The Board of Trustees of the Retirement Plan for
11 Chicago Transit Authority Employees shall submit a
12 certification that the Retirement Plan for Chicago Transit
13 Authority Employees is operating in accordance with all
14 applicable legal and contractual requirements, including
15 the following:

16 (A) the members of a new Board of Trustees have
17 been appointed according to the requirements of
18 Section 22-101(b) of the Illinois Pension Code; and

19 (B) contribution levels for employees and the
20 Authority have been established according to the
21 requirements of Section 22-101(d) of the Illinois
22 Pension Code.

23 (3) Actuarial Report. The Board of Trustees of the
24 Retirement Plan for Chicago Transit Authority Employees
25 shall submit an actuarial report prepared by an enrolled
26 actuary setting forth:

1 (A) the method of valuation and the underlying
2 assumptions;

3 (B) a comparison of the debt service schedules of
4 the bonds or notes proposed to be issued to the
5 Retirement Plan's current unfunded actuarial accrued
6 liability amortization schedule, as required by
7 Section 22-101(e) of the Illinois Pension Code, using
8 the projected interest cost of the bond or note issue
9 as the discount rate to calculate the estimated net
10 present value savings;

11 (C) the amount of the estimated net present value
12 savings comparing the true interest cost of the
13 bonds or notes with the actuarial investment
14 return assumption of the Retirement Plan; and

15 (D) a certification that the net proceeds of the
16 bonds or notes, together with anticipated earnings
17 on contributions and deposits, will be sufficient
18 to reasonably conclude on an actuarial basis that
19 the total retirement assets of the Retirement Plan
20 will not be less than 90% of its liabilities by the
21 end of fiscal year 2058.

22 (4) The Authority shall submit a financial analysis
23 prepared by an independent advisor. The financial analysis
24 must include a determination that the issuance of bonds is
25 in the best interest of the Retirement Plan for Chicago
26 Transit Authority Employees and the Chicago Transit

1 Authority. The independent advisor shall not act as
2 underwriter or receive a legal, consulting, or other fee
3 related to the issuance of any bond or notes issued by the
4 Authority pursuant to Section 12c of the Metropolitan
5 Transit Authority Act except compensation due for the
6 preparation of the financial analysis.

7 (5) Retiree Health Care Trust Documentation. The
8 Authority shall submit a certification that:

9 (A) it is legally authorized to issue the bonds or
10 notes;

11 (B) scheduled annual payments of principal and
12 interest on the bonds and notes to be issued meets the
13 requirements of Section 12c(b)(5) of the Metropolitan
14 Transit Authority Act;

15 (C) no bond or note shall mature later than
16 December 31, 2039; and

17 (D) after payment of costs of issuance and
18 necessary deposits to funds and accounts established
19 with respect to debt service on the bonds or notes, the
20 net bond and note proceeds (exclusive of any proceeds
21 to be used to refund outstanding bonds or notes) will
22 be deposited in the Retiree Health Care Trust and used
23 only for the purposes required by Section 22-101B of
24 the Illinois Pension Code.

25 (6) The Board of Trustees of the Retiree Health Care
26 Trust shall submit a certification that the Retiree Health

1 Care Trust has been established in accordance with all
2 applicable legal requirements, including the following:

3 (A) the Retiree Health Care Trust has been
4 established and a Trust document is in effect to govern
5 the Retiree Health Care Trust;

6 (B) the members of the Board of Trustees of the
7 Retiree Health Care Trust have been appointed
8 according to the requirements of Section 22-101B(b) (1)
9 of the Illinois Pension Code;

10 (C) a health care benefit program for eligible
11 retirees and their dependents and survivors has been
12 established by the Board of Trustees according to the
13 requirements of Section 22-101B(b) (2) of the Illinois
14 Pension Code;

15 (D) contribution levels have been established for
16 retirees, dependents and survivors according to the
17 requirements of Section 22-101B(b) (5) of the Illinois
18 Pension Code; and

19 (E) contribution levels have been established for
20 employees of the Authority according to the
21 requirements of Section 22-101B(b) (6) of the Illinois
22 Pension Code.

23 (7) Actuarial Report. The Board of Trustees of the
24 Retiree Health Care Trust shall submit an actuarial report
25 prepared by an enrolled actuary setting forth:

26 (A) the method of valuation and the underlying

1 assumptions;

2 (B) a comparison of the projected interest cost of
3 the bonds or notes proposed to be issued with the
4 actuarial investment return assumption of the Retiree
5 Health Care Trust; and

6 (C) a certification that the net proceeds of the
7 bonds or notes, together with anticipated earnings on
8 contributions and deposits, will be sufficient to
9 adequately fund the actuarial present value of
10 projected benefits expected to be paid under the
11 Retiree Health Care Trust, or a certification of the
12 increases in contribution levels and decreases in
13 benefit levels that would be required in order to cure
14 any funding shortfall over a period of not more than 10
15 years.

16 (8) The Authority shall submit a financial analysis
17 prepared by an independent advisor. The financial analysis
18 must include a determination that the issuance of bonds is
19 in the best interest of the Retiree Health Care Trust and
20 the Chicago Transit Authority. The independent advisor
21 shall not act as underwriter or receive a legal,
22 consulting, or other fee related to the issuance of any
23 bond or notes issued by the Authority pursuant to Section
24 12c of the Metropolitan Transit Authority Act except
25 compensation due for the preparation of the financial
26 analysis.

1 (b) The Auditor General shall examine the information
2 submitted pursuant to Section 3-2.3(a)(1) through (4) and
3 submit a report to the General Assembly, the Legislative Audit
4 Commission, the Governor, the Regional Transportation
5 Authority and the Authority indicating whether (i) the required
6 certifications by the Authority and the Board of Trustees of
7 the Retirement Plan have been made, and (ii) the actuarial
8 reports have been provided, the reports include all required
9 information, the assumptions underlying those reports are not
10 unreasonable in the aggregate, and the reports appear to comply
11 with all pertinent professional standards, including those
12 issued by the Actuarial Standards Board. The Auditor General
13 shall submit such report no later than 60 days after receiving
14 the information required to be submitted by the Authority and
15 the Board of Trustees of the Retirement Plan. Any bonds or
16 notes issued by the Authority under item (1) of subsection (b)
17 of Section 12c of the Metropolitan Transit Authority Act shall
18 be issued within 120 days after receiving such report from the
19 Auditor General. The Authority may not issue bonds or notes
20 until it receives the report from the Auditor General
21 indicating the above requirements have been met.

22 (c) The Auditor General shall examine the information
23 submitted pursuant to Section 3-2.3(a)(5) through (8) and
24 submit a report to the General Assembly, the Legislative Audit
25 Commission, the Governor, the Regional Transportation
26 Authority and the Authority indicating whether (i) the required

1 certifications by the Authority and the Board of Trustees of
2 the Retiree Health Care Trust have been made, and (ii) the
3 actuarial reports have been provided, the reports include all
4 required information, the assumptions underlying those reports
5 are not unreasonable in the aggregate, and the reports appear
6 to comply with all pertinent professional standards, including
7 those issued by the Actuarial Standards Board. The Auditor
8 General shall submit such report no later than 60 days after
9 receiving the information required to be submitted by the
10 Authority and the Board of Trustees of the Retiree Health Care
11 Trust. Any bonds or notes issued by the Authority under item
12 (2) of subsection (b) of Section 12c of the Metropolitan
13 Transit Authority Act shall be issued within 120 days after
14 receiving such report from the Auditor General. The Authority
15 may not issue bonds or notes until it receives a report from
16 the Auditor General indicating the above requirements have been
17 met.

18 (d) In fulfilling this duty, after receiving the
19 information submitted pursuant to Section 3-2.3(a), the
20 Auditor General may request additional information and support
21 pertaining to the data and conclusions contained in the
22 submitted documents and the Authority, the Board of Trustees of
23 the Retirement Plan and the Board of Trustees of the Retiree
24 Health Care Trust shall cooperate with the Auditor General and
25 provide additional information as requested in a timely manner.
26 The Auditor General may also request from the Regional

1 Transportation Authority an analysis of the information
2 submitted by the Authority relating to the sources of funds to
3 be utilized for payment of the proposed bonds or notes of the
4 Authority. The Auditor General's report shall not be in the
5 nature of a post-audit or examination and shall not lead to the
6 issuance of an opinion as that term is defined in generally
7 accepted government auditing standards.

8 (e) Annual Retirement Plan Submission to Auditor General.
9 The Board of Trustees of the Retirement Plan for Chicago
10 Transit Authority Employees established by Section 22-101 of
11 the Illinois Pension Code shall provide the following documents
12 to the Auditor General annually no later than September 30:

13 (1) the most recent audit or examination of the
14 Retirement Plan;

15 (2) an annual statement containing the information
16 specified in Section 1A-109 of the Illinois Pension Code;
17 and

18 (3) a complete actuarial statement applicable to the
19 prior plan year, which may be the annual report of an
20 enrolled actuary retained by the Retirement Plan specified
21 in Section 22-101(e) of the Illinois Pension Code.

22 The Auditor General shall annually examine the information
23 provided pursuant to this subsection and shall submit a report
24 of the analysis thereof to the General Assembly, including the
25 report specified in Section 22-101(e) of the Illinois Pension
26 Code.

1 (f) The Auditor General shall annually examine the
2 information submitted pursuant to Section 22-101B(b)(3)(iii)
3 of the Illinois Pension Code and shall prepare the
4 determination specified in Section 22-101B(b)(3)(iv) of the
5 Illinois Pension Code.

6 (g) In fulfilling the duties under Sections 3-2.3(e) and
7 (f) the Auditor General may request additional information and
8 support pertaining to the data and conclusions contained in the
9 submitted documents and the Authority, the Board of Trustees of
10 the Retirement Plan and the Board of Trustees of the Retiree
11 Health Care Trust shall cooperate with the Auditor General and
12 provide additional information as requested in a timely manner.
13 The Auditor General's review shall not be in the nature of a
14 post-audit or examination and shall not lead to the issuance of
15 an opinion as that term is defined in generally accepted
16 government auditing standards. Upon request of the Auditor
17 General, the Commission on Government Forecasting and
18 Accountability and the Public Pension Division of the Illinois
19 Department of Financial and Professional Regulation shall
20 cooperate with and assist the Auditor General in the conduct of
21 his review.

22 (h) The Auditor General shall submit a bill to the
23 Authority for costs associated with the examinations and
24 reports specified in subsections (b) and (c) of this Section
25 3-2.3, which the Authority shall reimburse in a timely manner.
26 The costs associated with the examinations and reports which

1 are reimbursed by the Authority shall constitute a cost of
2 issuance of the bonds or notes under Section 12c(b)(1) and (2)
3 of the Metropolitan Transit Authority Act. The amount received
4 shall be deposited into the fund or funds from which such costs
5 were paid by the Auditor General. The Auditor General shall
6 submit a bill to the Retirement Plan for Chicago Transit
7 Authority Employees for costs associated with the examinations
8 and reports specified in subsection (e) of this Section, which
9 the Retirement Plan for Chicago Transit Authority Employees
10 shall reimburse in a timely manner. The amount received shall
11 be deposited into the fund or funds from which such costs were
12 paid by the Auditor General. The Auditor General shall submit a
13 bill to the Retiree Health Care Trust for costs associated with
14 the determination specified in subsection (f) of this Section,
15 which the Retiree Health Care Trust shall reimburse in a timely
16 manner. The amount received shall be deposited into the fund or
17 funds from which such costs were paid by the Auditor General.

18 Section 10. The State Finance Act is amended by adding
19 Sections 5.675, 5.676, and 6z-69 as follows:

20 (30 ILCS 105/5.675 new)

21 Sec. 5.675. The Downstate Transit Improvement Fund.

22 (30 ILCS 105/5.676 new)

23 Sec. 5.676. The Regional Transportation Support Fund.

1 (30 ILCS 105/6z-69 new)

2 Sec. 6z-69. The Regional Transportation Support Fund. The
3 Regional Transportation Support Fund is created as a special
4 fund in the State treasury. Moneys in the Fund must be used for
5 regional-transportation purposes, and must be disbursed as
6 follows:

7 (1) \$100,000,000 shall be distributed annually to the
8 Regional Transportation Authority for deposit into the ADA
9 Paratransit Fund established by the Authority under
10 Section 2.01d of the Regional Transportation Authority
11 Act;

12 (2) \$10,000,000 shall be distributed annually to the
13 Regional Transportation Authority for deposit into the
14 Innovation, Coordination, and Enhancement Fund established
15 by the Authority under Section 2.01c of the Regional
16 Transportation Authority Act;

17 (3) \$20,000,000 shall be distributed annually to the
18 Regional Transportation Authority for deposit into the
19 Suburban Community Mobility Fund established by Authority
20 under Section 2.01e of the Regional Transportation
21 Authority Act;

22 (4) \$100,000,000 shall be distributed annually to the
23 Chicago Transit Authority during each calendar year from
24 2009 through 2039; and

25 (5) Any funds remaining in the Regional Transportation

1 Support Fund after the above distributions have been made
2 shall be disbursed as follows: (i) 48% to the Chicago
3 Transit Authority; (ii) 39% to the Commuter Rail Division;
4 and (iii) 13% to the Suburban Bus Division.

5 Moneys received for the purposes of this Section must be
6 deposited into the Fund. Any interest earned on moneys in the
7 Fund must be deposited into the Fund.

8 Section 15. The Downstate Public Transportation Act is
9 amended by changing Sections 2-2.04, 2-3, 2-7, and 2-15 as
10 follows:

11 (30 ILCS 740/2-2.04) (from Ch. 111 2/3, par. 662.04)

12 Sec. 2-2.04. "Eligible operating expenses" means all
13 expenses required for public transportation, including
14 employee wages and benefits, materials, fuels, supplies,
15 rental of facilities, taxes other than income taxes, payment
16 made for debt service (including principal and interest) on
17 publicly owned equipment or facilities, and any other
18 expenditure which is an operating expense according to standard
19 accounting practices for the providing of public
20 transportation. Eligible operating expenses shall not include
21 allowances: (a) for depreciation whether funded or unfunded;
22 (b) for amortization of any intangible costs; (c) for debt
23 service on capital acquired with the assistance of capital
24 grant funds provided by the State of Illinois; (d) for profits

1 or return on investment; (e) for excessive payment to
2 associated entities; (f) for Comprehensive Employment Training
3 Act expenses; (g) for costs reimbursed under Sections 6 and 8
4 of the "Urban Mass Transportation Act of 1964", as amended; (h)
5 for entertainment expenses; (i) for charter expenses; (j) for
6 fines and penalties; (k) for charitable donations; (l) for
7 interest expense on long term borrowing and debt retirement
8 other than on publicly owned equipment or facilities; (m) for
9 income taxes; or (n) for such other expenses as the Department
10 may determine consistent with federal Department of
11 Transportation regulations or requirements. In consultation
12 with participants, the Department shall, by October 2008,
13 promulgate or update rules, pursuant to the Illinois
14 Administrative Procedure Act, concerning eligible expenses to
15 ensure consistent application of the Act, and the Department
16 shall provide written copies of those rules to all eligible
17 recipients. The Department shall review this process in the
18 same manner no less frequently than every 5 years.

19 With respect to participants other than any Metro-East
20 Transit District participant and those receiving federal
21 research development and demonstration funds pursuant to
22 Section 6 of the "Urban Mass Transportation Act of 1964", as
23 amended, during the fiscal year ending June 30, 1979, the
24 maximum eligible operating expenses for any such participant in
25 any fiscal year after Fiscal Year 1980 shall be the amount
26 appropriated for such participant for the fiscal year ending

1 June 30, 1980, plus in each year a 10% increase over the
2 maximum established for the preceding fiscal year. For Fiscal
3 Year 1980 the maximum eligible operating expenses for any such
4 participant shall be the amount of projected operating expenses
5 upon which the appropriation for such participant for Fiscal
6 Year 1980 is based.

7 With respect to participants receiving federal research
8 development and demonstration operating assistance funds for
9 operating assistance pursuant to Section 6 of the "Urban Mass
10 Transportation Act of 1964", as amended, during the fiscal year
11 ending June 30, 1979, the maximum eligible operating expenses
12 for any such participant in any fiscal year after Fiscal Year
13 1980 shall not exceed such participant's eligible operating
14 expenses for the fiscal year ending June 30, 1980, plus in each
15 year a 10% increase over the maximum established for the
16 preceding fiscal year. For Fiscal Year 1980, the maximum
17 eligible operating expenses for any such participant shall be
18 the eligible operating expenses incurred during such fiscal
19 year, or projected operating expenses upon which the
20 appropriation for such participant for the Fiscal Year 1980 is
21 based; whichever is less.

22 With respect to all participants other than any Metro-East
23 Transit District participant, the maximum eligible operating
24 expenses for any such participant in any fiscal year after
25 Fiscal Year 1985 (except Fiscal Year 2008 and Fiscal Year 2009)
26 shall be the amount appropriated for such participant for the

1 fiscal year ending June 30, 1985, plus in each year a 10%
2 increase over the maximum established for the preceding year.
3 For Fiscal Year 1985, the maximum eligible operating expenses
4 for any such participant shall be the amount of projected
5 operating expenses upon which the appropriation for such
6 participant for Fiscal Year 1985 is based.

7 With respect to any mass transit district participant that
8 has increased its district boundaries by annexing counties
9 since 1998 and is maintaining a level of local financial
10 support, including all income and revenues, equal to or greater
11 than the level in the State fiscal year ending June 30, 2001,
12 the maximum eligible operating expenses for any State fiscal
13 year after 2002 (except State fiscal years ~~year~~ 2006 through
14 2009) shall be the amount appropriated for that participant for
15 the State fiscal year ending June 30, 2002, plus, in each State
16 fiscal year, a 10% increase over the preceding State fiscal
17 year. For State fiscal year 2002, the maximum eligible
18 operating expenses for any such participant shall be the amount
19 of projected operating expenses upon which the appropriation
20 for that participant for State fiscal year 2002 is based. For
21 that participant, eligible operating expenses for State fiscal
22 year 2002 in excess of the eligible operating expenses for the
23 State fiscal year ending June 30, 2001, plus 10%, must be
24 attributed to the provision of services in the newly annexed
25 counties.

26 With respect to a participant that receives an initial

1 appropriation in State fiscal year 2002 or thereafter, the
2 maximum eligible operating expenses for any State fiscal year
3 after 2003 (except State fiscal years ~~year~~ 2006 through 2009)
4 shall be the amount appropriated for that participant for the
5 State fiscal year in which it received its initial
6 appropriation, plus, in each year, a 10% increase over the
7 preceding year. For the initial State fiscal year in which a
8 participant received an appropriation, the maximum eligible
9 operating expenses for any such participant shall be the amount
10 of projected operating expenses upon which the appropriation
11 for that participant for that State fiscal year is based.

12 With respect to the District serving primarily the counties
13 of Monroe and St. Clair, beginning July 1, 2005, the St. Clair
14 County Transit District shall no longer be included for new
15 appropriation funding purposes as part of the Metro-East Public
16 Transportation Fund and instead shall be included for new
17 appropriation funding purposes as part of the Downstate Public
18 Transportation Fund; provided, however, that nothing herein
19 shall alter the eligibility of that District for previously
20 appropriated funds to which it would otherwise be entitled.

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

1 County; Piatt County; Shelby County; Tazewell and Woodford
2 Counties; Vermillion County; Williamson County; and Kendall
3 County.

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

5 (30 ILCS 740/2-3) (from Ch. 111 2/3, par. 663)

6 Sec. 2-3. (a) As soon as possible after the first day of
7 each month, beginning July 1, 1984, upon certification of the
8 Department of Revenue, the Comptroller shall order
9 transferred, and the Treasurer shall transfer, from the General
10 Revenue Fund to a special fund in the State Treasury which is
11 hereby created, to be known as the "Downstate Public
12 Transportation Fund", an amount equal to 2/32 (beginning July
13 1, 2005, 3/32) of the net revenue realized from the "Retailers'
14 Occupation Tax Act", as now or hereafter amended, the "Service
15 Occupation Tax Act", as now or hereafter amended, the "Use Tax
16 Act", as now or hereafter amended, and the "Service Use Tax
17 Act", as now or hereafter amended, from persons incurring
18 municipal or county retailers' or service occupation tax
19 liability for the benefit of any municipality or county located
20 wholly within the boundaries of each participant other than any
21 Metro-East Transit District participant certified pursuant to
22 subsection (c) of this Section during the preceding month,
23 except that the Department shall pay into the Downstate Public
24 Transportation Fund 2/32 (beginning July 1, 2005, 3/32) of 80%
25 of the net revenue realized under the State tax Acts named

1 above within any municipality or county located wholly within
2 the boundaries of each participant, other than any Metro-East
3 participant, for tax periods beginning on or after January 1,
4 1990; ~~provided, however, that beginning with fiscal year 1985,~~
5 ~~the transfers into the Downstate Public Transportation Fund~~
6 ~~during any fiscal year shall not exceed the annual~~
7 ~~appropriation from the Downstate Public Transportation Fund~~
8 ~~for that year. The Department of Transportation shall notify~~
9 ~~the Department of Revenue and the Comptroller at the beginning~~
10 ~~of each fiscal year of the amount of the annual appropriation~~
11 ~~from the Downstate Public Transportation Fund.~~ Net revenue
12 realized for a month shall be the revenue collected by the
13 State pursuant to such Acts during the previous month from
14 persons incurring municipal or county retailers' or service
15 occupation tax liability for the benefit of any municipality or
16 county located wholly within the boundaries of a participant,
17 less the amount paid out during that same month as refunds or
18 credit memoranda to taxpayers for overpayment of liability
19 under such Acts for the benefit of any municipality or county
20 located wholly within the boundaries of a participant.

21 (b) As soon as possible after the first day of each month,
22 beginning July 1, 1989, upon certification of the Department of
23 Revenue, the Comptroller shall order transferred, and the
24 Treasurer shall transfer, from the General Revenue Fund to a
25 special fund in the State Treasury which is hereby created, to
26 be known as the "Metro-East Public Transportation Fund", an

1 amount equal to $\frac{2}{32}$ of the net revenue realized, as above,
2 from within the boundaries of Madison, Monroe, and St. Clair
3 Counties, except that the Department shall pay into the
4 Metro-East Public Transportation Fund $\frac{2}{32}$ of 80% of the net
5 revenue realized under the State tax Acts specified in
6 subsection (a) of this Section within the boundaries of
7 Madison, Monroe and St. Clair Counties for tax periods
8 beginning on or after January 1, 1990. A local match equivalent
9 to an amount which could be raised by a tax levy at the rate of
10 .05% on the assessed value of property within the boundaries of
11 Madison County is required annually to cause a total of $\frac{2}{32}$ of
12 the net revenue to be deposited in the Metro-East Public
13 Transportation Fund. Failure to raise the required local match
14 annually shall result in only $\frac{1}{32}$ being deposited into the
15 Metro-East Public Transportation Fund after July 1, 1989, or
16 $\frac{1}{32}$ of 80% of the net revenue realized for tax periods
17 beginning on or after January 1, 1990.

18 (b-5) As soon as possible after the first day of each
19 month, beginning July 1, 2005, upon certification of the
20 Department of Revenue, the Comptroller shall order
21 transferred, and the Treasurer shall transfer, from the General
22 Revenue Fund to the Downstate Public Transportation Fund, an
23 amount equal to $\frac{3}{32}$ of 80% of the net revenue realized from
24 within the boundaries of Monroe and St. Clair Counties under
25 the State Tax Acts specified in subsection (a) of this Section
26 and provided further that, beginning July 1, 2005, the

1 provisions of subsection (b) shall no longer apply with respect
2 to such tax receipts from Monroe and St. Clair Counties.

3 (b-6) As soon as possible after the first day of each
4 month, beginning in fiscal year 2009, upon certification of the
5 Department of Revenue, the Comptroller shall order
6 transferred, and the Treasurer shall transfer, from the General
7 Revenue Fund to the Metro-East Public Transportation Fund, an
8 amount equal to 3/32 of 80% of the net revenue realized from
9 within the boundaries of Madison County under the State Tax
10 Acts specified in subsection (a) of this Section.

11 (c) The Department shall certify to the Department of
12 Revenue the eligible participants under this Article and the
13 territorial boundaries of such participants for the purposes of
14 the Department of Revenue in subsections (a) and (b) of this
15 Section.

16 (d) For the purposes of this Article the Department shall
17 include in its annual request for appropriation of ordinary and
18 contingent expenses an amount equal to the sum total funds
19 projected to be paid to the participants pursuant to Section
20 2-7.

21 ~~(e) In addition to any other permitted use of moneys in the~~
22 ~~Fund, and notwithstanding any restriction on the use of the~~
23 ~~Fund, moneys in the Downstate Public Transportation Fund may be~~
24 ~~transferred to the General Revenue Fund as authorized by Public~~
25 ~~Act 87-14. The General Assembly finds that an excess of moneys~~
26 ~~existed in the Fund on July 30, 1991, and the Governor's order~~

1 ~~of July 30, 1991, and the Governor's order of July 30, 1991,~~
2 ~~requesting the Comptroller and Treasurer to transfer an amount~~
3 ~~from the Fund to the General Revenue Fund is hereby validated.~~

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

5 (30 ILCS 740/2-7) (from Ch. 111 2/3, par. 667)

6 Sec. 2-7. Quarterly reports; annual audit.

7 (a) Any Metro-East Transit District participant shall, no
8 later than 60 days following the end of each quarter of any
9 fiscal year, file with the Department on forms provided by the
10 Department for that purpose, a report of the actual operating
11 deficit experienced during that quarter. The Department shall,
12 upon receipt of the quarterly report, determine whether the
13 operating deficits were incurred in conformity with the program
14 of proposed expenditures approved by the Department pursuant to
15 Section 2-11. Any Metro-East District may either monthly or
16 quarterly for any fiscal year file a request for the
17 participant's eligible share, as allocated in accordance with
18 Section 2-6, of the amounts transferred into the Metro-East
19 Public Transportation Fund.

20 (b) Each participant other than any Metro-East Transit
21 District participant shall, 30 days before the end of each
22 quarter, file with the Department on forms provided by the
23 Department for such purposes a report of the projected eligible
24 operating expenses to be incurred in the next quarter and 30
25 days before the third and fourth quarters of any fiscal year a

1 statement of actual eligible operating expenses incurred in the
2 preceding quarters. Except as otherwise provided in subsection
3 (b-5), within 45 days of receipt by the Department of such
4 quarterly report, the Comptroller shall order paid and the
5 Treasurer shall pay from the Downstate Public Transportation
6 Fund to each participant an amount equal to one-third of such
7 participant's eligible operating expenses; provided, however,
8 that in Fiscal Year 1997, the amount paid to each participant
9 from the Downstate Public Transportation Fund shall be an
10 amount equal to 47% of such participant's eligible operating
11 expenses and shall be increased to 49% in Fiscal Year 1998, 51%
12 in Fiscal Year 1999, 53% in Fiscal Year 2000, ~~and~~ 55% in Fiscal
13 Years Year 2001 through 2007, 65% in Fiscal Year 2008, and 70%
14 in Fiscal Year 2009 and thereafter; however, in any year that a
15 participant receives funding under subsection (i) of Section
16 2705-305 of the Department of Transportation Law (20 ILCS
17 2705/2705-305), that participant shall be eligible only for
18 assistance equal to the following percentage of its eligible
19 operating expenses: 42% in Fiscal Year 1997, 44% in Fiscal Year
20 1998, 46% in Fiscal Year 1999, 48% in Fiscal Year 2000, and 50%
21 in Fiscal Year 2001 and thereafter. Any such payment for the
22 third and fourth quarters of any fiscal year shall be adjusted
23 to reflect actual eligible operating expenses for preceding
24 quarters of such fiscal year. However, no participant shall
25 receive an amount less than that which was received in the
26 immediate prior year, provided in the event of a shortfall in

1 the fund those participants receiving less than their full
2 allocation pursuant to Section 2-6 of this Article shall be the
3 first participants to receive an amount not less than that
4 received in the immediate prior year.

5 (b-5) (Blank.) ~~With respect to the District serving~~
6 ~~primarily the counties of Monroe and St. Clair, beginning July~~
7 ~~1, 2005 and each fiscal year thereafter, the District may, as~~
8 ~~an alternative to the provisions of subsection (b) of Section~~
9 ~~2-7, file a request with the Department for a monthly payment~~
10 ~~of 1/12 of the amount appropriated to the District for that~~
11 ~~fiscal year; except that, for the final month of the fiscal~~
12 ~~year, the District's request shall be in an amount such that~~
13 ~~the total payments made to the District in that fiscal year do~~
14 ~~not exceed the lesser of (i) 55% of the District's eligible~~
15 ~~operating expenses for that fiscal year or (ii) the total~~
16 ~~amount appropriated to the District for that fiscal year.~~

17 (b-10) On July 1, 2009, each participant shall receive an
18 appropriation in an amount equal to 70% of its fiscal year 2008
19 eligible operating expenses adjusted by the annual 10% increase
20 required by Section 2-2.04 of this Act. In no case shall any
21 participant receive an appropriation that is less than its
22 fiscal year 2008 appropriation. Every fiscal year thereafter,
23 each participant's appropriation shall increase by 10% over the
24 appropriation established for the preceding fiscal year as
25 required by Section 2-2.04 of this Act.

26 (b-15) Beginning on July 1, 2007, and for each fiscal year

1 thereafter, each participant shall maintain a minimum local
2 share contribution (from farebox and all other local revenues)
3 equal to the actual amount provided in Fiscal Year 2006 or, for
4 new recipients, an amount equivalent to the local share
5 provided in the first year of participation.

6 (b-20) Any participant in the Downstate Public
7 Transportation Fund may use State operating assistance
8 pursuant to this Section to provide transportation services
9 within any county that is contiguous to its territorial
10 boundaries as defined by the Department and subject to
11 Departmental approval. Any such contiguous-area service
12 provided by a participant after July 1, 2007 must meet the
13 requirements of subsection (a) of Section 2-5.1.

14 (c) No later than 180 days following the last day of the
15 Fiscal Year each participant shall provide the Department with
16 an audit prepared by a Certified Public Accountant covering
17 that Fiscal Year. For those participants other than a
18 Metro-East Transit District, any discrepancy between the
19 grants paid and the percentage of the eligible operating
20 expenses provided for by paragraph (b) of this Section shall be
21 reconciled by appropriate payment or credit. In the case of any
22 Metro-East Transit District, any amount of payments from the
23 Metro-East Public Transportation Fund which exceed the
24 eligible deficit of the participant shall be reconciled by
25 appropriate payment or credit.

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

1 (30 ILCS 740/2-15) (from Ch. 111 2/3, par. 675.1)

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

1 (Source: P.A. 86-590.)

2 Section 20. The Use Tax Act is amended by changing Section
3 9 as follows:

4 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

5 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
6 and trailers that are required to be registered with an agency
7 of this State, each retailer required or authorized to collect
8 the tax imposed by this Act shall pay to the Department the
9 amount of such tax (except as otherwise provided) at the time
10 when he is required to file his return for the period during
11 which such tax was collected, less a discount of 2.1% prior to
12 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
13 per calendar year, whichever is greater, which is allowed to
14 reimburse the retailer for expenses incurred in collecting the
15 tax, keeping records, preparing and filing returns, remitting
16 the tax and supplying data to the Department on request. In the
17 case of retailers who report and pay the tax on a transaction
18 by transaction basis, as provided in this Section, such
19 discount shall be taken with each such tax remittance instead
20 of when such retailer files his periodic return. A retailer
21 need not remit that part of any tax collected by him to the
22 extent that he is required to remit and does remit the tax
23 imposed by the Retailers' Occupation Tax Act, with respect to
24 the sale of the same property.

1 Where such tangible personal property is sold under a
2 conditional sales contract, or under any other form of sale
3 wherein the payment of the principal sum, or a part thereof, is
4 extended beyond the close of the period for which the return is
5 filed, the retailer, in collecting the tax (except as to motor
6 vehicles, watercraft, aircraft, and trailers that are required
7 to be registered with an agency of this State), may collect for
8 each tax return period, only the tax applicable to that part of
9 the selling price actually received during such tax return
10 period.

11 Except as provided in this Section, on or before the
12 twentieth day of each calendar month, such retailer shall file
13 a return for the preceding calendar month. Such return shall be
14 filed on forms prescribed by the Department and shall furnish
15 such information as the Department may reasonably require.

16 The Department may require returns to be filed on a
17 quarterly basis. If so required, a return for each calendar
18 quarter shall be filed on or before the twentieth day of the
19 calendar month following the end of such calendar quarter. The
20 taxpayer shall also file a return with the Department for each
21 of the first two months of each calendar quarter, on or before
22 the twentieth day of the following calendar month, stating:

23 1. The name of the seller;

24 2. The address of the principal place of business from
25 which he engages in the business of selling tangible
26 personal property at retail in this State;

1 3. The total amount of taxable receipts received by him
2 during the preceding calendar month from sales of tangible
3 personal property by him during such preceding calendar
4 month, including receipts from charge and time sales, but
5 less all deductions allowed by law;

6 4. The amount of credit provided in Section 2d of this
7 Act;

8 5. The amount of tax due;

9 5-5. The signature of the taxpayer; and

10 6. Such other reasonable information as the Department
11 may require.

12 If a taxpayer fails to sign a return within 30 days after
13 the proper notice and demand for signature by the Department,
14 the return shall be considered valid and any amount shown to be
15 due on the return shall be deemed assessed.

16 Beginning October 1, 1993, a taxpayer who has an average
17 monthly tax liability of \$150,000 or more shall make all
18 payments required by rules of the Department by electronic
19 funds transfer. Beginning October 1, 1994, a taxpayer who has
20 an average monthly tax liability of \$100,000 or more shall make
21 all payments required by rules of the Department by electronic
22 funds transfer. Beginning October 1, 1995, a taxpayer who has
23 an average monthly tax liability of \$50,000 or more shall make
24 all payments required by rules of the Department by electronic
25 funds transfer. Beginning October 1, 2000, a taxpayer who has
26 an annual tax liability of \$200,000 or more shall make all

1 payments required by rules of the Department by electronic
2 funds transfer. The term "annual tax liability" shall be the
3 sum of the taxpayer's liabilities under this Act, and under all
4 other State and local occupation and use tax laws administered
5 by the Department, for the immediately preceding calendar year.
6 The term "average monthly tax liability" means the sum of the
7 taxpayer's liabilities under this Act, and under all other
8 State and local occupation and use tax laws administered by the
9 Department, for the immediately preceding calendar year
10 divided by 12. Beginning on October 1, 2002, a taxpayer who has
11 a tax liability in the amount set forth in subsection (b) of
12 Section 2505-210 of the Department of Revenue Law shall make
13 all payments required by rules of the Department by electronic
14 funds transfer.

15 Before August 1 of each year beginning in 1993, the
16 Department shall notify all taxpayers required to make payments
17 by electronic funds transfer. All taxpayers required to make
18 payments by electronic funds transfer shall make those payments
19 for a minimum of one year beginning on October 1.

20 Any taxpayer not required to make payments by electronic
21 funds transfer may make payments by electronic funds transfer
22 with the permission of the Department.

23 All taxpayers required to make payment by electronic funds
24 transfer and any taxpayers authorized to voluntarily make
25 payments by electronic funds transfer shall make those payments
26 in the manner authorized by the Department.

1 The Department shall adopt such rules as are necessary to
2 effectuate a program of electronic funds transfer and the
3 requirements of this Section.

4 Before October 1, 2000, if the taxpayer's average monthly
5 tax liability to the Department under this Act, the Retailers'
6 Occupation Tax Act, the Service Occupation Tax Act, the Service
7 Use Tax Act was \$10,000 or more during the preceding 4 complete
8 calendar quarters, he shall file a return with the Department
9 each month by the 20th day of the month next following the
10 month during which such tax liability is incurred and shall
11 make payments to the Department on or before the 7th, 15th,
12 22nd and last day of the month during which such liability is
13 incurred. On and after October 1, 2000, if the taxpayer's
14 average monthly tax liability to the Department under this Act,
15 the Retailers' Occupation Tax Act, the Service Occupation Tax
16 Act, and the Service Use Tax Act was \$20,000 or more during the
17 preceding 4 complete calendar quarters, he shall file a return
18 with the Department each month by the 20th day of the month
19 next following the month during which such tax liability is
20 incurred and shall make payment to the Department on or before
21 the 7th, 15th, 22nd and last day of the month during which such
22 liability is incurred. If the month during which such tax
23 liability is incurred began prior to January 1, 1985, each
24 payment shall be in an amount equal to 1/4 of the taxpayer's
25 actual liability for the month or an amount set by the
26 Department not to exceed 1/4 of the average monthly liability

1 of the taxpayer to the Department for the preceding 4 complete
2 calendar quarters (excluding the month of highest liability and
3 the month of lowest liability in such 4 quarter period). If the
4 month during which such tax liability is incurred begins on or
5 after January 1, 1985, and prior to January 1, 1987, each
6 payment shall be in an amount equal to 22.5% of the taxpayer's
7 actual liability for the month or 27.5% of the taxpayer's
8 liability for the same calendar month of the preceding year. If
9 the month during which such tax liability is incurred begins on
10 or after January 1, 1987, and prior to January 1, 1988, each
11 payment shall be in an amount equal to 22.5% of the taxpayer's
12 actual liability for the month or 26.25% of the taxpayer's
13 liability for the same calendar month of the preceding year. If
14 the month during which such tax liability is incurred begins on
15 or after January 1, 1988, and prior to January 1, 1989, or
16 begins on or after January 1, 1996, each payment shall be in an
17 amount equal to 22.5% of the taxpayer's actual liability for
18 the month or 25% of the taxpayer's liability for the same
19 calendar month of the preceding year. If the month during which
20 such tax liability is incurred begins on or after January 1,
21 1989, and prior to January 1, 1996, each payment shall be in an
22 amount equal to 22.5% of the taxpayer's actual liability for
23 the month or 25% of the taxpayer's liability for the same
24 calendar month of the preceding year or 100% of the taxpayer's
25 actual liability for the quarter monthly reporting period. The
26 amount of such quarter monthly payments shall be credited

1 against the final tax liability of the taxpayer's return for
2 that month. Before October 1, 2000, once applicable, the
3 requirement of the making of quarter monthly payments to the
4 Department shall continue until such taxpayer's average
5 monthly liability to the Department during the preceding 4
6 complete calendar quarters (excluding the month of highest
7 liability and the month of lowest liability) is less than
8 \$9,000, or until such taxpayer's average monthly liability to
9 the Department as computed for each calendar quarter of the 4
10 preceding complete calendar quarter period is less than
11 \$10,000. However, if a taxpayer can show the Department that a
12 substantial change in the taxpayer's business has occurred
13 which causes the taxpayer to anticipate that his average
14 monthly tax liability for the reasonably foreseeable future
15 will fall below the \$10,000 threshold stated above, then such
16 taxpayer may petition the Department for change in such
17 taxpayer's reporting status. On and after October 1, 2000, once
18 applicable, the requirement of the making of quarter monthly
19 payments to the Department shall continue until such taxpayer's
20 average monthly liability to the Department during the
21 preceding 4 complete calendar quarters (excluding the month of
22 highest liability and the month of lowest liability) is less
23 than \$19,000 or until such taxpayer's average monthly liability
24 to the Department as computed for each calendar quarter of the
25 4 preceding complete calendar quarter period is less than
26 \$20,000. However, if a taxpayer can show the Department that a

1 substantial change in the taxpayer's business has occurred
2 which causes the taxpayer to anticipate that his average
3 monthly tax liability for the reasonably foreseeable future
4 will fall below the \$20,000 threshold stated above, then such
5 taxpayer may petition the Department for a change in such
6 taxpayer's reporting status. The Department shall change such
7 taxpayer's reporting status unless it finds that such change is
8 seasonal in nature and not likely to be long term. If any such
9 quarter monthly payment is not paid at the time or in the
10 amount required by this Section, then the taxpayer shall be
11 liable for penalties and interest on the difference between the
12 minimum amount due and the amount of such quarter monthly
13 payment actually and timely paid, except insofar as the
14 taxpayer has previously made payments for that month to the
15 Department in excess of the minimum payments previously due as
16 provided in this Section. The Department shall make reasonable
17 rules and regulations to govern the quarter monthly payment
18 amount and quarter monthly payment dates for taxpayers who file
19 on other than a calendar monthly basis.

20 If any such payment provided for in this Section exceeds
21 the taxpayer's liabilities under this Act, the Retailers'
22 Occupation Tax Act, the Service Occupation Tax Act and the
23 Service Use Tax Act, as shown by an original monthly return,
24 the Department shall issue to the taxpayer a credit memorandum
25 no later than 30 days after the date of payment, which
26 memorandum may be submitted by the taxpayer to the Department

1 in payment of tax liability subsequently to be remitted by the
2 taxpayer to the Department or be assigned by the taxpayer to a
3 similar taxpayer under this Act, the Retailers' Occupation Tax
4 Act, the Service Occupation Tax Act or the Service Use Tax Act,
5 in accordance with reasonable rules and regulations to be
6 prescribed by the Department, except that if such excess
7 payment is shown on an original monthly return and is made
8 after December 31, 1986, no credit memorandum shall be issued,
9 unless requested by the taxpayer. If no such request is made,
10 the taxpayer may credit such excess payment against tax
11 liability subsequently to be remitted by the taxpayer to the
12 Department under this Act, the Retailers' Occupation Tax Act,
13 the Service Occupation Tax Act or the Service Use Tax Act, in
14 accordance with reasonable rules and regulations prescribed by
15 the Department. If the Department subsequently determines that
16 all or any part of the credit taken was not actually due to the
17 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
18 be reduced by 2.1% or 1.75% of the difference between the
19 credit taken and that actually due, and the taxpayer shall be
20 liable for penalties and interest on such difference.

21 If the retailer is otherwise required to file a monthly
22 return and if the retailer's average monthly tax liability to
23 the Department does not exceed \$200, the Department may
24 authorize his returns to be filed on a quarter annual basis,
25 with the return for January, February, and March of a given
26 year being due by April 20 of such year; with the return for

1 April, May and June of a given year being due by July 20 of such
2 year; with the return for July, August and September of a given
3 year being due by October 20 of such year, and with the return
4 for October, November and December of a given year being due by
5 January 20 of the following year.

6 If the retailer is otherwise required to file a monthly or
7 quarterly return and if the retailer's average monthly tax
8 liability to the Department does not exceed \$50, the Department
9 may authorize his returns to be filed on an annual basis, with
10 the return for a given year being due by January 20 of the
11 following year.

12 Such quarter annual and annual returns, as to form and
13 substance, shall be subject to the same requirements as monthly
14 returns.

15 Notwithstanding any other provision in this Act concerning
16 the time within which a retailer may file his return, in the
17 case of any retailer who ceases to engage in a kind of business
18 which makes him responsible for filing returns under this Act,
19 such retailer shall file a final return under this Act with the
20 Department not more than one month after discontinuing such
21 business.

22 In addition, with respect to motor vehicles, watercraft,
23 aircraft, and trailers that are required to be registered with
24 an agency of this State, every retailer selling this kind of
25 tangible personal property shall file, with the Department,
26 upon a form to be prescribed and supplied by the Department, a

1 separate return for each such item of tangible personal
2 property which the retailer sells, except that if, in the same
3 transaction, (i) a retailer of aircraft, watercraft, motor
4 vehicles or trailers transfers more than one aircraft,
5 watercraft, motor vehicle or trailer to another aircraft,
6 watercraft, motor vehicle or trailer retailer for the purpose
7 of resale or (ii) a retailer of aircraft, watercraft, motor
8 vehicles, or trailers transfers more than one aircraft,
9 watercraft, motor vehicle, or trailer to a purchaser for use as
10 a qualifying rolling stock as provided in Section 3-55 of this
11 Act, then that seller may report the transfer of all the
12 aircraft, watercraft, motor vehicles or trailers involved in
13 that transaction to the Department on the same uniform
14 invoice-transaction reporting return form. For purposes of
15 this Section, "watercraft" means a Class 2, Class 3, or Class 4
16 watercraft as defined in Section 3-2 of the Boat Registration
17 and Safety Act, a personal watercraft, or any boat equipped
18 with an inboard motor.

19 The transaction reporting return in the case of motor
20 vehicles or trailers that are required to be registered with an
21 agency of this State, shall be the same document as the Uniform
22 Invoice referred to in Section 5-402 of the Illinois Vehicle
23 Code and must show the name and address of the seller; the name
24 and address of the purchaser; the amount of the selling price
25 including the amount allowed by the retailer for traded-in
26 property, if any; the amount allowed by the retailer for the

1 traded-in tangible personal property, if any, to the extent to
2 which Section 2 of this Act allows an exemption for the value
3 of traded-in property; the balance payable after deducting such
4 trade-in allowance from the total selling price; the amount of
5 tax due from the retailer with respect to such transaction; the
6 amount of tax collected from the purchaser by the retailer on
7 such transaction (or satisfactory evidence that such tax is not
8 due in that particular instance, if that is claimed to be the
9 fact); the place and date of the sale; a sufficient
10 identification of the property sold; such other information as
11 is required in Section 5-402 of the Illinois Vehicle Code, and
12 such other information as the Department may reasonably
13 require.

14 The transaction reporting return in the case of watercraft
15 and aircraft must show the name and address of the seller; the
16 name and address of the purchaser; the amount of the selling
17 price including the amount allowed by the retailer for
18 traded-in property, if any; the amount allowed by the retailer
19 for the traded-in tangible personal property, if any, to the
20 extent to which Section 2 of this Act allows an exemption for
21 the value of traded-in property; the balance payable after
22 deducting such trade-in allowance from the total selling price;
23 the amount of tax due from the retailer with respect to such
24 transaction; the amount of tax collected from the purchaser by
25 the retailer on such transaction (or satisfactory evidence that
26 such tax is not due in that particular instance, if that is

1 claimed to be the fact); the place and date of the sale, a
2 sufficient identification of the property sold, and such other
3 information as the Department may reasonably require.

4 Such transaction reporting return shall be filed not later
5 than 20 days after the date of delivery of the item that is
6 being sold, but may be filed by the retailer at any time sooner
7 than that if he chooses to do so. The transaction reporting
8 return and tax remittance or proof of exemption from the tax
9 that is imposed by this Act may be transmitted to the
10 Department by way of the State agency with which, or State
11 officer with whom, the tangible personal property must be
12 titled or registered (if titling or registration is required)
13 if the Department and such agency or State officer determine
14 that this procedure will expedite the processing of
15 applications for title or registration.

16 With each such transaction reporting return, the retailer
17 shall remit the proper amount of tax due (or shall submit
18 satisfactory evidence that the sale is not taxable if that is
19 the case), to the Department or its agents, whereupon the
20 Department shall issue, in the purchaser's name, a tax receipt
21 (or a certificate of exemption if the Department is satisfied
22 that the particular sale is tax exempt) which such purchaser
23 may submit to the agency with which, or State officer with
24 whom, he must title or register the tangible personal property
25 that is involved (if titling or registration is required) in
26 support of such purchaser's application for an Illinois

1 certificate or other evidence of title or registration to such
2 tangible personal property.

3 No retailer's failure or refusal to remit tax under this
4 Act precludes a user, who has paid the proper tax to the
5 retailer, from obtaining his certificate of title or other
6 evidence of title or registration (if titling or registration
7 is required) upon satisfying the Department that such user has
8 paid the proper tax (if tax is due) to the retailer. The
9 Department shall adopt appropriate rules to carry out the
10 mandate of this paragraph.

11 If the user who would otherwise pay tax to the retailer
12 wants the transaction reporting return filed and the payment of
13 tax or proof of exemption made to the Department before the
14 retailer is willing to take these actions and such user has not
15 paid the tax to the retailer, such user may certify to the fact
16 of such delay by the retailer, and may (upon the Department
17 being satisfied of the truth of such certification) transmit
18 the information required by the transaction reporting return
19 and the remittance for tax or proof of exemption directly to
20 the Department and obtain his tax receipt or exemption
21 determination, in which event the transaction reporting return
22 and tax remittance (if a tax payment was required) shall be
23 credited by the Department to the proper retailer's account
24 with the Department, but without the 2.1% or 1.75% discount
25 provided for in this Section being allowed. When the user pays
26 the tax directly to the Department, he shall pay the tax in the

1 same amount and in the same form in which it would be remitted
2 if the tax had been remitted to the Department by the retailer.

3 Where a retailer collects the tax with respect to the
4 selling price of tangible personal property which he sells and
5 the purchaser thereafter returns such tangible personal
6 property and the retailer refunds the selling price thereof to
7 the purchaser, such retailer shall also refund, to the
8 purchaser, the tax so collected from the purchaser. When filing
9 his return for the period in which he refunds such tax to the
10 purchaser, the retailer may deduct the amount of the tax so
11 refunded by him to the purchaser from any other use tax which
12 such retailer may be required to pay or remit to the
13 Department, as shown by such return, if the amount of the tax
14 to be deducted was previously remitted to the Department by
15 such retailer. If the retailer has not previously remitted the
16 amount of such tax to the Department, he is entitled to no
17 deduction under this Act upon refunding such tax to the
18 purchaser.

19 Any retailer filing a return under this Section shall also
20 include (for the purpose of paying tax thereon) the total tax
21 covered by such return upon the selling price of tangible
22 personal property purchased by him at retail from a retailer,
23 but as to which the tax imposed by this Act was not collected
24 from the retailer filing such return, and such retailer shall
25 remit the amount of such tax to the Department when filing such
26 return.

1 If experience indicates such action to be practicable, the
2 Department may prescribe and furnish a combination or joint
3 return which will enable retailers, who are required to file
4 returns hereunder and also under the Retailers' Occupation Tax
5 Act, to furnish all the return information required by both
6 Acts on the one form.

7 Where the retailer has more than one business registered
8 with the Department under separate registration under this Act,
9 such retailer may not file each return that is due as a single
10 return covering all such registered businesses, but shall file
11 separate returns for each such registered business.

12 Beginning January 1, 1990, each month the Department shall
13 pay into the State and Local Sales Tax Reform Fund, a special
14 fund in the State Treasury which is hereby created, the net
15 revenue realized for the preceding month from the 1% tax on
16 sales of food for human consumption which is to be consumed off
17 the premises where it is sold (other than alcoholic beverages,
18 soft drinks and food which has been prepared for immediate
19 consumption) and prescription and nonprescription medicines,
20 drugs, medical appliances and insulin, urine testing
21 materials, syringes and needles used by diabetics.

22 Beginning January 1, 1990, each month the Department shall
23 pay into the County and Mass Transit District Fund 4% of the
24 net revenue realized for the preceding month from the 6.25%
25 general rate on the selling price of tangible personal property
26 which is purchased outside Illinois at retail from a retailer

1 and which is titled or registered by an agency of this State's
2 government.

3 Beginning January 1, 1990, each month the Department shall
4 pay into the State and Local Sales Tax Reform Fund, a special
5 fund in the State Treasury, 20% of the net revenue realized for
6 the preceding month from the 6.25% general rate on the selling
7 price of tangible personal property, other than tangible
8 personal property which is purchased outside Illinois at retail
9 from a retailer and which is titled or registered by an agency
10 of this State's government.

11 Beginning August 1, 2000, each month the Department shall
12 pay into the State and Local Sales Tax Reform Fund 100% of the
13 net revenue realized for the preceding month from the 1.25%
14 rate on the selling price of motor fuel and gasohol.

15 Beginning January 1, 1990, each month the Department shall
16 pay into the Local Government Tax Fund 16% of the net revenue
17 realized for the preceding month from the 6.25% general rate on
18 the selling price of tangible personal property which is
19 purchased outside Illinois at retail from a retailer and which
20 is titled or registered by an agency of this State's
21 government.

22 Beginning on the effective date of this amendatory Act of
23 the 95th General Assembly, each month, the Department shall
24 deposit the net revenue realized for the preceding month from
25 the counties of Cook, DuPage, Will, Kane, Lake, and McHenry
26 from the 6.25% rate on the selling price of motor fuel and

1 gasohol as follows:

2 (1) to be paid into the Regional Transportation Support
3 Fund: for each of the first 12 months, 80% of the net
4 revenue; and, for each month thereafter, 80% of the net
5 revenue, but not more than 105% of 1/12th of the amounts
6 paid under this item (1) during the preceding 12-month
7 period; and

8 (2) the balance must be paid into the State and Local
9 Sales Tax Reform Fund.

10 Of the remainder of the moneys received by the Department
11 pursuant to this Act, (a) 1.75% thereof shall be paid into the
12 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
13 and after July 1, 1989, 3.8% thereof shall be paid into the
14 Build Illinois Fund; provided, however, that if in any fiscal
15 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
16 may be, of the moneys received by the Department and required
17 to be paid into the Build Illinois Fund pursuant to Section 3
18 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
19 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
20 Service Occupation Tax Act, such Acts being hereinafter called
21 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
22 may be, of moneys being hereinafter called the "Tax Act
23 Amount", and (2) the amount transferred to the Build Illinois
24 Fund from the State and Local Sales Tax Reform Fund shall be
25 less than the Annual Specified Amount (as defined in Section 3
26 of the Retailers' Occupation Tax Act), an amount equal to the

1 difference shall be immediately paid into the Build Illinois
2 Fund from other moneys received by the Department pursuant to
3 the Tax Acts; and further provided, that if on the last
4 business day of any month the sum of (1) the Tax Act Amount
5 required to be deposited into the Build Illinois Bond Account
6 in the Build Illinois Fund during such month and (2) the amount
7 transferred during such month to the Build Illinois Fund from
8 the State and Local Sales Tax Reform Fund shall have been less
9 than 1/12 of the Annual Specified Amount, an amount equal to
10 the difference shall be immediately paid into the Build
11 Illinois Fund from other moneys received by the Department
12 pursuant to the Tax Acts; and, further provided, that in no
13 event shall the payments required under the preceding proviso
14 result in aggregate payments into the Build Illinois Fund
15 pursuant to this clause (b) for any fiscal year in excess of
16 the greater of (i) the Tax Act Amount or (ii) the Annual
17 Specified Amount for such fiscal year; and, further provided,
18 that the amounts payable into the Build Illinois Fund under
19 this clause (b) shall be payable only until such time as the
20 aggregate amount on deposit under each trust indenture securing
21 Bonds issued and outstanding pursuant to the Build Illinois
22 Bond Act is sufficient, taking into account any future
23 investment income, to fully provide, in accordance with such
24 indenture, for the defeasance of or the payment of the
25 principal of, premium, if any, and interest on the Bonds
26 secured by such indenture and on any Bonds expected to be

1 issued thereafter and all fees and costs payable with respect
2 thereto, all as certified by the Director of the Bureau of the
3 Budget (now Governor's Office of Management and Budget). If on
4 the last business day of any month in which Bonds are
5 outstanding pursuant to the Build Illinois Bond Act, the
6 aggregate of the moneys deposited in the Build Illinois Bond
7 Account in the Build Illinois Fund in such month shall be less
8 than the amount required to be transferred in such month from
9 the Build Illinois Bond Account to the Build Illinois Bond
10 Retirement and Interest Fund pursuant to Section 13 of the
11 Build Illinois Bond Act, an amount equal to such deficiency
12 shall be immediately paid from other moneys received by the
13 Department pursuant to the Tax Acts to the Build Illinois Fund;
14 provided, however, that any amounts paid to the Build Illinois
15 Fund in any fiscal year pursuant to this sentence shall be
16 deemed to constitute payments pursuant to clause (b) of the
17 preceding sentence and shall reduce the amount otherwise
18 payable for such fiscal year pursuant to clause (b) of the
19 preceding sentence. The moneys received by the Department
20 pursuant to this Act and required to be deposited into the
21 Build Illinois Fund are subject to the pledge, claim and charge
22 set forth in Section 12 of the Build Illinois Bond Act.

23 Subject to payment of amounts into the Build Illinois Fund
24 as provided in the preceding paragraph or in any amendment
25 thereto hereafter enacted, the following specified monthly
26 installment of the amount requested in the certificate of the

1 Chairman of the Metropolitan Pier and Exposition Authority
 2 provided under Section 8.25f of the State Finance Act, but not
 3 in excess of the sums designated as "Total Deposit", shall be
 4 deposited in the aggregate from collections under Section 9 of
 5 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 6 9 of the Service Occupation Tax Act, and Section 3 of the
 7 Retailers' Occupation Tax Act into the McCormick Place
 8 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
9		
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	93,000,000
20	2003	99,000,000
21	2004	103,000,000
22	2005	108,000,000
23	2006	113,000,000
24	2007	119,000,000
25	2008	126,000,000

1	2009	132,000,000
2	2010	139,000,000
3	2011	146,000,000
4	2012	153,000,000
5	2013	161,000,000
6	2014	170,000,000
7	2015	179,000,000
8	2016	189,000,000
9	2017	199,000,000
10	2018	210,000,000
11	2019	221,000,000
12	2020	233,000,000
13	2021	246,000,000
14	2022	260,000,000
15	2023 and	275,000,000

16 each fiscal year
17 thereafter that bonds
18 are outstanding under
19 Section 13.2 of the
20 Metropolitan Pier and
21 Exposition Authority Act,
22 but not after fiscal year 2042.

23 Beginning July 20, 1993 and in each month of each fiscal
24 year thereafter, one-eighth of the amount requested in the
25 certificate of the Chairman of the Metropolitan Pier and
26 Exposition Authority for that fiscal year, less the amount

1 deposited into the McCormick Place Expansion Project Fund by
2 the State Treasurer in the respective month under subsection
3 (g) of Section 13 of the Metropolitan Pier and Exposition
4 Authority Act, plus cumulative deficiencies in the deposits
5 required under this Section for previous months and years,
6 shall be deposited into the McCormick Place Expansion Project
7 Fund, until the full amount requested for the fiscal year, but
8 not in excess of the amount specified above as "Total Deposit",
9 has been deposited.

10 Subject to payment of amounts into the Build Illinois Fund
11 and the McCormick Place Expansion Project Fund pursuant to the
12 preceding paragraphs or in any amendments thereto hereafter
13 enacted, beginning July 1, 1993, the Department shall each
14 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
15 the net revenue realized for the preceding month from the 6.25%
16 general rate on the selling price of tangible personal
17 property.

18 Subject to payment of amounts into the Build Illinois Fund
19 and the McCormick Place Expansion Project Fund pursuant to the
20 preceding paragraphs or in any amendments thereto hereafter
21 enacted, beginning with the receipt of the first report of
22 taxes paid by an eligible business and continuing for a 25-year
23 period, the Department shall each month pay into the Energy
24 Infrastructure Fund 80% of the net revenue realized from the
25 6.25% general rate on the selling price of Illinois-mined coal
26 that was sold to an eligible business. For purposes of this

1 paragraph, the term "eligible business" means a new electric
2 generating facility certified pursuant to Section 605-332 of
3 the Department of Commerce and Economic Opportunity Law of the
4 Civil Administrative Code of Illinois.

5 Of the remainder of the moneys received by the Department
6 pursuant to this Act, 75% thereof shall be paid into the State
7 Treasury and 25% shall be reserved in a special account and
8 used only for the transfer to the Common School Fund as part of
9 the monthly transfer from the General Revenue Fund in
10 accordance with Section 8a of the State Finance Act.

11 As soon as possible after the first day of each month, upon
12 certification of the Department of Revenue, the Comptroller
13 shall order transferred and the Treasurer shall transfer from
14 the General Revenue Fund to the Motor Fuel Tax Fund an amount
15 equal to 1.7% of 80% of the net revenue realized under this Act
16 for the second preceding month. Beginning April 1, 2000, this
17 transfer is no longer required and shall not be made.

18 Net revenue realized for a month shall be the revenue
19 collected by the State pursuant to this Act, less the amount
20 paid out during that month as refunds to taxpayers for
21 overpayment of liability.

22 For greater simplicity of administration, manufacturers,
23 importers and wholesalers whose products are sold at retail in
24 Illinois by numerous retailers, and who wish to do so, may
25 assume the responsibility for accounting and paying to the
26 Department all tax accruing under this Act with respect to such

1 sales, if the retailers who are affected do not make written
2 objection to the Department to this arrangement.

3 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06.)

4 Section 25. The Service Use Tax Act is amended by changing
5 Section 9 as follows:

6 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

7 Sec. 9. Each serviceman required or authorized to collect
8 the tax herein imposed shall pay to the Department the amount
9 of such tax (except as otherwise provided) at the time when he
10 is required to file his return for the period during which such
11 tax was collected, less a discount of 2.1% prior to January 1,
12 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
13 year, whichever is greater, which is allowed to reimburse the
14 serviceman for expenses incurred in collecting the tax, keeping
15 records, preparing and filing returns, remitting the tax and
16 supplying data to the Department on request. A serviceman need
17 not remit that part of any tax collected by him to the extent
18 that he is required to pay and does pay the tax imposed by the
19 Service Occupation Tax Act with respect to his sale of service
20 involving the incidental transfer by him of the same property.

21 Except as provided hereinafter in this Section, on or
22 before the twentieth day of each calendar month, such
23 serviceman shall file a return for the preceding calendar month
24 in accordance with reasonable Rules and Regulations to be

1 promulgated by the Department. Such return shall be filed on a
2 form prescribed by the Department and shall contain such
3 information as the Department may reasonably require.

4 The Department may require returns to be filed on a
5 quarterly basis. If so required, a return for each calendar
6 quarter shall be filed on or before the twentieth day of the
7 calendar month following the end of such calendar quarter. The
8 taxpayer shall also file a return with the Department for each
9 of the first two months of each calendar quarter, on or before
10 the twentieth day of the following calendar month, stating:

11 1. The name of the seller;

12 2. The address of the principal place of business from
13 which he engages in business as a serviceman in this State;

14 3. The total amount of taxable receipts received by him
15 during the preceding calendar month, including receipts
16 from charge and time sales, but less all deductions allowed
17 by law;

18 4. The amount of credit provided in Section 2d of this
19 Act;

20 5. The amount of tax due;

21 5-5. The signature of the taxpayer; and

22 6. Such other reasonable information as the Department
23 may require.

24 If a taxpayer fails to sign a return within 30 days after
25 the proper notice and demand for signature by the Department,
26 the return shall be considered valid and any amount shown to be

1 due on the return shall be deemed assessed.

2 Beginning October 1, 1993, a taxpayer who has an average
3 monthly tax liability of \$150,000 or more shall make all
4 payments required by rules of the Department by electronic
5 funds transfer. Beginning October 1, 1994, a taxpayer who has
6 an average monthly tax liability of \$100,000 or more shall make
7 all payments required by rules of the Department by electronic
8 funds transfer. Beginning October 1, 1995, a taxpayer who has
9 an average monthly tax liability of \$50,000 or more shall make
10 all payments required by rules of the Department by electronic
11 funds transfer. Beginning October 1, 2000, a taxpayer who has
12 an annual tax liability of \$200,000 or more shall make all
13 payments required by rules of the Department by electronic
14 funds transfer. The term "annual tax liability" shall be the
15 sum of the taxpayer's liabilities under this Act, and under all
16 other State and local occupation and use tax laws administered
17 by the Department, for the immediately preceding calendar year.
18 The term "average monthly tax liability" means the sum of the
19 taxpayer's liabilities under this Act, and under all other
20 State and local occupation and use tax laws administered by the
21 Department, for the immediately preceding calendar year
22 divided by 12. Beginning on October 1, 2002, a taxpayer who has
23 a tax liability in the amount set forth in subsection (b) of
24 Section 2505-210 of the Department of Revenue Law shall make
25 all payments required by rules of the Department by electronic
26 funds transfer.

1 Before August 1 of each year beginning in 1993, the
2 Department shall notify all taxpayers required to make payments
3 by electronic funds transfer. All taxpayers required to make
4 payments by electronic funds transfer shall make those payments
5 for a minimum of one year beginning on October 1.

6 Any taxpayer not required to make payments by electronic
7 funds transfer may make payments by electronic funds transfer
8 with the permission of the Department.

9 All taxpayers required to make payment by electronic funds
10 transfer and any taxpayers authorized to voluntarily make
11 payments by electronic funds transfer shall make those payments
12 in the manner authorized by the Department.

13 The Department shall adopt such rules as are necessary to
14 effectuate a program of electronic funds transfer and the
15 requirements of this Section.

16 If the serviceman is otherwise required to file a monthly
17 return and if the serviceman's average monthly tax liability to
18 the Department does not exceed \$200, the Department may
19 authorize his returns to be filed on a quarter annual basis,
20 with the return for January, February and March of a given year
21 being due by April 20 of such year; with the return for April,
22 May and June of a given year being due by July 20 of such year;
23 with the return for July, August and September of a given year
24 being due by October 20 of such year, and with the return for
25 October, November and December of a given year being due by
26 January 20 of the following year.

1 If the serviceman is otherwise required to file a monthly
2 or quarterly return and if the serviceman's average monthly tax
3 liability to the Department does not exceed \$50, the Department
4 may authorize his returns to be filed on an annual basis, with
5 the return for a given year being due by January 20 of the
6 following year.

7 Such quarter annual and annual returns, as to form and
8 substance, shall be subject to the same requirements as monthly
9 returns.

10 Notwithstanding any other provision in this Act concerning
11 the time within which a serviceman may file his return, in the
12 case of any serviceman who ceases to engage in a kind of
13 business which makes him responsible for filing returns under
14 this Act, such serviceman shall file a final return under this
15 Act with the Department not more than 1 month after
16 discontinuing such business.

17 Where a serviceman collects the tax with respect to the
18 selling price of property which he sells and the purchaser
19 thereafter returns such property and the serviceman refunds the
20 selling price thereof to the purchaser, such serviceman shall
21 also refund, to the purchaser, the tax so collected from the
22 purchaser. When filing his return for the period in which he
23 refunds such tax to the purchaser, the serviceman may deduct
24 the amount of the tax so refunded by him to the purchaser from
25 any other Service Use Tax, Service Occupation Tax, retailers'
26 occupation tax or use tax which such serviceman may be required

1 to pay or remit to the Department, as shown by such return,
2 provided that the amount of the tax to be deducted shall
3 previously have been remitted to the Department by such
4 serviceman. If the serviceman shall not previously have
5 remitted the amount of such tax to the Department, he shall be
6 entitled to no deduction hereunder upon refunding such tax to
7 the purchaser.

8 Any serviceman filing a return hereunder shall also include
9 the total tax upon the selling price of tangible personal
10 property purchased for use by him as an incident to a sale of
11 service, and such serviceman shall remit the amount of such tax
12 to the Department when filing such return.

13 If experience indicates such action to be practicable, the
14 Department may prescribe and furnish a combination or joint
15 return which will enable servicemen, who are required to file
16 returns hereunder and also under the Service Occupation Tax
17 Act, to furnish all the return information required by both
18 Acts on the one form.

19 Where the serviceman has more than one business registered
20 with the Department under separate registration hereunder,
21 such serviceman shall not file each return that is due as a
22 single return covering all such registered businesses, but
23 shall file separate returns for each such registered business.

24 Beginning January 1, 1990, each month the Department shall
25 pay into the State and Local Tax Reform Fund, a special fund in
26 the State Treasury, the net revenue realized for the preceding

1 month from the 1% tax on sales of food for human consumption
2 which is to be consumed off the premises where it is sold
3 (other than alcoholic beverages, soft drinks and food which has
4 been prepared for immediate consumption) and prescription and
5 nonprescription medicines, drugs, medical appliances and
6 insulin, urine testing materials, syringes and needles used by
7 diabetics.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the State and Local Sales Tax Reform Fund 20% of the
10 net revenue realized for the preceding month from the 6.25%
11 general rate on transfers of tangible personal property, other
12 than tangible personal property which is purchased outside
13 Illinois at retail from a retailer and which is titled or
14 registered by an agency of this State's government.

15 Beginning August 1, 2000, each month the Department shall
16 pay into the State and Local Sales Tax Reform Fund 100% of the
17 net revenue realized for the preceding month from the 1.25%
18 rate on the selling price of motor fuel and gasohol.

19 Beginning on the effective date of this amendatory Act of
20 the 95th General Assembly, each month, the Department shall
21 deposit the net revenue realized for the preceding month from
22 the counties of Cook, DuPage, Will, Kane, Lake, and McHenry
23 from the 6.25% rate on the selling price of motor fuel and
24 gasohol as follows:

25 (1) to be paid into the Regional Transportation Support
26 Fund: for each of the first 12 months, 80% of the net

1 revenue; and for each month thereafter, 80% of the net
2 revenue, but not more than 105% of 1/12th of the amounts
3 paid under this item (1) during the preceding 12-month
4 period; and

5 (2) the balance must be paid into the State and Local
6 Sales Tax Reform Fund.

7 Of the remainder of the moneys received by the Department
8 pursuant to this Act, (a) 1.75% thereof shall be paid into the
9 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
10 and after July 1, 1989, 3.8% thereof shall be paid into the
11 Build Illinois Fund; provided, however, that if in any fiscal
12 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
13 may be, of the moneys received by the Department and required
14 to be paid into the Build Illinois Fund pursuant to Section 3
15 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
16 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
17 Service Occupation Tax Act, such Acts being hereinafter called
18 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
19 may be, of moneys being hereinafter called the "Tax Act
20 Amount", and (2) the amount transferred to the Build Illinois
21 Fund from the State and Local Sales Tax Reform Fund shall be
22 less than the Annual Specified Amount (as defined in Section 3
23 of the Retailers' Occupation Tax Act), an amount equal to the
24 difference shall be immediately paid into the Build Illinois
25 Fund from other moneys received by the Department pursuant to
26 the Tax Acts; and further provided, that if on the last

1 business day of any month the sum of (1) the Tax Act Amount
2 required to be deposited into the Build Illinois Bond Account
3 in the Build Illinois Fund during such month and (2) the amount
4 transferred during such month to the Build Illinois Fund from
5 the State and Local Sales Tax Reform Fund shall have been less
6 than 1/12 of the Annual Specified Amount, an amount equal to
7 the difference shall be immediately paid into the Build
8 Illinois Fund from other moneys received by the Department
9 pursuant to the Tax Acts; and, further provided, that in no
10 event shall the payments required under the preceding proviso
11 result in aggregate payments into the Build Illinois Fund
12 pursuant to this clause (b) for any fiscal year in excess of
13 the greater of (i) the Tax Act Amount or (ii) the Annual
14 Specified Amount for such fiscal year; and, further provided,
15 that the amounts payable into the Build Illinois Fund under
16 this clause (b) shall be payable only until such time as the
17 aggregate amount on deposit under each trust indenture securing
18 Bonds issued and outstanding pursuant to the Build Illinois
19 Bond Act is sufficient, taking into account any future
20 investment income, to fully provide, in accordance with such
21 indenture, for the defeasance of or the payment of the
22 principal of, premium, if any, and interest on the Bonds
23 secured by such indenture and on any Bonds expected to be
24 issued thereafter and all fees and costs payable with respect
25 thereto, all as certified by the Director of the Bureau of the
26 Budget (now Governor's Office of Management and Budget). If on

1 the last business day of any month in which Bonds are
2 outstanding pursuant to the Build Illinois Bond Act, the
3 aggregate of the moneys deposited in the Build Illinois Bond
4 Account in the Build Illinois Fund in such month shall be less
5 than the amount required to be transferred in such month from
6 the Build Illinois Bond Account to the Build Illinois Bond
7 Retirement and Interest Fund pursuant to Section 13 of the
8 Build Illinois Bond Act, an amount equal to such deficiency
9 shall be immediately paid from other moneys received by the
10 Department pursuant to the Tax Acts to the Build Illinois Fund;
11 provided, however, that any amounts paid to the Build Illinois
12 Fund in any fiscal year pursuant to this sentence shall be
13 deemed to constitute payments pursuant to clause (b) of the
14 preceding sentence and shall reduce the amount otherwise
15 payable for such fiscal year pursuant to clause (b) of the
16 preceding sentence. The moneys received by the Department
17 pursuant to this Act and required to be deposited into the
18 Build Illinois Fund are subject to the pledge, claim and charge
19 set forth in Section 12 of the Build Illinois Bond Act.

20 Subject to payment of amounts into the Build Illinois Fund
21 as provided in the preceding paragraph or in any amendment
22 thereto hereafter enacted, the following specified monthly
23 installment of the amount requested in the certificate of the
24 Chairman of the Metropolitan Pier and Exposition Authority
25 provided under Section 8.25f of the State Finance Act, but not
26 in excess of the sums designated as "Total Deposit", shall be

1 deposited in the aggregate from collections under Section 9 of
 2 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 3 9 of the Service Occupation Tax Act, and Section 3 of the
 4 Retailers' Occupation Tax Act into the McCormick Place
 5 Expansion Project Fund in the specified fiscal years.

6	Fiscal Year	Total
		Deposit
7	1993	\$0
8	1994	53,000,000
9	1995	58,000,000
10	1996	61,000,000
11	1997	64,000,000
12	1998	68,000,000
13	1999	71,000,000
14	2000	75,000,000
15	2001	80,000,000
16	2002	93,000,000
17	2003	99,000,000
18	2004	103,000,000
19	2005	108,000,000
20	2006	113,000,000
21	2007	119,000,000
22	2008	126,000,000
23	2009	132,000,000
24	2010	139,000,000
25	2011	146,000,000

1	2012	153,000,000
2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	246,000,000
11	2022	260,000,000
12	2023 and	275,000,000

13 each fiscal year
14 thereafter that bonds
15 are outstanding under
16 Section 13.2 of the
17 Metropolitan Pier and
18 Exposition Authority Act,
19 but not after fiscal year 2042.

20 Beginning July 20, 1993 and in each month of each fiscal
21 year thereafter, one-eighth of the amount requested in the
22 certificate of the Chairman of the Metropolitan Pier and
23 Exposition Authority for that fiscal year, less the amount
24 deposited into the McCormick Place Expansion Project Fund by
25 the State Treasurer in the respective month under subsection
26 (g) of Section 13 of the Metropolitan Pier and Exposition

1 Authority Act, plus cumulative deficiencies in the deposits
2 required under this Section for previous months and years,
3 shall be deposited into the McCormick Place Expansion Project
4 Fund, until the full amount requested for the fiscal year, but
5 not in excess of the amount specified above as "Total Deposit",
6 has been deposited.

7 Subject to payment of amounts into the Build Illinois Fund
8 and the McCormick Place Expansion Project Fund pursuant to the
9 preceding paragraphs or in any amendments thereto hereafter
10 enacted, beginning July 1, 1993, the Department shall each
11 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
12 the net revenue realized for the preceding month from the 6.25%
13 general rate on the selling price of tangible personal
14 property.

15 Subject to payment of amounts into the Build Illinois Fund
16 and the McCormick Place Expansion Project Fund pursuant to the
17 preceding paragraphs or in any amendments thereto hereafter
18 enacted, beginning with the receipt of the first report of
19 taxes paid by an eligible business and continuing for a 25-year
20 period, the Department shall each month pay into the Energy
21 Infrastructure Fund 80% of the net revenue realized from the
22 6.25% general rate on the selling price of Illinois-mined coal
23 that was sold to an eligible business. For purposes of this
24 paragraph, the term "eligible business" means a new electric
25 generating facility certified pursuant to Section 605-332 of
26 the Department of Commerce and Economic Opportunity Law of the

1 Civil Administrative Code of Illinois.

2 All remaining moneys received by the Department pursuant to
3 this Act shall be paid into the General Revenue Fund of the
4 State Treasury.

5 As soon as possible after the first day of each month, upon
6 certification of the Department of Revenue, the Comptroller
7 shall order transferred and the Treasurer shall transfer from
8 the General Revenue Fund to the Motor Fuel Tax Fund an amount
9 equal to 1.7% of 80% of the net revenue realized under this Act
10 for the second preceding month. Beginning April 1, 2000, this
11 transfer is no longer required and shall not be made.

12 Net revenue realized for a month shall be the revenue
13 collected by the State pursuant to this Act, less the amount
14 paid out during that month as refunds to taxpayers for
15 overpayment of liability.

16 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06.)

17 Section 30. The Service Occupation Tax Act is amended by
18 changing Section 9 as follows:

19 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

20 Sec. 9. Each serviceman required or authorized to collect
21 the tax herein imposed shall pay to the Department the amount
22 of such tax at the time when he is required to file his return
23 for the period during which such tax was collectible, less a
24 discount of 2.1% prior to January 1, 1990, and 1.75% on and

1 after January 1, 1990, or \$5 per calendar year, whichever is
2 greater, which is allowed to reimburse the serviceman for
3 expenses incurred in collecting the tax, keeping records,
4 preparing and filing returns, remitting the tax and supplying
5 data to the Department on request.

6 Where such tangible personal property is sold under a
7 conditional sales contract, or under any other form of sale
8 wherein the payment of the principal sum, or a part thereof, is
9 extended beyond the close of the period for which the return is
10 filed, the serviceman, in collecting the tax may collect, for
11 each tax return period, only the tax applicable to the part of
12 the selling price actually received during such tax return
13 period.

14 Except as provided hereinafter in this Section, on or
15 before the twentieth day of each calendar month, such
16 serviceman shall file a return for the preceding calendar month
17 in accordance with reasonable rules and regulations to be
18 promulgated by the Department of Revenue. Such return shall be
19 filed on a form prescribed by the Department and shall contain
20 such information as the Department may reasonably require.

21 The Department may require returns to be filed on a
22 quarterly basis. If so required, a return for each calendar
23 quarter shall be filed on or before the twentieth day of the
24 calendar month following the end of such calendar quarter. The
25 taxpayer shall also file a return with the Department for each
26 of the first two months of each calendar quarter, on or before

1 the twentieth day of the following calendar month, stating:

2 1. The name of the seller;

3 2. The address of the principal place of business from
4 which he engages in business as a serviceman in this State;

5 3. The total amount of taxable receipts received by him
6 during the preceding calendar month, including receipts
7 from charge and time sales, but less all deductions allowed
8 by law;

9 4. The amount of credit provided in Section 2d of this
10 Act;

11 5. The amount of tax due;

12 5-5. The signature of the taxpayer; and

13 6. Such other reasonable information as the Department
14 may require.

15 If a taxpayer fails to sign a return within 30 days after
16 the proper notice and demand for signature by the Department,
17 the return shall be considered valid and any amount shown to be
18 due on the return shall be deemed assessed.

19 Prior to October 1, 2003, and on and after September 1,
20 2004 a serviceman may accept a Manufacturer's Purchase Credit
21 certification from a purchaser in satisfaction of Service Use
22 Tax as provided in Section 3-70 of the Service Use Tax Act if
23 the purchaser provides the appropriate documentation as
24 required by Section 3-70 of the Service Use Tax Act. A
25 Manufacturer's Purchase Credit certification, accepted prior
26 to October 1, 2003 or on or after September 1, 2004 by a

1 serviceman as provided in Section 3-70 of the Service Use Tax
2 Act, may be used by that serviceman to satisfy Service
3 Occupation Tax liability in the amount claimed in the
4 certification, not to exceed 6.25% of the receipts subject to
5 tax from a qualifying purchase. A Manufacturer's Purchase
6 Credit reported on any original or amended return filed under
7 this Act after October 20, 2003 for reporting periods prior to
8 September 1, 2004 shall be disallowed. Manufacturer's Purchase
9 Credit reported on annual returns due on or after January 1,
10 2005 will be disallowed for periods prior to September 1, 2004.
11 No Manufacturer's Purchase Credit may be used after September
12 30, 2003 through August 31, 2004 to satisfy any tax liability
13 imposed under this Act, including any audit liability.

14 If the serviceman's average monthly tax liability to the
15 Department does not exceed \$200, the Department may authorize
16 his returns to be filed on a quarter annual basis, with the
17 return for January, February and March of a given year being
18 due by April 20 of such year; with the return for April, May
19 and June of a given year being due by July 20 of such year; with
20 the return for July, August and September of a given year being
21 due by October 20 of such year, and with the return for
22 October, November and December of a given year being due by
23 January 20 of the following year.

24 If the serviceman's average monthly tax liability to the
25 Department does not exceed \$50, the Department may authorize
26 his returns to be filed on an annual basis, with the return for

1 a given year being due by January 20 of the following year.

2 Such quarter annual and annual returns, as to form and
3 substance, shall be subject to the same requirements as monthly
4 returns.

5 Notwithstanding any other provision in this Act concerning
6 the time within which a serviceman may file his return, in the
7 case of any serviceman who ceases to engage in a kind of
8 business which makes him responsible for filing returns under
9 this Act, such serviceman shall file a final return under this
10 Act with the Department not more than 1 month after
11 discontinuing such business.

12 Beginning October 1, 1993, a taxpayer who has an average
13 monthly tax liability of \$150,000 or more shall make all
14 payments required by rules of the Department by electronic
15 funds transfer. Beginning October 1, 1994, a taxpayer who has
16 an average monthly tax liability of \$100,000 or more shall make
17 all payments required by rules of the Department by electronic
18 funds transfer. Beginning October 1, 1995, a taxpayer who has
19 an average monthly tax liability of \$50,000 or more shall make
20 all payments required by rules of the Department by electronic
21 funds transfer. Beginning October 1, 2000, a taxpayer who has
22 an annual tax liability of \$200,000 or more shall make all
23 payments required by rules of the Department by electronic
24 funds transfer. The term "annual tax liability" shall be the
25 sum of the taxpayer's liabilities under this Act, and under all
26 other State and local occupation and use tax laws administered

1 by the Department, for the immediately preceding calendar year.
2 The term "average monthly tax liability" means the sum of the
3 taxpayer's liabilities under this Act, and under all other
4 State and local occupation and use tax laws administered by the
5 Department, for the immediately preceding calendar year
6 divided by 12. Beginning on October 1, 2002, a taxpayer who has
7 a tax liability in the amount set forth in subsection (b) of
8 Section 2505-210 of the Department of Revenue Law shall make
9 all payments required by rules of the Department by electronic
10 funds transfer.

11 Before August 1 of each year beginning in 1993, the
12 Department shall notify all taxpayers required to make payments
13 by electronic funds transfer. All taxpayers required to make
14 payments by electronic funds transfer shall make those payments
15 for a minimum of one year beginning on October 1.

16 Any taxpayer not required to make payments by electronic
17 funds transfer may make payments by electronic funds transfer
18 with the permission of the Department.

19 All taxpayers required to make payment by electronic funds
20 transfer and any taxpayers authorized to voluntarily make
21 payments by electronic funds transfer shall make those payments
22 in the manner authorized by the Department.

23 The Department shall adopt such rules as are necessary to
24 effectuate a program of electronic funds transfer and the
25 requirements of this Section.

26 Where a serviceman collects the tax with respect to the

1 selling price of tangible personal property which he sells and
2 the purchaser thereafter returns such tangible personal
3 property and the serviceman refunds the selling price thereof
4 to the purchaser, such serviceman shall also refund, to the
5 purchaser, the tax so collected from the purchaser. When filing
6 his return for the period in which he refunds such tax to the
7 purchaser, the serviceman may deduct the amount of the tax so
8 refunded by him to the purchaser from any other Service
9 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or
10 Use Tax which such serviceman may be required to pay or remit
11 to the Department, as shown by such return, provided that the
12 amount of the tax to be deducted shall previously have been
13 remitted to the Department by such serviceman. If the
14 serviceman shall not previously have remitted the amount of
15 such tax to the Department, he shall be entitled to no
16 deduction hereunder upon refunding such tax to the purchaser.

17 If experience indicates such action to be practicable, the
18 Department may prescribe and furnish a combination or joint
19 return which will enable servicemen, who are required to file
20 returns hereunder and also under the Retailers' Occupation Tax
21 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
22 the return information required by all said Acts on the one
23 form.

24 Where the serviceman has more than one business registered
25 with the Department under separate registrations hereunder,
26 such serviceman shall file separate returns for each registered

1 business.

2 Beginning January 1, 1990, each month the Department shall
3 pay into the Local Government Tax Fund the revenue realized for
4 the preceding month from the 1% tax on sales of food for human
5 consumption which is to be consumed off the premises where it
6 is sold (other than alcoholic beverages, soft drinks and food
7 which has been prepared for immediate consumption) and
8 prescription and nonprescription medicines, drugs, medical
9 appliances and insulin, urine testing materials, syringes and
10 needles used by diabetics.

11 Beginning January 1, 1990, each month the Department shall
12 pay into the County and Mass Transit District Fund 4% of the
13 revenue realized for the preceding month from the 6.25% general
14 rate.

15 Beginning August 1, 2000, each month the Department shall
16 pay into the County and Mass Transit District Fund 20% of the
17 net revenue realized for the preceding month from the 1.25%
18 rate on the selling price of motor fuel and gasohol.

19 Beginning January 1, 1990, each month the Department shall
20 pay into the Local Government Tax Fund 16% of the revenue
21 realized for the preceding month from the 6.25% general rate on
22 transfers of tangible personal property.

23 Beginning August 1, 2000, each month the Department shall
24 pay into the Local Government Tax Fund 80% of the net revenue
25 realized for the preceding month from the 1.25% rate on the
26 selling price of motor fuel and gasohol.

1 Beginning on the effective date of this amendatory Act of
2 the 95th General Assembly, each month, the Department shall
3 deposit the net revenue realized for the preceding month from
4 the counties of Cook, DuPage, Will, Kane, Lake, and McHenry
5 from the 6.25% rate on the selling price of motor fuel and
6 gasohol as follows:

7 (1) to be paid into the Regional Transportation Support
8 Fund: for each of the first 12 months, 80% of the net
9 revenue; and, for each month thereafter, 80% of the net
10 revenue, but not more than 105% of 1/12th of the amounts
11 paid under this item (1) during the preceding 12-month
12 period;

13 (2) 80% of the balance must be paid into the State and
14 Local Sales Tax Reform Fund; and

15 (3) 20% of the balance must be paid into the County and
16 Mass Transit District Fund.

17 Of the remainder of the moneys received by the Department
18 pursuant to this Act, (a) 1.75% thereof shall be paid into the
19 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
20 and after July 1, 1989, 3.8% thereof shall be paid into the
21 Build Illinois Fund; provided, however, that if in any fiscal
22 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
23 may be, of the moneys received by the Department and required
24 to be paid into the Build Illinois Fund pursuant to Section 3
25 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
26 Act, Section 9 of the Service Use Tax Act, and Section 9 of the

1 Service Occupation Tax Act, such Acts being hereinafter called
2 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
3 may be, of moneys being hereinafter called the "Tax Act
4 Amount", and (2) the amount transferred to the Build Illinois
5 Fund from the State and Local Sales Tax Reform Fund shall be
6 less than the Annual Specified Amount (as defined in Section 3
7 of the Retailers' Occupation Tax Act), an amount equal to the
8 difference shall be immediately paid into the Build Illinois
9 Fund from other moneys received by the Department pursuant to
10 the Tax Acts; and further provided, that if on the last
11 business day of any month the sum of (1) the Tax Act Amount
12 required to be deposited into the Build Illinois Account in the
13 Build Illinois Fund during such month and (2) the amount
14 transferred during such month to the Build Illinois Fund from
15 the State and Local Sales Tax Reform Fund shall have been less
16 than 1/12 of the Annual Specified Amount, an amount equal to
17 the difference shall be immediately paid into the Build
18 Illinois Fund from other moneys received by the Department
19 pursuant to the Tax Acts; and, further provided, that in no
20 event shall the payments required under the preceding proviso
21 result in aggregate payments into the Build Illinois Fund
22 pursuant to this clause (b) for any fiscal year in excess of
23 the greater of (i) the Tax Act Amount or (ii) the Annual
24 Specified Amount for such fiscal year; and, further provided,
25 that the amounts payable into the Build Illinois Fund under
26 this clause (b) shall be payable only until such time as the

1 aggregate amount on deposit under each trust indenture securing
2 Bonds issued and outstanding pursuant to the Build Illinois
3 Bond Act is sufficient, taking into account any future
4 investment income, to fully provide, in accordance with such
5 indenture, for the defeasance of or the payment of the
6 principal of, premium, if any, and interest on the Bonds
7 secured by such indenture and on any Bonds expected to be
8 issued thereafter and all fees and costs payable with respect
9 thereto, all as certified by the Director of the Bureau of the
10 Budget (now Governor's Office of Management and Budget). If on
11 the last business day of any month in which Bonds are
12 outstanding pursuant to the Build Illinois Bond Act, the
13 aggregate of the moneys deposited in the Build Illinois Bond
14 Account in the Build Illinois Fund in such month shall be less
15 than the amount required to be transferred in such month from
16 the Build Illinois Bond Account to the Build Illinois Bond
17 Retirement and Interest Fund pursuant to Section 13 of the
18 Build Illinois Bond Act, an amount equal to such deficiency
19 shall be immediately paid from other moneys received by the
20 Department pursuant to the Tax Acts to the Build Illinois Fund;
21 provided, however, that any amounts paid to the Build Illinois
22 Fund in any fiscal year pursuant to this sentence shall be
23 deemed to constitute payments pursuant to clause (b) of the
24 preceding sentence and shall reduce the amount otherwise
25 payable for such fiscal year pursuant to clause (b) of the
26 preceding sentence. The moneys received by the Department

1 pursuant to this Act and required to be deposited into the
 2 Build Illinois Fund are subject to the pledge, claim and charge
 3 set forth in Section 12 of the Build Illinois Bond Act.

4 Subject to payment of amounts into the Build Illinois Fund
 5 as provided in the preceding paragraph or in any amendment
 6 thereto hereafter enacted, the following specified monthly
 7 installment of the amount requested in the certificate of the
 8 Chairman of the Metropolitan Pier and Exposition Authority
 9 provided under Section 8.25f of the State Finance Act, but not
 10 in excess of the sums designated as "Total Deposit", shall be
 11 deposited in the aggregate from collections under Section 9 of
 12 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 13 9 of the Service Occupation Tax Act, and Section 3 of the
 14 Retailers' Occupation Tax Act into the McCormick Place
 15 Expansion Project Fund in the specified fiscal years.

16	Fiscal Year	Total
		Deposit
17	1993	\$0
18	1994	53,000,000
19	1995	58,000,000
20	1996	61,000,000
21	1997	64,000,000
22	1998	68,000,000
23	1999	71,000,000
24	2000	75,000,000
25	2001	80,000,000

1	2002	93,000,000
2	2003	99,000,000
3	2004	103,000,000
4	2005	108,000,000
5	2006	113,000,000
6	2007	119,000,000
7	2008	126,000,000
8	2009	132,000,000
9	2010	139,000,000
10	2011	146,000,000
11	2012	153,000,000
12	2013	161,000,000
13	2014	170,000,000
14	2015	179,000,000
15	2016	189,000,000
16	2017	199,000,000
17	2018	210,000,000
18	2019	221,000,000
19	2020	233,000,000
20	2021	246,000,000
21	2022	260,000,000
22	2023 and	275,000,000

23 each fiscal year
24 thereafter that bonds
25 are outstanding under
26 Section 13.2 of the

1 Metropolitan Pier and
2 Exposition Authority Act,
3 but not after fiscal year 2042.

4 Beginning July 20, 1993 and in each month of each fiscal
5 year thereafter, one-eighth of the amount requested in the
6 certificate of the Chairman of the Metropolitan Pier and
7 Exposition Authority for that fiscal year, less the amount
8 deposited into the McCormick Place Expansion Project Fund by
9 the State Treasurer in the respective month under subsection
10 (g) of Section 13 of the Metropolitan Pier and Exposition
11 Authority Act, plus cumulative deficiencies in the deposits
12 required under this Section for previous months and years,
13 shall be deposited into the McCormick Place Expansion Project
14 Fund, until the full amount requested for the fiscal year, but
15 not in excess of the amount specified above as "Total Deposit",
16 has been deposited.

17 Subject to payment of amounts into the Build Illinois Fund
18 and the McCormick Place Expansion Project Fund pursuant to the
19 preceding paragraphs or in any amendments thereto hereafter
20 enacted, beginning July 1, 1993, the Department shall each
21 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
22 the net revenue realized for the preceding month from the 6.25%
23 general rate on the selling price of tangible personal
24 property.

25 Subject to payment of amounts into the Build Illinois Fund
26 and the McCormick Place Expansion Project Fund pursuant to the

1 preceding paragraphs or in any amendments thereto hereafter
2 enacted, beginning with the receipt of the first report of
3 taxes paid by an eligible business and continuing for a 25-year
4 period, the Department shall each month pay into the Energy
5 Infrastructure Fund 80% of the net revenue realized from the
6 6.25% general rate on the selling price of Illinois-mined coal
7 that was sold to an eligible business. For purposes of this
8 paragraph, the term "eligible business" means a new electric
9 generating facility certified pursuant to Section 605-332 of
10 the Department of Commerce and Economic Opportunity Law of the
11 Civil Administrative Code of Illinois.

12 Remaining moneys received by the Department pursuant to
13 this Act shall be paid into the General Revenue Fund of the
14 State Treasury.

15 The Department may, upon separate written notice to a
16 taxpayer, require the taxpayer to prepare and file with the
17 Department on a form prescribed by the Department within not
18 less than 60 days after receipt of the notice an annual
19 information return for the tax year specified in the notice.
20 Such annual return to the Department shall include a statement
21 of gross receipts as shown by the taxpayer's last Federal
22 income tax return. If the total receipts of the business as
23 reported in the Federal income tax return do not agree with the
24 gross receipts reported to the Department of Revenue for the
25 same period, the taxpayer shall attach to his annual return a
26 schedule showing a reconciliation of the 2 amounts and the

1 reasons for the difference. The taxpayer's annual return to the
2 Department shall also disclose the cost of goods sold by the
3 taxpayer during the year covered by such return, opening and
4 closing inventories of such goods for such year, cost of goods
5 used from stock or taken from stock and given away by the
6 taxpayer during such year, pay roll information of the
7 taxpayer's business during such year and any additional
8 reasonable information which the Department deems would be
9 helpful in determining the accuracy of the monthly, quarterly
10 or annual returns filed by such taxpayer as hereinbefore
11 provided for in this Section.

12 If the annual information return required by this Section
13 is not filed when and as required, the taxpayer shall be liable
14 as follows:

15 (i) Until January 1, 1994, the taxpayer shall be liable
16 for a penalty equal to 1/6 of 1% of the tax due from such
17 taxpayer under this Act during the period to be covered by
18 the annual return for each month or fraction of a month
19 until such return is filed as required, the penalty to be
20 assessed and collected in the same manner as any other
21 penalty provided for in this Act.

22 (ii) On and after January 1, 1994, the taxpayer shall
23 be liable for a penalty as described in Section 3-4 of the
24 Uniform Penalty and Interest Act.

25 The chief executive officer, proprietor, owner or highest
26 ranking manager shall sign the annual return to certify the

1 accuracy of the information contained therein. Any person who
2 willfully signs the annual return containing false or
3 inaccurate information shall be guilty of perjury and punished
4 accordingly. The annual return form prescribed by the
5 Department shall include a warning that the person signing the
6 return may be liable for perjury.

7 The foregoing portion of this Section concerning the filing
8 of an annual information return shall not apply to a serviceman
9 who is not required to file an income tax return with the
10 United States Government.

11 As soon as possible after the first day of each month, upon
12 certification of the Department of Revenue, the Comptroller
13 shall order transferred and the Treasurer shall transfer from
14 the General Revenue Fund to the Motor Fuel Tax Fund an amount
15 equal to 1.7% of 80% of the net revenue realized under this Act
16 for the second preceding month. Beginning April 1, 2000, this
17 transfer is no longer required and shall not be made.

18 Net revenue realized for a month shall be the revenue
19 collected by the State pursuant to this Act, less the amount
20 paid out during that month as refunds to taxpayers for
21 overpayment of liability.

22 For greater simplicity of administration, it shall be
23 permissible for manufacturers, importers and wholesalers whose
24 products are sold by numerous servicemen in Illinois, and who
25 wish to do so, to assume the responsibility for accounting and
26 paying to the Department all tax accruing under this Act with

1 respect to such sales, if the servicemen who are affected do
2 not make written objection to the Department to this
3 arrangement.

4 (Source: P.A. 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;
5 94-1074, eff. 12-26-06.)

6 Section 35. The Retailers' Occupation Tax Act is amended by
7 changing Section 3 as follows:

8 (35 ILCS 120/3) (from Ch. 120, par. 442)

9 Sec. 3. Except as provided in this Section, on or before
10 the twentieth day of each calendar month, every person engaged
11 in the business of selling tangible personal property at retail
12 in this State during the preceding calendar month shall file a
13 return with the Department, stating:

14 1. The name of the seller;

15 2. His residence address and the address of his
16 principal place of business and the address of the
17 principal place of business (if that is a different
18 address) from which he engages in the business of selling
19 tangible personal property at retail in this State;

20 3. Total amount of receipts received by him during the
21 preceding calendar month or quarter, as the case may be,
22 from sales of tangible personal property, and from services
23 furnished, by him during such preceding calendar month or
24 quarter;

1 4. Total amount received by him during the preceding
2 calendar month or quarter on charge and time sales of
3 tangible personal property, and from services furnished,
4 by him prior to the month or quarter for which the return
5 is filed;

6 5. Deductions allowed by law;

7 6. Gross receipts which were received by him during the
8 preceding calendar month or quarter and upon the basis of
9 which the tax is imposed;

10 7. The amount of credit provided in Section 2d of this
11 Act;

12 8. The amount of tax due;

13 9. The signature of the taxpayer; and

14 10. Such other reasonable information as the
15 Department may require.

16 If a taxpayer fails to sign a return within 30 days after
17 the proper notice and demand for signature by the Department,
18 the return shall be considered valid and any amount shown to be
19 due on the return shall be deemed assessed.

20 Each return shall be accompanied by the statement of
21 prepaid tax issued pursuant to Section 2e for which credit is
22 claimed.

23 Prior to October 1, 2003, and on and after September 1,
24 2004 a retailer may accept a Manufacturer's Purchase Credit
25 certification from a purchaser in satisfaction of Use Tax as
26 provided in Section 3-85 of the Use Tax Act if the purchaser

1 provides the appropriate documentation as required by Section
2 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
3 certification, accepted by a retailer prior to October 1, 2003
4 and on and after September 1, 2004 as provided in Section 3-85
5 of the Use Tax Act, may be used by that retailer to satisfy
6 Retailers' Occupation Tax liability in the amount claimed in
7 the certification, not to exceed 6.25% of the receipts subject
8 to tax from a qualifying purchase. A Manufacturer's Purchase
9 Credit reported on any original or amended return filed under
10 this Act after October 20, 2003 for reporting periods prior to
11 September 1, 2004 shall be disallowed. Manufacturer's
12 Purchaser Credit reported on annual returns due on or after
13 January 1, 2005 will be disallowed for periods prior to
14 September 1, 2004. No Manufacturer's Purchase Credit may be
15 used after September 30, 2003 through August 31, 2004 to
16 satisfy any tax liability imposed under this Act, including any
17 audit liability.

18 The Department may require returns to be filed on a
19 quarterly basis. If so required, a return for each calendar
20 quarter shall be filed on or before the twentieth day of the
21 calendar month following the end of such calendar quarter. The
22 taxpayer shall also file a return with the Department for each
23 of the first two months of each calendar quarter, on or before
24 the twentieth day of the following calendar month, stating:

25 1. The name of the seller;

26 2. The address of the principal place of business from

1 which he engages in the business of selling tangible
2 personal property at retail in this State;

3 3. The total amount of taxable receipts received by him
4 during the preceding calendar month from sales of tangible
5 personal property by him during such preceding calendar
6 month, including receipts from charge and time sales, but
7 less all deductions allowed by law;

8 4. The amount of credit provided in Section 2d of this
9 Act;

10 5. The amount of tax due; and

11 6. Such other reasonable information as the Department
12 may require.

13 Beginning on October 1, 2003, any person who is not a
14 licensed distributor, importing distributor, or manufacturer,
15 as defined in the Liquor Control Act of 1934, but is engaged in
16 the business of selling, at retail, alcoholic liquor shall file
17 a statement with the Department of Revenue, in a format and at
18 a time prescribed by the Department, showing the total amount
19 paid for alcoholic liquor purchased during the preceding month
20 and such other information as is reasonably required by the
21 Department. The Department may adopt rules to require that this
22 statement be filed in an electronic or telephonic format. Such
23 rules may provide for exceptions from the filing requirements
24 of this paragraph. For the purposes of this paragraph, the term
25 "alcoholic liquor" shall have the meaning prescribed in the
26 Liquor Control Act of 1934.

1 Beginning on October 1, 2003, every distributor, importing
2 distributor, and manufacturer of alcoholic liquor as defined in
3 the Liquor Control Act of 1934, shall file a statement with the
4 Department of Revenue, no later than the 10th day of the month
5 for the preceding month during which transactions occurred, by
6 electronic means, showing the total amount of gross receipts
7 from the sale of alcoholic liquor sold or distributed during
8 the preceding month to purchasers; identifying the purchaser to
9 whom it was sold or distributed; the purchaser's tax
10 registration number; and such other information reasonably
11 required by the Department. A distributor, importing
12 distributor, or manufacturer of alcoholic liquor must
13 personally deliver, mail, or provide by electronic means to
14 each retailer listed on the monthly statement a report
15 containing a cumulative total of that distributor's, importing
16 distributor's, or manufacturer's total sales of alcoholic
17 liquor to that retailer no later than the 10th day of the month
18 for the preceding month during which the transaction occurred.
19 The distributor, importing distributor, or manufacturer shall
20 notify the retailer as to the method by which the distributor,
21 importing distributor, or manufacturer will provide the sales
22 information. If the retailer is unable to receive the sales
23 information by electronic means, the distributor, importing
24 distributor, or manufacturer shall furnish the sales
25 information by personal delivery or by mail. For purposes of
26 this paragraph, the term "electronic means" includes, but is

1 not limited to, the use of a secure Internet website, e-mail,
2 or facsimile.

3 If a total amount of less than \$1 is payable, refundable or
4 creditable, such amount shall be disregarded if it is less than
5 50 cents and shall be increased to \$1 if it is 50 cents or more.

6 Beginning October 1, 1993, a taxpayer who has an average
7 monthly tax liability of \$150,000 or more shall make all
8 payments required by rules of the Department by electronic
9 funds transfer. Beginning October 1, 1994, a taxpayer who has
10 an average monthly tax liability of \$100,000 or more shall make
11 all payments required by rules of the Department by electronic
12 funds transfer. Beginning October 1, 1995, a taxpayer who has
13 an average monthly tax liability of \$50,000 or more shall make
14 all payments required by rules of the Department by electronic
15 funds transfer. Beginning October 1, 2000, a taxpayer who has
16 an annual tax liability of \$200,000 or more shall make all
17 payments required by rules of the Department by electronic
18 funds transfer. The term "annual tax liability" shall be the
19 sum of the taxpayer's liabilities under this Act, and under all
20 other State and local occupation and use tax laws administered
21 by the Department, for the immediately preceding calendar year.
22 The term "average monthly tax liability" shall be the sum of
23 the taxpayer's liabilities under this Act, and under all other
24 State and local occupation and use tax laws administered by the
25 Department, for the immediately preceding calendar year
26 divided by 12. Beginning on October 1, 2002, a taxpayer who has

1 a tax liability in the amount set forth in subsection (b) of
2 Section 2505-210 of the Department of Revenue Law shall make
3 all payments required by rules of the Department by electronic
4 funds transfer.

5 Before August 1 of each year beginning in 1993, the
6 Department shall notify all taxpayers required to make payments
7 by electronic funds transfer. All taxpayers required to make
8 payments by electronic funds transfer shall make those payments
9 for a minimum of one year beginning on October 1.

10 Any taxpayer not required to make payments by electronic
11 funds transfer may make payments by electronic funds transfer
12 with the permission of the Department.

13 All taxpayers required to make payment by electronic funds
14 transfer and any taxpayers authorized to voluntarily make
15 payments by electronic funds transfer shall make those payments
16 in the manner authorized by the Department.

17 The Department shall adopt such rules as are necessary to
18 effectuate a program of electronic funds transfer and the
19 requirements of this Section.

20 Any amount which is required to be shown or reported on any
21 return or other document under this Act shall, if such amount
22 is not a whole-dollar amount, be increased to the nearest
23 whole-dollar amount in any case where the fractional part of a
24 dollar is 50 cents or more, and decreased to the nearest
25 whole-dollar amount where the fractional part of a dollar is
26 less than 50 cents.

1 If the retailer is otherwise required to file a monthly
2 return and if the retailer's average monthly tax liability to
3 the Department does not exceed \$200, the Department may
4 authorize his returns to be filed on a quarter annual basis,
5 with the return for January, February and March of a given year
6 being due by April 20 of such year; with the return for April,
7 May and June of a given year being due by July 20 of such year;
8 with the return for July, August and September of a given year
9 being due by October 20 of such year, and with the return for
10 October, November and December of a given year being due by
11 January 20 of the following year.

12 If the retailer is otherwise required to file a monthly or
13 quarterly return and if the retailer's average monthly tax
14 liability with the Department does not exceed \$50, the
15 Department may authorize his returns to be filed on an annual
16 basis, with the return for a given year being due by January 20
17 of the following year.

18 Such quarter annual and annual returns, as to form and
19 substance, shall be subject to the same requirements as monthly
20 returns.

21 Notwithstanding any other provision in this Act concerning
22 the time within which a retailer may file his return, in the
23 case of any retailer who ceases to engage in a kind of business
24 which makes him responsible for filing returns under this Act,
25 such retailer shall file a final return under this Act with the
26 Department not more than one month after discontinuing such

1 business.

2 Where the same person has more than one business registered
3 with the Department under separate registrations under this
4 Act, such person may not file each return that is due as a
5 single return covering all such registered businesses, but
6 shall file separate returns for each such registered business.

7 In addition, with respect to motor vehicles, watercraft,
8 aircraft, and trailers that are required to be registered with
9 an agency of this State, every retailer selling this kind of
10 tangible personal property shall file, with the Department,
11 upon a form to be prescribed and supplied by the Department, a
12 separate return for each such item of tangible personal
13 property which the retailer sells, except that if, in the same
14 transaction, (i) a retailer of aircraft, watercraft, motor
15 vehicles or trailers transfers more than one aircraft,
16 watercraft, motor vehicle or trailer to another aircraft,
17 watercraft, motor vehicle retailer or trailer retailer for the
18 purpose of resale or (ii) a retailer of aircraft, watercraft,
19 motor vehicles, or trailers transfers more than one aircraft,
20 watercraft, motor vehicle, or trailer to a purchaser for use as
21 a qualifying rolling stock as provided in Section 2-5 of this
22 Act, then that seller may report the transfer of all aircraft,
23 watercraft, motor vehicles or trailers involved in that
24 transaction to the Department on the same uniform
25 invoice-transaction reporting return form. For purposes of
26 this Section, "watercraft" means a Class 2, Class 3, or Class 4

1 watercraft as defined in Section 3-2 of the Boat Registration
2 and Safety Act, a personal watercraft, or any boat equipped
3 with an inboard motor.

4 Any retailer who sells only motor vehicles, watercraft,
5 aircraft, or trailers that are required to be registered with
6 an agency of this State, so that all retailers' occupation tax
7 liability is required to be reported, and is reported, on such
8 transaction reporting returns and who is not otherwise required
9 to file monthly or quarterly returns, need not file monthly or
10 quarterly returns. However, those retailers shall be required
11 to file returns on an annual basis.

12 The transaction reporting return, in the case of motor
13 vehicles or trailers that are required to be registered with an
14 agency of this State, shall be the same document as the Uniform
15 Invoice referred to in Section 5-402 of The Illinois Vehicle
16 Code and must show the name and address of the seller; the name
17 and address of the purchaser; the amount of the selling price
18 including the amount allowed by the retailer for traded-in
19 property, if any; the amount allowed by the retailer for the
20 traded-in tangible personal property, if any, to the extent to
21 which Section 1 of this Act allows an exemption for the value
22 of traded-in property; the balance payable after deducting such
23 trade-in allowance from the total selling price; the amount of
24 tax due from the retailer with respect to such transaction; the
25 amount of tax collected from the purchaser by the retailer on
26 such transaction (or satisfactory evidence that such tax is not

1 due in that particular instance, if that is claimed to be the
2 fact); the place and date of the sale; a sufficient
3 identification of the property sold; such other information as
4 is required in Section 5-402 of The Illinois Vehicle Code, and
5 such other information as the Department may reasonably
6 require.

7 The transaction reporting return in the case of watercraft
8 or aircraft must show the name and address of the seller; the
9 name and address of the purchaser; the amount of the selling
10 price including the amount allowed by the retailer for
11 traded-in property, if any; the amount allowed by the retailer
12 for the traded-in tangible personal property, if any, to the
13 extent to which Section 1 of this Act allows an exemption for
14 the value of traded-in property; the balance payable after
15 deducting such trade-in allowance from the total selling price;
16 the amount of tax due from the retailer with respect to such
17 transaction; the amount of tax collected from the purchaser by
18 the retailer on such transaction (or satisfactory evidence that
19 such tax is not due in that particular instance, if that is
20 claimed to be the fact); the place and date of the sale, a
21 sufficient identification of the property sold, and such other
22 information as the Department may reasonably require.

23 Such transaction reporting return shall be filed not later
24 than 20 days after the day of delivery of the item that is
25 being sold, but may be filed by the retailer at any time sooner
26 than that if he chooses to do so. The transaction reporting

1 return and tax remittance or proof of exemption from the
2 Illinois use tax may be transmitted to the Department by way of
3 the State agency with which, or State officer with whom the
4 tangible personal property must be titled or registered (if
5 titling or registration is required) if the Department and such
6 agency or State officer determine that this procedure will
7 expedite the processing of applications for title or
8 registration.

9 With each such transaction reporting return, the retailer
10 shall remit the proper amount of tax due (or shall submit
11 satisfactory evidence that the sale is not taxable if that is
12 the case), to the Department or its agents, whereupon the
13 Department shall issue, in the purchaser's name, a use tax
14 receipt (or a certificate of exemption if the Department is
15 satisfied that the particular sale is tax exempt) which such
16 purchaser may submit to the agency with which, or State officer
17 with whom, he must title or register the tangible personal
18 property that is involved (if titling or registration is
19 required) in support of such purchaser's application for an
20 Illinois certificate or other evidence of title or registration
21 to such tangible personal property.

22 No retailer's failure or refusal to remit tax under this
23 Act precludes a user, who has paid the proper tax to the
24 retailer, from obtaining his certificate of title or other
25 evidence of title or registration (if titling or registration
26 is required) upon satisfying the Department that such user has

1 paid the proper tax (if tax is due) to the retailer. The
2 Department shall adopt appropriate rules to carry out the
3 mandate of this paragraph.

4 If the user who would otherwise pay tax to the retailer
5 wants the transaction reporting return filed and the payment of
6 the tax or proof of exemption made to the Department before the
7 retailer is willing to take these actions and such user has not
8 paid the tax to the retailer, such user may certify to the fact
9 of such delay by the retailer and may (upon the Department
10 being satisfied of the truth of such certification) transmit
11 the information required by the transaction reporting return
12 and the remittance for tax or proof of exemption directly to
13 the Department and obtain his tax receipt or exemption
14 determination, in which event the transaction reporting return
15 and tax remittance (if a tax payment was required) shall be
16 credited by the Department to the proper retailer's account
17 with the Department, but without the 2.1% or 1.75% discount
18 provided for in this Section being allowed. When the user pays
19 the tax directly to the Department, he shall pay the tax in the
20 same amount and in the same form in which it would be remitted
21 if the tax had been remitted to the Department by the retailer.

22 Refunds made by the seller during the preceding return
23 period to purchasers, on account of tangible personal property
24 returned to the seller, shall be allowed as a deduction under
25 subdivision 5 of his monthly or quarterly return, as the case
26 may be, in case the seller had theretofore included the

1 receipts from the sale of such tangible personal property in a
2 return filed by him and had paid the tax imposed by this Act
3 with respect to such receipts.

4 Where the seller is a corporation, the return filed on
5 behalf of such corporation shall be signed by the president,
6 vice-president, secretary or treasurer or by the properly
7 accredited agent of such corporation.

8 Where the seller is a limited liability company, the return
9 filed on behalf of the limited liability company shall be
10 signed by a manager, member, or properly accredited agent of
11 the limited liability company.

12 Except as provided in this Section, the retailer filing the
13 return under this Section shall, at the time of filing such
14 return, pay to the Department the amount of tax imposed by this
15 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
16 on and after January 1, 1990, or \$5 per calendar year,
17 whichever is greater, which is allowed to reimburse the
18 retailer for the expenses incurred in keeping records,
19 preparing and filing returns, remitting the tax and supplying
20 data to the Department on request. Any prepayment made pursuant
21 to Section 2d of this Act shall be included in the amount on
22 which such 2.1% or 1.75% discount is computed. In the case of
23 retailers who report and pay the tax on a transaction by
24 transaction basis, as provided in this Section, such discount
25 shall be taken with each such tax remittance instead of when
26 such retailer files his periodic return.

1 Before October 1, 2000, if the taxpayer's average monthly
2 tax liability to the Department under this Act, the Use Tax
3 Act, the Service Occupation Tax Act, and the Service Use Tax
4 Act, excluding any liability for prepaid sales tax to be
5 remitted in accordance with Section 2d of this Act, was \$10,000
6 or more during the preceding 4 complete calendar quarters, he
7 shall file a return with the Department each month by the 20th
8 day of the month next following the month during which such tax
9 liability is incurred and shall make payments to the Department
10 on or before the 7th, 15th, 22nd and last day of the month
11 during which such liability is incurred. On and after October
12 1, 2000, if the taxpayer's average monthly tax liability to the
13 Department under this Act, the Use Tax Act, the Service
14 Occupation Tax Act, and the Service Use Tax Act, excluding any
15 liability for prepaid sales tax to be remitted in accordance
16 with Section 2d of this Act, was \$20,000 or more during the
17 preceding 4 complete calendar quarters, he shall file a return
18 with the Department each month by the 20th day of the month
19 next following the month during which such tax liability is
20 incurred and shall make payment to the Department on or before
21 the 7th, 15th, 22nd and last day of the month during which such
22 liability is incurred. If the month during which such tax
23 liability is incurred began prior to January 1, 1985, each
24 payment shall be in an amount equal to 1/4 of the taxpayer's
25 actual liability for the month or an amount set by the
26 Department not to exceed 1/4 of the average monthly liability

1 of the taxpayer to the Department for the preceding 4 complete
2 calendar quarters (excluding the month of highest liability and
3 the month of lowest liability in such 4 quarter period). If the
4 month during which such tax liability is incurred begins on or
5 after January 1, 1985 and prior to January 1, 1987, each
6 payment shall be in an amount equal to 22.5% of the taxpayer's
7 actual liability for the month or 27.5% of the taxpayer's
8 liability for the same calendar month of the preceding year. If
9 the month during which such tax liability is incurred begins on
10 or after January 1, 1987 and prior to January 1, 1988, each
11 payment shall be in an amount equal to 22.5% of the taxpayer's
12 actual liability for the month or 26.25% of the taxpayer's
13 liability for the same calendar month of the preceding year. If
14 the month during which such tax liability is incurred begins on
15 or after January 1, 1988, and prior to January 1, 1989, or
16 begins on or after January 1, 1996, each payment shall be in an
17 amount equal to 22.5% of the taxpayer's actual liability for
18 the month or 25% of the taxpayer's liability for the same
19 calendar month of the preceding year. If the month during which
20 such tax liability is incurred begins on or after January 1,
21 1989, and prior to January 1, 1996, each payment shall be in an
22 amount equal to 22.5% of the taxpayer's actual liability for
23 the month or 25% of the taxpayer's liability for the same
24 calendar month of the preceding year or 100% of the taxpayer's
25 actual liability for the quarter monthly reporting period. The
26 amount of such quarter monthly payments shall be credited

1 against the final tax liability of the taxpayer's return for
2 that month. Before October 1, 2000, once applicable, the
3 requirement of the making of quarter monthly payments to the
4 Department by taxpayers having an average monthly tax liability
5 of \$10,000 or more as determined in the manner provided above
6 shall continue until such taxpayer's average monthly liability
7 to the Department during the preceding 4 complete calendar
8 quarters (excluding the month of highest liability and the
9 month of lowest liability) is less than \$9,000, or until such
10 taxpayer's average monthly liability to the Department as
11 computed for each calendar quarter of the 4 preceding complete
12 calendar quarter period is less than \$10,000. However, if a
13 taxpayer can show the Department that a substantial change in
14 the taxpayer's business has occurred which causes the taxpayer
15 to anticipate that his average monthly tax liability for the
16 reasonably foreseeable future will fall below the \$10,000
17 threshold stated above, then such taxpayer may petition the
18 Department for a change in such taxpayer's reporting status. On
19 and after October 1, 2000, once applicable, the requirement of
20 the making of quarter monthly payments to the Department by
21 taxpayers having an average monthly tax liability of \$20,000 or
22 more as determined in the manner provided above shall continue
23 until such taxpayer's average monthly liability to the
24 Department during the preceding 4 complete calendar quarters
25 (excluding the month of highest liability and the month of
26 lowest liability) is less than \$19,000 or until such taxpayer's

1 average monthly liability to the Department as computed for
2 each calendar quarter of the 4 preceding complete calendar
3 quarter period is less than \$20,000. However, if a taxpayer can
4 show the Department that a substantial change in the taxpayer's
5 business has occurred which causes the taxpayer to anticipate
6 that his average monthly tax liability for the reasonably
7 foreseeable future will fall below the \$20,000 threshold stated
8 above, then such taxpayer may petition the Department for a
9 change in such taxpayer's reporting status. The Department
10 shall change such taxpayer's reporting status unless it finds
11 that such change is seasonal in nature and not likely to be
12 long term. If any such quarter monthly payment is not paid at
13 the time or in the amount required by this Section, then the
14 taxpayer shall be liable for penalties and interest on the
15 difference between the minimum amount due as a payment and the
16 amount of such quarter monthly payment actually and timely
17 paid, except insofar as the taxpayer has previously made
18 payments for that month to the Department in excess of the
19 minimum payments previously due as provided in this Section.
20 The Department shall make reasonable rules and regulations to
21 govern the quarter monthly payment amount and quarter monthly
22 payment dates for taxpayers who file on other than a calendar
23 monthly basis.

24 The provisions of this paragraph apply before October 1,
25 2001. Without regard to whether a taxpayer is required to make
26 quarter monthly payments as specified above, any taxpayer who

1 is required by Section 2d of this Act to collect and remit
2 prepaid taxes and has collected prepaid taxes which average in
3 excess of \$25,000 per month during the preceding 2 complete
4 calendar quarters, shall file a return with the Department as
5 required by Section 2f and shall make payments to the
6 Department on or before the 7th, 15th, 22nd and last day of the
7 month during which such liability is incurred. If the month
8 during which such tax liability is incurred began prior to the
9 effective date of this amendatory Act of 1985, each payment
10 shall be in an amount not less than 22.5% of the taxpayer's
11 actual liability under Section 2d. If the month during which
12 such tax liability is incurred begins on or after January 1,
13 1986, each payment shall be in an amount equal to 22.5% of the
14 taxpayer's actual liability for the month or 27.5% of the
15 taxpayer's liability for the same calendar month of the
16 preceding calendar year. If the month during which such tax
17 liability is incurred begins on or after January 1, 1987, each
18 payment shall be in an amount equal to 22.5% of the taxpayer's
19 actual liability for the month or 26.25% of the taxpayer's
20 liability for the same calendar month of the preceding year.
21 The amount of such quarter monthly payments shall be credited
22 against the final tax liability of the taxpayer's return for
23 that month filed under this Section or Section 2f, as the case
24 may be. Once applicable, the requirement of the making of
25 quarter monthly payments to the Department pursuant to this
26 paragraph shall continue until such taxpayer's average monthly

1 prepaid tax collections during the preceding 2 complete
2 calendar quarters is \$25,000 or less. If any such quarter
3 monthly payment is not paid at the time or in the amount
4 required, the taxpayer shall be liable for penalties and
5 interest on such difference, except insofar as the taxpayer has
6 previously made payments for that month in excess of the
7 minimum payments previously due.

8 The provisions of this paragraph apply on and after October
9 1, 2001. Without regard to whether a taxpayer is required to
10 make quarter monthly payments as specified above, any taxpayer
11 who is required by Section 2d of this Act to collect and remit
12 prepaid taxes and has collected prepaid taxes that average in
13 excess of \$20,000 per month during the preceding 4 complete
14 calendar quarters shall file a return with the Department as
15 required by Section 2f and shall make payments to the
16 Department on or before the 7th, 15th, 22nd and last day of the
17 month during which the liability is incurred. Each payment
18 shall be in an amount equal to 22.5% of the taxpayer's actual
19 liability for the month or 25% of the taxpayer's liability for
20 the same calendar month of the preceding year. The amount of
21 the quarter monthly payments shall be credited against the
22 final tax liability of the taxpayer's return for that month
23 filed under this Section or Section 2f, as the case may be.
24 Once applicable, the requirement of the making of quarter
25 monthly payments to the Department pursuant to this paragraph
26 shall continue until the taxpayer's average monthly prepaid tax

1 collections during the preceding 4 complete calendar quarters
2 (excluding the month of highest liability and the month of
3 lowest liability) is less than \$19,000 or until such taxpayer's
4 average monthly liability to the Department as computed for
5 each calendar quarter of the 4 preceding complete calendar
6 quarters is less than \$20,000. If any such quarter monthly
7 payment is not paid at the time or in the amount required, the
8 taxpayer shall be liable for penalties and interest on such
9 difference, except insofar as the taxpayer has previously made
10 payments for that month in excess of the minimum payments
11 previously due.

12 If any payment provided for in this Section exceeds the
13 taxpayer's liabilities under this Act, the Use Tax Act, the
14 Service Occupation Tax Act and the Service Use Tax Act, as
15 shown on an original monthly return, the Department shall, if
16 requested by the taxpayer, issue to the taxpayer a credit
17 memorandum no later than 30 days after the date of payment. The
18 credit evidenced by such credit memorandum may be assigned by
19 the taxpayer to a similar taxpayer under this Act, the Use Tax
20 Act, the Service Occupation Tax Act or the Service Use Tax Act,
21 in accordance with reasonable rules and regulations to be
22 prescribed by the Department. If no such request is made, the
23 taxpayer may credit such excess payment against tax liability
24 subsequently to be remitted to the Department under this Act,
25 the Use Tax Act, the Service Occupation Tax Act or the Service
26 Use Tax Act, in accordance with reasonable rules and

1 regulations prescribed by the Department. If the Department
2 subsequently determined that all or any part of the credit
3 taken was not actually due to the taxpayer, the taxpayer's 2.1%
4 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%
5 of the difference between the credit taken and that actually
6 due, and that taxpayer shall be liable for penalties and
7 interest on such difference.

8 If a retailer of motor fuel is entitled to a credit under
9 Section 2d of this Act which exceeds the taxpayer's liability
10 to the Department under this Act for the month which the
11 taxpayer is filing a return, the Department shall issue the
12 taxpayer a credit memorandum for the excess.

13 Beginning January 1, 1990, each month the Department shall
14 pay into the Local Government Tax Fund, a special fund in the
15 State treasury which is hereby created, the net revenue
16 realized for the preceding month from the 1% tax on sales of
17 food for human consumption which is to be consumed off the
18 premises where it is sold (other than alcoholic beverages, soft
19 drinks and food which has been prepared for immediate
20 consumption) and prescription and nonprescription medicines,
21 drugs, medical appliances and insulin, urine testing
22 materials, syringes and needles used by diabetics.

23 Beginning January 1, 1990, each month the Department shall
24 pay into the County and Mass Transit District Fund, a special
25 fund in the State treasury which is hereby created, 4% of the
26 net revenue realized for the preceding month from the 6.25%

1 general rate.

2 Beginning August 1, 2000, each month the Department shall
3 pay into the County and Mass Transit District Fund 20% of the
4 net revenue realized for the preceding month from the 1.25%
5 rate on the selling price of motor fuel and gasohol.

6 Beginning January 1, 1990, each month the Department shall
7 pay into the Local Government Tax Fund 16% of the net revenue
8 realized for the preceding month from the 6.25% general rate on
9 the selling price of tangible personal property.

10 Beginning August 1, 2000, each month the Department shall
11 pay into the Local Government Tax Fund 80% of the net revenue
12 realized for the preceding month from the 1.25% rate on the
13 selling price of motor fuel and gasohol.

14 Beginning on the effective date of this amendatory Act of
15 the 95th General Assembly, each month, the Department shall
16 deposit the net revenue realized for the preceding month from
17 the counties of Cook, DuPage, Will, Kane, Lake, and McHenry
18 from the 6.25% rate on the selling price of motor fuel and
19 gasohol as follows:

20 (1) to be paid into the Regional Transportation Support
21 Fund: for each of the first 12 months, 80% of the net
22 revenue; and, for each month thereafter, 80% of the net
23 revenue, but not more than 105% of 1/12th of the amounts
24 paid under this item (1) during the preceding 12-month
25 period;

26 (2) 80% of the balance must be paid into the State and

1 Local Sales Tax Reform Fund; and

2 (3) 20% of the balance must be paid into the County and

3 Mass Transit District Fund.

4 Of the remainder of the moneys received by the Department
 5 pursuant to this Act, (a) 1.75% thereof shall be paid into the
 6 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
 7 and after July 1, 1989, 3.8% thereof shall be paid into the
 8 Build Illinois Fund; provided, however, that if in any fiscal
 9 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
 10 may be, of the moneys received by the Department and required
 11 to be paid into the Build Illinois Fund pursuant to this Act,
 12 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
 13 Act, and Section 9 of the Service Occupation Tax Act, such Acts
 14 being hereinafter called the "Tax Acts" and such aggregate of
 15 2.2% or 3.8%, as the case may be, of moneys being hereinafter
 16 called the "Tax Act Amount", and (2) the amount transferred to
 17 the Build Illinois Fund from the State and Local Sales Tax
 18 Reform Fund shall be less than the Annual Specified Amount (as
 19 hereinafter defined), an amount equal to the difference shall
 20 be immediately paid into the Build Illinois Fund from other
 21 moneys received by the Department pursuant to the Tax Acts; the
 22 "Annual Specified Amount" means the amounts specified below for
 23 fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000

1	1988	\$80,480,000
2	1989	\$88,510,000
3	1990	\$115,330,000
4	1991	\$145,470,000
5	1992	\$182,730,000
6	1993	\$206,520,000;

7 and means the Certified Annual Debt Service Requirement (as
8 defined in Section 13 of the Build Illinois Bond Act) or the
9 Tax Act Amount, whichever is greater, for fiscal year 1994 and
10 each fiscal year thereafter; and further provided, that if on
11 the last business day of any month the sum of (1) the Tax Act
12 Amount required to be deposited into the Build Illinois Bond
13 Account in the Build Illinois Fund during such month and (2)
14 the amount transferred to the Build Illinois Fund from the
15 State and Local Sales Tax Reform Fund shall have been less than
16 1/12 of the Annual Specified Amount, an amount equal to the
17 difference shall be immediately paid into the Build Illinois
18 Fund from other moneys received by the Department pursuant to
19 the Tax Acts; and, further provided, that in no event shall the
20 payments required under the preceding proviso result in
21 aggregate payments into the Build Illinois Fund pursuant to
22 this clause (b) for any fiscal year in excess of the greater of
23 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
24 such fiscal year. The amounts payable into the Build Illinois
25 Fund under clause (b) of the first sentence in this paragraph
26 shall be payable only until such time as the aggregate amount

1 on deposit under each trust indenture securing Bonds issued and
2 outstanding pursuant to the Build Illinois Bond Act is
3 sufficient, taking into account any future investment income,
4 to fully provide, in accordance with such indenture, for the
5 defeasance of or the payment of the principal of, premium, if
6 any, and interest on the Bonds secured by such indenture and on
7 any Bonds expected to be issued thereafter and all fees and
8 costs payable with respect thereto, all as certified by the
9 Director of the Bureau of the Budget (now Governor's Office of
10 Management and Budget). If on the last business day of any
11 month in which Bonds are outstanding pursuant to the Build
12 Illinois Bond Act, the aggregate of moneys deposited in the
13 Build Illinois Bond Account in the Build Illinois Fund in such
14 month shall be less than the amount required to be transferred
15 in such month from the Build Illinois Bond Account to the Build
16 Illinois Bond Retirement and Interest Fund pursuant to Section
17 13 of the Build Illinois Bond Act, an amount equal to such
18 deficiency shall be immediately paid from other moneys received
19 by the Department pursuant to the Tax Acts to the Build
20 Illinois Fund; provided, however, that any amounts paid to the
21 Build Illinois Fund in any fiscal year pursuant to this
22 sentence shall be deemed to constitute payments pursuant to
23 clause (b) of the first sentence of this paragraph and shall
24 reduce the amount otherwise payable for such fiscal year
25 pursuant to that clause (b). The moneys received by the
26 Department pursuant to this Act and required to be deposited

1 into the Build Illinois Fund are subject to the pledge, claim
 2 and charge set forth in Section 12 of the Build Illinois Bond
 3 Act.

4 Subject to payment of amounts into the Build Illinois Fund
 5 as provided in the preceding paragraph or in any amendment
 6 thereto hereafter enacted, the following specified monthly
 7 installment of the amount requested in the certificate of the
 8 Chairman of the Metropolitan Pier and Exposition Authority
 9 provided under Section 8.25f of the State Finance Act, but not
 10 in excess of sums designated as "Total Deposit", shall be
 11 deposited in the aggregate from collections under Section 9 of
 12 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 13 9 of the Service Occupation Tax Act, and Section 3 of the
 14 Retailers' Occupation Tax Act into the McCormick Place
 15 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
17	1993	\$0
18	1994	53,000,000
19	1995	58,000,000
20	1996	61,000,000
21	1997	64,000,000
22	1998	68,000,000
23	1999	71,000,000
24	2000	75,000,000
25	2001	80,000,000

1	2002	93,000,000
2	2003	99,000,000
3	2004	103,000,000
4	2005	108,000,000
5	2006	113,000,000
6	2007	119,000,000
7	2008	126,000,000
8	2009	132,000,000
9	2010	139,000,000
10	2011	146,000,000
11	2012	153,000,000
12	2013	161,000,000
13	2014	170,000,000
14	2015	179,000,000
15	2016	189,000,000
16	2017	199,000,000
17	2018	210,000,000
18	2019	221,000,000
19	2020	233,000,000
20	2021	246,000,000
21	2022	260,000,000
22	2023 and	275,000,000

23 each fiscal year
24 thereafter that bonds
25 are outstanding under
26 Section 13.2 of the

1 Metropolitan Pier and
2 Exposition Authority Act,
3 but not after fiscal year 2042.

4 Beginning July 20, 1993 and in each month of each fiscal
5 year thereafter, one-eighth of the amount requested in the
6 certificate of the Chairman of the Metropolitan Pier and
7 Exposition Authority for that fiscal year, less the amount
8 deposited into the McCormick Place Expansion Project Fund by
9 the State Treasurer in the respective month under subsection
10 (g) of Section 13 of the Metropolitan Pier and Exposition
11 Authority Act, plus cumulative deficiencies in the deposits
12 required under this Section for previous months and years,
13 shall be deposited into the McCormick Place Expansion Project
14 Fund, until the full amount requested for the fiscal year, but
15 not in excess of the amount specified above as "Total Deposit",
16 has been deposited.

17 Subject to payment of amounts into the Build Illinois Fund
18 and the McCormick Place Expansion Project Fund pursuant to the
19 preceding paragraphs or in any amendments thereto hereafter
20 enacted, beginning July 1, 1993, the Department shall each
21 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
22 the net revenue realized for the preceding month from the 6.25%
23 general rate on the selling price of tangible personal
24 property.

25 Subject to payment of amounts into the Build Illinois Fund
26 and the McCormick Place Expansion Project Fund pursuant to the

1 preceding paragraphs or in any amendments thereto hereafter
2 enacted, beginning with the receipt of the first report of
3 taxes paid by an eligible business and continuing for a 25-year
4 period, the Department shall each month pay into the Energy
5 Infrastructure Fund 80% of the net revenue realized from the
6 6.25% general rate on the selling price of Illinois-mined coal
7 that was sold to an eligible business. For purposes of this
8 paragraph, the term "eligible business" means a new electric
9 generating facility certified pursuant to Section 605-332 of
10 the Department of Commerce and Economic Opportunity Law of the
11 Civil Administrative Code of Illinois.

12 Of the remainder of the moneys received by the Department
13 pursuant to this Act, 75% thereof shall be paid into the State
14 Treasury and 25% shall be reserved in a special account and
15 used only for the transfer to the Common School Fund as part of
16 the monthly transfer from the General Revenue Fund in
17 accordance with Section 8a of the State Finance Act.

18 The Department may, upon separate written notice to a
19 taxpayer, require the taxpayer to prepare and file with the
20 Department on a form prescribed by the Department within not
21 less than 60 days after receipt of the notice an annual
22 information return for the tax year specified in the notice.
23 Such annual return to the Department shall include a statement
24 of gross receipts as shown by the retailer's last Federal
25 income tax return. If the total receipts of the business as
26 reported in the Federal income tax return do not agree with the

1 gross receipts reported to the Department of Revenue for the
2 same period, the retailer shall attach to his annual return a
3 schedule showing a reconciliation of the 2 amounts and the
4 reasons for the difference. The retailer's annual return to the
5 Department shall also disclose the cost of goods sold by the
6 retailer during the year covered by such return, opening and
7 closing inventories of such goods for such year, costs of goods
8 used from stock or taken from stock and given away by the
9 retailer during such year, payroll information of the
10 retailer's business during such year and any additional
11 reasonable information which the Department deems would be
12 helpful in determining the accuracy of the monthly, quarterly
13 or annual returns filed by such retailer as provided for in
14 this Section.

15 If the annual information return required by this Section
16 is not filed when and as required, the taxpayer shall be liable
17 as follows:

18 (i) Until January 1, 1994, the taxpayer shall be liable
19 for a penalty equal to 1/6 of 1% of the tax due from such
20 taxpayer under this Act during the period to be covered by
21 the annual return for each month or fraction of a month
22 until such return is filed as required, the penalty to be
23 assessed and collected in the same manner as any other
24 penalty provided for in this Act.

25 (ii) On and after January 1, 1994, the taxpayer shall
26 be liable for a penalty as described in Section 3-4 of the

1 Uniform Penalty and Interest Act.

2 The chief executive officer, proprietor, owner or highest
3 ranking manager shall sign the annual return to certify the
4 accuracy of the information contained therein. Any person who
5 willfully signs the annual return containing false or
6 inaccurate information shall be guilty of perjury and punished
7 accordingly. The annual return form prescribed by the
8 Department shall include a warning that the person signing the
9 return may be liable for perjury.

10 The provisions of this Section concerning the filing of an
11 annual information return do not apply to a retailer who is not
12 required to file an income tax return with the United States
13 Government.

14 As soon as possible after the first day of each month, upon
15 certification of the Department of Revenue, the Comptroller
16 shall order transferred and the Treasurer shall transfer from
17 the General Revenue Fund to the Motor Fuel Tax Fund an amount
18 equal to 1.7% of 80% of the net revenue realized under this Act
19 for the second preceding month. Beginning April 1, 2000, this
20 transfer is no longer required and shall not be made.

21 Net revenue realized for a month shall be the revenue
22 collected by the State pursuant to this Act, less the amount
23 paid out during that month as refunds to taxpayers for
24 overpayment of liability.

25 For greater simplicity of administration, manufacturers,
26 importers and wholesalers whose products are sold at retail in

1 Illinois by numerous retailers, and who wish to do so, may
2 assume the responsibility for accounting and paying to the
3 Department all tax accruing under this Act with respect to such
4 sales, if the retailers who are affected do not make written
5 objection to the Department to this arrangement.

6 Any person who promotes, organizes, provides retail
7 selling space for concessionaires or other types of sellers at
8 the Illinois State Fair, DuQuoin State Fair, county fairs,
9 local fairs, art shows, flea markets and similar exhibitions or
10 events, including any transient merchant as defined by Section
11 2 of the Transient Merchant Act of 1987, is required to file a
12 report with the Department providing the name of the merchant's
13 business, the name of the person or persons engaged in
14 merchant's business, the permanent address and Illinois
15 Retailers Occupation Tax Registration Number of the merchant,
16 the dates and location of the event and other reasonable
17 information that the Department may require. The report must be
18 filed not later than the 20th day of the month next following
19 the month during which the event with retail sales was held.
20 Any person who fails to file a report required by this Section
21 commits a business offense and is subject to a fine not to
22 exceed \$250.

23 Any person engaged in the business of selling tangible
24 personal property at retail as a concessionaire or other type
25 of seller at the Illinois State Fair, county fairs, art shows,
26 flea markets and similar exhibitions or events, or any

1 transient merchants, as defined by Section 2 of the Transient
2 Merchant Act of 1987, may be required to make a daily report of
3 the amount of such sales to the Department and to make a daily
4 payment of the full amount of tax due. The Department shall
5 impose this requirement when it finds that there is a
6 significant risk of loss of revenue to the State at such an
7 exhibition or event. Such a finding shall be based on evidence
8 that a substantial number of concessionaires or other sellers
9 who are not residents of Illinois will be engaging in the
10 business of selling tangible personal property at retail at the
11 exhibition or event, or other evidence of a significant risk of
12 loss of revenue to the State. The Department shall notify
13 concessionaires and other sellers affected by the imposition of
14 this requirement. In the absence of notification by the
15 Department, the concessionaires and other sellers shall file
16 their returns as otherwise required in this Section.

17 (Source: P.A. 93-22, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840,
18 eff. 7-30-04; 93-926, eff. 8-12-04; 93-1057, eff. 12-2-04;
19 94-1074, eff. 12-26-06.)

20 Section 40. The Illinois Pension Code is amended by
21 changing Section 22-101 and by adding Section 22-101B as
22 follows:

23 (40 ILCS 5/22-101) (from Ch. 108 1/2, par. 22-101)

24 Sec. 22-101. Retirement Plan for Chicago Transit Authority

1 ~~Employees. Metropolitan Transit Authority (CTA) Pension Fund.~~

2 (a) There shall be established and maintained by the
3 Authority created by the "Metropolitan Transit Authority Act",
4 approved April 12, 1945, as amended, (referred to in this
5 Section as the "Authority") a financially sound pension and
6 retirement system adequate to provide for all payments when due
7 under such established system or as modified from time to time
8 by ordinance of the Chicago Transit Board or collective
9 bargaining agreement. For this purpose, the Board must make
10 contributions to the established system as required under this
11 Section and may make any additional contributions provided for
12 by Board ordinance or collective bargaining agreement. The
13 participating employees shall make such periodic payments to
14 the established system as required under this Section and may
15 make any additional contributions provided for ~~may be~~
16 ~~determined~~ by Board ordinance or collective bargaining
17 agreement. ~~The Board, in lieu of social security payments~~
18 ~~required to be paid by private corporations engaged in similar~~
19 ~~activity, shall make payments into such established system at~~
20 ~~least equal in amount to the amount so required to be paid by~~
21 ~~such private corporations.~~

22 Provisions shall be made by the Board for all ~~Board~~
23 ~~members,~~ officers and employees of the Authority appointed
24 pursuant to the "Metropolitan Transit Authority Act" to become,
25 subject to reasonable rules and regulations, participants
26 ~~members or beneficiaries~~ of the pension or retirement system

1 with uniform rights, privileges, obligations and status as to
2 the class in which such officers and employees belong. The
3 terms, conditions and provisions of any pension or retirement
4 system or of any amendment or modification thereof affecting
5 employees who are members of any labor organization may be
6 established, amended or modified by agreement with such labor
7 organization, provided the terms, conditions and provisions
8 must be consistent with this Act, the annual funding levels for
9 the retirement system established by law must be met and the
10 benefits paid to future participants in the system may not
11 exceed the benefit ceilings set for future participants under
12 this Act and the contribution levels required by the Authority
13 and its employees may not be less than the contribution levels
14 established under this Act ~~but must be consistent with the~~
15 ~~requirements of this Section.~~

16 (b) The Board of Trustees shall consist of 11 members
17 appointed as follows: (i) 5 trustees shall be appointed by the
18 Chicago Transit Board; (ii) 3 trustees shall be appointed by an
19 organization representing the highest number of Chicago
20 Transit Authority participants; (iii) one trustee shall be
21 appointed by an organization representing the second-highest
22 number of Chicago Transit Authority participants; (iv) one
23 trustee shall be appointed by the recognized coalition
24 representatives of participants who are not represented by an
25 organization with the highest or second-highest number of
26 Chicago Transit Authority participants; and (v) one trustee

1 shall be selected by the Regional Transportation Authority
2 Board of Directors, and the trustee shall be a professional
3 fiduciary who has experience in the area of collectively
4 bargained pension plans. Trustees shall serve until a successor
5 has been appointed and qualified, or until resignation, death,
6 incapacity, or disqualification.

7 Any person appointed as a trustee of the board shall
8 qualify by taking an oath of office that he or she will
9 diligently and honestly administer the affairs of the system
10 and will not knowingly violate or willfully permit the
11 violation of any of the provisions of law applicable to the
12 Plan, including Sections 1-109, 1-109.1, 1-109.2, 1-110,
13 1-111, 1-114, and 1-115 of the Illinois Pension Code.

14 Each trustee shall cast individual votes, and a majority
15 vote shall be final and binding upon all interested parties.
16 Each trustee shall have the rights, privileges, authority, and
17 obligations as are usual and customary for such fiduciaries.

18 The Board of Trustees may cause amounts on deposit in the
19 Retirement Plan to be invested in those investments that are
20 permitted investments for the investment of moneys held under
21 any one or more of the pension or retirement systems of the
22 State, any unit of local government or school district, or any
23 agency or instrumentality thereof. The Board, by a vote of at
24 least two-thirds of the trustees, may transfer investment
25 management to the Illinois State Board of Investment, which is
26 hereby authorized to manage these investments when so requested

1 by the Board of Trustees.

2 (c) All individuals who were previously participants in the
3 Retirement Plan for Chicago Transit Authority Employees shall
4 remain participants, and shall receive the same benefits
5 established by the Retirement Plan for Chicago Transit
6 Authority Employees, except as provided in this amendatory Act
7 or by subsequent legislative enactment or amendment to the
8 Retirement Plan. For Authority employees hired on or after
9 January 1, 2008, the Retirement Plan for Chicago Transit
10 Authority Employees shall be the exclusive retirement plan and
11 such employees shall not be eligible for any supplemental plan,
12 except for a deferred compensation plan funded only by employee
13 contributions.

14 For all Authority employees who are first hired on or after
15 January 1, 2008 and are participants in the Retirement Plan for
16 Chicago Transit Authority Employees, the following terms,
17 conditions and provisions with respect to retirement shall be
18 applicable:

19 (1) Such participant shall be eligible for an unreduced
20 retirement allowance for life upon the attainment of age 64
21 with 25 years of continuous service.

22 (2) Such participant shall be eligible for a reduced
23 retirement allowance for life upon the attainment of age 55
24 with 10 years of continuous service.

25 (3) For the purpose of determining the retirement
26 allowance to be paid to a retiring employee, the term

1 "Continuous Service" as used in the Retirement Plan for
2 Chicago Transit Authority Employees shall also be deemed to
3 include all pension credit for service with any retirement
4 system established under Article 8 or Article 11 of this
5 Code, provided that the employee forfeits and relinquishes
6 all pension credit under Article 8 or Article 11 of this
7 Code, and the contribution required under this subsection
8 is made by the employee. The Retirement Plan's actuary
9 shall determine the contribution paid by the employee as an
10 amount equal to the normal cost of the benefit accrued, had
11 the service been rendered as an employee, plus interest per
12 annum from the time such service was rendered until the
13 date the payment is made.

14 (d) From the effective date of this amendatory Act through
15 December 31, 2008, all participating employees shall
16 contribute to the Retirement Plan in an amount not less than 6%
17 of compensation, and the Authority shall contribute to the
18 Retirement Plan in an amount not less than 12% of compensation.

19 (e) (1) Beginning January 1, 2009 the Authority shall make
20 contributions to the Retirement Plan in an amount equal to
21 twelve percent (12%) of compensation and participating
22 employees shall make contributions to the Retirement Plan in an
23 amount equal to six percent (6%) of compensation. These
24 contributions may be paid by the Authority and participating
25 employees on a payroll or other periodic basis, but shall in
26 any case be paid to the Retirement Plan at least monthly.

1 (2) For the period ending December 31, 2039, the amount
2 paid by the Authority in any year with respect to debt service
3 on bonds issued for the purposes of funding a contribution to
4 the Retirement Plan under Section 12c of the Metropolitan
5 Transit Authority Act, other than debt service paid with the
6 proceeds of bonds or notes issued by the Authority for any year
7 after calendar year 2008, shall be treated as a credit against
8 the amount of required contribution to the Retirement Plan by
9 the Authority under subsection (e) (1) for the following year up
10 to an amount not to exceed 6% of compensation paid by the
11 Authority in that following year.

12 (3) By September 15 of each year beginning in 2009 and
13 ending on December 31, 2038, on the basis of a report prepared
14 by an enrolled actuary retained by the Plan, the Board of
15 Trustees of the Retirement Plan shall determine the estimated
16 funded ratio of the total assets of the Retirement Plan to its
17 total actuarially determined liabilities. A report containing
18 that determination and the actuarial assumptions on which it is
19 based shall be filed with the Authority, the representatives of
20 its participating employees, the Auditor General of the State
21 of Illinois, and the Regional Transportation Authority. If the
22 funded ratio is projected to decline below 60% in any year
23 before 2039, the Board of Trustees shall also determine the
24 increased contribution required each year as a level percentage
25 of payroll over the years remaining until 2039 using the
26 projected unit credit actuarial cost method so the funded ratio

1 does not decline below 60% and include that determination in
2 its report. If the actual funded ratio declines below 60% in
3 any year prior to 2039, the Board of Trustees shall also
4 determine the increased contribution required each year as a
5 level percentage of payroll during the years after the then
6 current year using the projected unit credit actuarial cost
7 method so the funded ratio is projected to reach at least 60%
8 no later than 10 years after the then current year and include
9 that determination in its report. Within 60 days after
10 receiving the report, the Auditor General shall review the
11 determination and the assumptions on which it is based, and if
12 he finds that the determination and the assumptions on which it
13 is based are unreasonable in the aggregate, he shall issue a
14 new determination of the funded ratio, the assumptions on which
15 it is based and the increased contribution required each year
16 as a level percentage of payroll over the years remaining until
17 2039 using the projected unit credit actuarial cost method so
18 the funded ratio does not decline below 60%, or, in the event
19 of an actual decline below 60%, so the funded ratio is
20 projected to reach 60% by no later than 10 years after the then
21 current year. If the Board of Trustees or the Auditor General
22 determine that an increased contribution is required to meet
23 the funded ratio required by the subsection, effective January
24 1 following the determination or 30 days after such
25 determination, whichever is later, one-third of the increased
26 contribution shall be paid by participating employees and

1 two-thirds by the Authority, in addition to the contributions
2 required by this subsection (1).

3 (4) For the period beginning 2039, the minimum contribution
4 to the Retirement Plan for each fiscal year shall be an amount
5 determined by the Board of Trustees of the Retirement Plan to
6 be sufficient to bring the total assets of the Retirement Plan
7 up to 90% of its total actuarial liabilities by the end of
8 2058. Participating employees shall be responsible for
9 one-third of the required contribution and the Authority shall
10 be responsible for two-thirds of the required contribution. In
11 making these determinations, the Board of Trustees shall
12 calculate the required contribution each year as a level
13 percentage of payroll over the years remaining to and including
14 fiscal year 2058 using the projected unit credit actuarial cost
15 method. A report containing that determination and the
16 actuarial assumptions on which it is based shall be filed by
17 September 15 of each year with the Authority, the
18 representatives of its participating employees, the Auditor
19 General of the State of Illinois and the Regional
20 Transportation Authority. If the funded ratio is projected to
21 fail to reach 90% by December 31, 2058, the Board of Trustees
22 shall also determine the increased contribution required each
23 year as a level percentage of payroll over the years remaining
24 until December 31, 2058 using the projected unit credit
25 actuarial cost method so the funded ratio will meet 90% by
26 December 31, 2058 and include that determination in its report.

1 Within 60 days after receiving the report, the Auditor General
2 shall review the determination and the assumptions on which it
3 is based and if he finds that the determination and the
4 assumptions on which it is based are unreasonable in the
5 aggregate, he shall issue a new determination of the funded
6 ratio, the assumptions on which it is based and the increased
7 contribution required each year as a level percentage of
8 payroll over the years remaining until December 31, 2058 using
9 the projected unit credit actuarial cost method so the funded
10 ratio reaches no less than 90% by December 31, 2058. If the
11 Board of Trustees or the Auditor General determine that an
12 increased contribution is required to meet the funded ratio
13 required by this subsection, effective January 1 following the
14 determination or 30 days after such determination, whichever is
15 later, one-third of the increased contribution shall be paid by
16 participating employees and two-thirds by the Authority, in
17 addition to the contributions required by subsection (e) (1).

18 (5) Beginning in 2059, the minimum contribution for each
19 year shall be the amount needed to maintain the total assets of
20 the Retirement Plan at 90% of the total actuarial liabilities
21 of the Plan, and the contribution shall be funded two-thirds by
22 the Authority and one-third by the participating employees in
23 accordance with this subsection.

24 (f) The Authority shall take the steps necessary to comply
25 with Section 414(h) (2) of the Internal Revenue Code of 1986, as
26 amended, to permit the pick-up of employee contributions under

1 subsections (d) and (e) on a tax-deferred basis.

2 (g) The Board of Trustees shall certify to the Governor,
3 the General Assembly, the Auditor General, the Board of the
4 Regional Transportation Authority, and the Authority at least
5 90 days prior to the end of each fiscal year the amount of the
6 required contributions to the retirement system for the next
7 retirement system fiscal year under this Section. The
8 certification shall include a copy of the actuarial
9 recommendations upon which it is based. In addition, copies of
10 the certification shall be sent to the Commission on Government
11 Forecasting and Accountability and the Mayor of Chicago.

12 (h) (1) As to an employee who first becomes entitled to a
13 retirement allowance commencing on or after November 30, 1989,
14 the retirement allowance shall be the amount determined in
15 accordance with the following formula:

16 (A) One percent (1%) of his "Average Annual
17 Compensation in the highest four (4) completed Plan Years"
18 for each full year of continuous service from the date of
19 original employment to the effective date of the Plan; plus

20 (B) One and seventy-five hundredths percent (1.75%) of
21 his "Average Annual Compensation in the highest four (4)
22 completed Plan Years" for each year (including fractions
23 thereof to completed calendar months) of continuous
24 service as provided for in the Retirement Plan for Chicago
25 Transit Authority Employees.

26 Provided, however that:

1 (2) As to an employee who first becomes entitled to a
2 retirement allowance commencing on or after January 1, 1993,
3 the retirement allowance shall be the amount determined in
4 accordance with the following formula:

5 (A) One percent (1%) of his "Average Annual
6 Compensation in the highest four (4) completed Plan Years"
7 for each full year of continuous service from the date of
8 original employment to the effective date of the Plan; plus

9 (B) One and eighty hundredths percent (1.80%) of his
10 "Average Annual Compensation in the highest four (4)
11 completed Plan Years" for each year (including fractions
12 thereof to completed calendar months) of continuous
13 service as provided for in the Retirement Plan for Chicago
14 Transit Authority Employees.

15 Provided, however that:

16 (3) As to an employee who first becomes entitled to a
17 retirement allowance commencing on or after January 1, 1994,
18 the retirement allowance shall be the amount determined in
19 accordance with the following formula:

20 (A) One percent (1%) of his "Average Annual
21 Compensation in the highest four (4) completed Plan Years"
22 for each full year of continuous service from the date of
23 original employment to the effective date of the Plan; plus

24 (B) One and eighty-five hundredths percent (1.85%) of
25 his "Average Annual Compensation in the highest four (4)
26 completed Plan Years" for each year (including fractions

1 thereof to completed calendar months) of continuous
2 service as provided for in the Retirement Plan for Chicago
3 Transit Authority Employees.

4 Provided, however that:

5 (4) As to an employee who first becomes entitled to a
6 retirement allowance commencing on or after January 1, 2000,
7 the retirement allowance shall be the amount determined in
8 accordance with the following formula:

9 (A) One percent (1%) of his "Average Annual
10 Compensation in the highest four (4) completed Plan Years"
11 for each full year of continuous service from the date of
12 original employment to the effective date of the Plan; plus

13 (B) Two percent (2%) of his "Average Annual
14 Compensation in the highest four (4) completed Plan Years"
15 for each year (including fractions thereof to completed
16 calendar months) of continuous service as provided for in
17 the Retirement Plan for Chicago Transit Authority
18 Employees.

19 Provided, however that:

20 (5) As to an employee who first becomes entitled to a
21 retirement allowance commencing on or after January 1, 2001,
22 the retirement allowance shall be the amount determined in
23 accordance with the following formula:

24 (A) One percent (1%) of his "Average Annual
25 Compensation in the highest four (4) completed Plan Years"
26 for each full year of continuous service from the date of

1 original employment to the effective date of the Plan; plus
2 (B) Two and fifteen hundredths percent (2.15%) of his
3 "Average Annual Compensation in the highest four (4)
4 completed Plan Years" for each year (including fractions
5 thereof to completed calendar months) of continuous
6 service as provided for in the Retirement Plan for Chicago
7 Transit Authority Employees.

8 The changes made by this amendatory Act of the 95th General
9 Assembly, to the extent that they affect the rights or
10 privileges of Authority employees that are currently the
11 subject of collective bargaining, have been agreed to between
12 the authorized representatives of these employees and of the
13 Authority prior to enactment of this amendatory Act, as
14 evidenced by a Memorandum of Understanding between these
15 representatives that will be filed with the Secretary of State
16 Index Department and designated as "95-GA-C05". The General
17 Assembly finds and declares that those changes are consistent
18 with 49 U.S.C. 5333(b) (also known as Section 13(c) of the
19 Federal Transit Act) because of this agreement between
20 authorized representatives of these employees and of the
21 Authority, and that any future amendments to the provisions of
22 this amendatory Act of the 95th General Assembly, to the extent
23 those amendments would affect the rights and privileges of
24 Authority employees that are currently the subject of
25 collective bargaining, would be consistent with 49 U.S.C.
26 5333(b) if and only if those amendments were agreed to between

1 these authorized representatives prior to enactment.

2 (i) Early retirement incentive plan; funded ratio.

3 (1) Beginning on the effective date of this Section, no
4 early retirement incentive shall be offered to
5 participants of the Plan unless the Funded Ratio of the
6 Plan is at least 80% or more.

7 (2) For the purposes of this Section, the Funded Ratio
8 shall be the Adjusted Assets divided by the Actuarial
9 Accrued Liability developed in accordance with Statement
10 #25 promulgated by the Government Accounting Standards
11 Board and the actuarial assumptions described in the Plan.
12 The Adjusted Assets shall be calculated based on the
13 methodology described in the Plan.

14 (j) Nothing in this amendatory Act of the 95th General
15 Assembly shall impair the rights or privileges of Authority
16 employees under any other law.

17 ~~(b) Beginning January 1, 2009, the Authority shall make~~
18 ~~contributions to the retirement system in an amount which,~~
19 ~~together with the contributions of participants, interest~~
20 ~~earned on investments, and other income, will meet the cost of~~
21 ~~maintaining and administering the retirement plan in~~
22 ~~accordance with applicable actuarial recommendations and~~
23 ~~assumptions and the requirements of this Section. These~~
24 ~~contributions may be paid on a payroll or other periodic basis,~~
25 ~~but shall in any case be paid at least monthly.~~

26 ~~For retirement system fiscal years 2009 through 2058, the~~

1 ~~minimum contribution to the retirement system to be made by the~~
2 ~~Authority for each fiscal year shall be an amount determined~~
3 ~~jointly by the Authority and the trustee of the retirement~~
4 ~~system to be sufficient to bring the total assets of the~~
5 ~~retirement system up to 90% of its total actuarial liabilities~~
6 ~~by the end of fiscal year 2058. In making these determinations,~~
7 ~~the required Authority contribution shall be calculated each~~
8 ~~year as a level percentage of payroll over the years remaining~~
9 ~~to and including fiscal year 2058 and shall be determined under~~
10 ~~the projected unit credit actuarial cost method. Beginning in~~
11 ~~retirement system fiscal year 2059, the minimum Authority~~
12 ~~contribution for each fiscal year shall be the amount needed to~~
13 ~~maintain the total assets of the retirement system at 90% of~~
14 ~~the total actuarial liabilities of the system.~~

15 ~~For purposes of determining employer contributions and~~
16 ~~actuarial liabilities under this subsection, contributions and~~
17 ~~liabilities relating to health care benefits shall not be~~
18 ~~included. As used in this Section, "retirement system fiscal~~
19 ~~year" means the calendar year, or such other plan year as may~~
20 ~~be defined from time to time in the agreement known as the~~
21 ~~Retirement Plan for Chicago Transit Authority Employees, or its~~
22 ~~successor agreement.~~

23 ~~(c) The Authority and the trustee shall jointly certify to~~
24 ~~the Governor, the General Assembly, and the Board of the~~
25 ~~Regional Transportation Authority on or before November 15 of~~
26 ~~2008 and of each year thereafter the amount of the required~~

1 ~~Authority contributions to the retirement system for the next~~
2 ~~retirement system fiscal year under subsection (b). The~~
3 ~~certification shall include a copy of the actuarial~~
4 ~~recommendations upon which it is based. In addition, copies of~~
5 ~~the certification shall be sent to the Commission on Government~~
6 ~~Forecasting and Accountability, the Mayor of Chicago, the~~
7 ~~Chicago City Council, and the Cook County Board.~~

8 ~~(d) The Authority shall take all actions lawfully available~~
9 ~~to it to separate the funding of health care benefits for~~
10 ~~retirees and their dependents and survivors from the funding~~
11 ~~for its retirement system. The Authority shall endeavor to~~
12 ~~achieve this separation as soon as possible, and in any event~~
13 ~~no later than January 1, 2009.~~

14 ~~(e) This amendatory Act of the 94th General Assembly does~~
15 ~~not affect or impair the right of either the Authority or its~~
16 ~~employees to collectively bargain the amount or level of~~
17 ~~employee contributions to the retirement system.~~

18 (Source: P.A. 94-839, eff. 6-6-06.)

19 (40 ILCS 5/22-101B new)

20 Sec. 22-101B. Health Care Benefits.

21 (a) The Chicago Transit Authority (hereinafter referred to
22 in this Section as the "Authority") shall take all actions
23 lawfully available to it to separate the funding of health care
24 benefits for retirees and their dependents and survivors from
25 the funding for its retirement system. The Authority shall

1 endeavor to achieve this separation as soon as possible, and in
2 any event no later than January 1, 2009.

3 (b) Effective January 1, 2008, a Retiree Health Care Trust
4 is established for the purpose of providing health care
5 benefits to eligible retirees and their dependents and
6 survivors in accordance with the terms and conditions set forth
7 in this Section 22-101B. The Retiree Health Care Trust shall be
8 solely responsible for providing health care benefits to
9 eligible retirees and their dependents and survivors by no
10 later than January 1, 2009, but no earlier than July 1, 2008.

11 (1) The Board of Trustees shall consist of 7 members
12 appointed as follows: (i) 3 trustees shall be appointed by
13 the Chicago Transit Board; (ii) one trustee shall be
14 appointed by an organization representing the highest
15 number of Chicago Transit Authority participants; (iii)
16 one trustee shall be appointed by an organization
17 representing the second-highest number of Chicago Transit
18 Authority participants; (iv) one trustee shall be
19 appointed by the recognized coalition representatives of
20 participants who are not represented by an organization
21 with the highest or second-highest number of Chicago
22 Transit Authority participants; and (v) one trustee shall
23 be selected by the Regional Transportation Authority Board
24 of Directors, and the trustee shall be a professional
25 fiduciary who has experience in the area of collectively
26 bargained retiree health plans. Trustees shall serve until

1 a successor has been appointed and qualified, or until
2 resignation, death, incapacity, or disqualification.

3 Any person appointed as a trustee of the board shall
4 qualify by taking an oath of office that he or she will
5 diligently and honestly administer the affairs of the
6 system, and will not knowingly violate or willfully permit
7 the violation of any of the provisions of law applicable to
8 the Plan, including Sections 1-109, 1-109.1, 1-109.2,
9 1-110, 1-111, 1-114, and 1-115 of Article 1 of the Illinois
10 Pension Code.

11 Each trustee shall cast individual votes, and a
12 majority vote shall be final and binding upon all
13 interested parties. Each trustee shall have the rights,
14 privileges, authority and obligations as are usual and
15 customary for such fiduciaries.

16 (2) The Board of Trustees shall establish and
17 administer a health care benefit program for eligible
18 retirees and their dependents and survivors. The health
19 care benefit program for eligible retirees and their
20 dependents and survivors shall not contain any plan which
21 provides for more than 90% coverage for in-network services
22 or 70% coverage for out-of-network services after any
23 deductible has been paid.

24 (3) The Retiree Health Care Trust shall be administered
25 by the Board of Trustees according to the following
26 requirements:

1 (i) The Board of Trustees may cause amounts on
2 deposit in the Retiree Health Care Trust to be invested
3 in those investments that are permitted investments
4 for the investment of moneys held under any one or more
5 of the pension or retirement systems of the State, any
6 unit of local government or school district, or any
7 agency or instrumentality thereof. The Board, by a vote
8 of at least two-thirds of the trustees, may transfer
9 investment management to the Illinois State Board of
10 Investment, which is hereby authorized to manage these
11 investments when so requested by the Board of Trustees.

12 (ii) The Board of Trustees shall establish and
13 maintain an appropriate funding reserve level which
14 shall not be less than the amount of incurred and
15 unreported claims plus 12 months of expected claims and
16 administrative expenses.

17 (iii) The Board of Trustees shall make an annual
18 assessment of the funding levels of the Retiree Health
19 Care Trust and shall submit a report to the Auditor
20 General at least 90 days prior to the end of the fiscal
21 year. The report shall provide the following:

22 (A) the actuarial present value of projected
23 benefits expected to be paid to current and future
24 retirees and their dependents and survivors;

25 (B) the actuarial present value of projected
26 contributions and trust income plus assets;

1 (C) the reserve required by subsection
2 (b) (3) (ii); and

3 (D) an assessment of whether the actuarial
4 present value of projected benefits expected to be
5 paid to current and future retirees and their
6 dependents and survivors exceeds or is less than
7 the actuarial present value of projected
8 contributions and trust income plus assets in
9 excess of the reserve required by subsection
10 (b) (3) (ii).

11 If the actuarial present value of projected
12 benefits expected to be paid to current and future
13 retirees and their dependents and survivors exceeds
14 the actuarial present value of projected contributions
15 and trust income plus assets in excess of the reserve
16 required by subsection (b) (3) (ii), then the report
17 shall provide a plan of increases in employee, retiree,
18 dependent, or survivor contribution levels, decreases
19 in benefit levels, or both, which is projected to cure
20 the shortfall over a period of not more than 10 years.
21 If the actuarial present value of projected benefits
22 expected to be paid to current and future retirees and
23 their dependents and survivors is less than the
24 actuarial present value of projected contributions and
25 trust income plus assets in excess of the reserve
26 required by subsection (b) (3) (ii), then the report may

1 provide a plan of decreases in employee, retiree,
2 dependent, or survivor contribution levels, increases
3 in benefit levels, or both, to the extent of the
4 surplus.

5 (iv) The Auditor General shall review the report
6 and plan provided in subsection (b) (3) (iii) and issue a
7 determination within 90 days after receiving the
8 report and plan, with a copy of such determination
9 provided to the General Assembly and the Regional
10 Transportation Authority, as follows:

11 (A) In the event of a projected shortfall, if
12 the Auditor General determines that the
13 assumptions stated in the report are not
14 unreasonable in the aggregate and that the plan of
15 increases in employee, retiree, dependent, or
16 survivor contribution levels, decreases in benefit
17 levels, or both, is reasonably projected to cure
18 the shortfall over a period of not more than 10
19 years, then the Board of Trustees shall implement
20 the plan. If the Auditor General determines that
21 the assumptions stated in the report are
22 unreasonable in the aggregate, or that the plan of
23 increases in employee, retiree, dependent, or
24 survivor contribution levels, decreases in benefit
25 levels, or both, is not reasonably projected to
26 cure the shortfall over a period of not more than

1 10 years, then the Board of Trustees shall not
2 implement the plan, the Auditor General shall
3 explain the basis for such determination to the
4 Board of Trustees, and the Auditor General may make
5 recommendations as to an alternative report and
6 plan.

7 (B) In the event of a projected surplus, if the
8 Auditor General determines that the assumptions
9 stated in the report are not unreasonable in the
10 aggregate and that the plan of decreases in
11 employee, retiree, dependent, or survivor
12 contribution levels, increases in benefit levels,
13 or both, is not unreasonable in the aggregate, then
14 the Board of Trustees shall implement the plan. If
15 the Auditor General determines that the
16 assumptions stated in the report are unreasonable
17 in the aggregate, or that the plan of decreases in
18 employee, retiree, dependent, or survivor
19 contribution levels, increases in benefit levels,
20 or both, is unreasonable in the aggregate, then the
21 Board of Trustees shall not implement the plan, the
22 Auditor General shall explain the basis for such
23 determination to the Board of Trustees, and the
24 Auditor General may make recommendations as to an
25 alternative report and plan.

26 (C) The Board of Trustees shall submit an

1 alternative report and plan within 45 days after
2 receiving a rejection determination by the Auditor
3 General. A determination by the Auditor General on
4 any alternative report and plan submitted by the
5 Board of Trustees shall be made within 90 days
6 after receiving the alternative report and plan,
7 and shall be accepted or rejected according to the
8 requirements of this subsection (b)(3)(iv). The
9 Board of Trustees shall continue to submit
10 alternative reports and plans to the Auditor
11 General, as necessary, until a favorable
12 determination is made by the Auditor General.

13 (4) For any retiree who first retires effective January
14 1, 2008 or thereafter, to be eligible for retiree health
15 care benefits upon retirement, the retiree must be at least
16 55 years of age, retire with 10 or more years of continuous
17 service and satisfy the preconditions established by this
18 amendatory Act in addition to any rules or regulations
19 promulgated by the Board of Trustees. This paragraph (4)
20 shall not apply to a disability allowance.

21 (5) Effective July 1, 2008, the aggregate amount of
22 retiree, dependent and survivor contributions to the cost
23 of their health care benefits shall not exceed more than
24 45% of the total cost of such benefits. The Board of
25 Trustees shall have the discretion to provide different
26 contribution levels for retirees, dependents and survivors

1 based on their years of service, level of coverage or
2 Medicare eligibility, provided that the total contribution
3 from all retirees, dependents, and survivors shall be not
4 more than 45% of the total cost of such benefits. The term
5 "total cost of such benefits" for purposes of this
6 subsection shall be the total amount expended by the
7 retiree health benefit program in the prior plan year, as
8 calculated and certified in writing by the Retiree Health
9 Care Trust's enrolled actuary to be appointed and paid for
10 by the Board of Trustees.

11 (6) Effective January 1, 2008, all employees of the
12 Authority shall contribute to the Retiree Health Care Trust
13 in an amount not less than 3% of compensation.

14 (7) No earlier than July 1, 2008 and no later than
15 January 1, 2009 as the Retiree Health Care Trust becomes
16 solely responsible for providing health care benefits to
17 eligible retirees and their dependents and survivors in
18 accordance with subsection (b) of this Section 22-101B, the
19 Authority shall not have any obligation to provide health
20 care to current or future retirees and their dependents or
21 survivors. The Authority, its employees, and the retirees,
22 dependents and survivors who are required to make
23 contributions to the Retiree Health Care Trust shall make
24 contributions at the level set by the Board of Trustees
25 pursuant to the requirements of this Section 22-101B.

1 Section 45. The Metropolitan Transit Authority Act is
2 amended by changing Sections 15, 28a, 34, and 46 and by adding
3 Sections 12c and 50 as follows:

4 (70 ILCS 3605/12c new)

5 Sec. 12c. Retiree Benefits Bonds and Notes.

6 (a) In addition to all other bonds or notes that it is
7 authorized to issue, the Authority is authorized to issue its
8 bonds or notes for the purposes of providing funds for the
9 Authority to make the deposits described in Section 12c(b)(1)
10 and (2), for refunding any bonds authorized to be issued under
11 this Section, as well as for the purposes of paying costs of
12 issuance, obtaining bond insurance or other credit enhancement
13 or liquidity facilities, paying costs of obtaining related
14 swaps as authorized in the Bond Authorization Act ("Swaps"),
15 providing a debt service reserve fund, paying Debt Service (as
16 defined in paragraph (i) of this Section 12c), and paying all
17 other costs related to any such bonds or notes.

18 (b)(1) After its receipt of a certified copy of a report of
19 the Auditor General of the State of Illinois meeting the
20 requirements of Section 3-2.3 of the Illinois State Auditing
21 Act, the Authority may issue \$1,227,000,000 aggregate original
22 principal amount of bonds and notes. After payment of the costs
23 of issuance and necessary deposits to funds and accounts
24 established with respect to debt service, the net proceeds of
25 such bonds or notes shall be deposited only in the Retirement

1 Plan for Chicago Transit Authority Employees and used only for
2 the purposes required by Section 22-101 of the Illinois Pension
3 Code. Provided that no less than \$1,000,000,000 has been
4 deposited in the Retirement Plan, remaining proceeds of bonds
5 issued under this subparagraph (b) (1) may be used to pay costs
6 of issuance and make necessary deposits to funds and accounts
7 with respect to debt service for bonds and notes issued under
8 this subparagraph or subparagraph (b) (2).

9 (2) After its receipt of a certified copy of a report of
10 the Auditor General of the State of Illinois meeting the
11 requirements of Section 3-2.3 of the Illinois State Auditing
12 Act, the Authority may issue \$553,000,000 aggregate original
13 principal amount of bonds and notes. After payment of the costs
14 of issuance and necessary deposits to funds and accounts
15 established with respect to debt service, the net proceeds of
16 such bonds or notes shall be deposited only in the Retiree
17 Health Care Trust and used only for the purposes required by
18 Section 22-101B of the Illinois Pension Code. Provided that no
19 less than \$450,000,000 has been deposited in the Retiree Health
20 Care Trust, remaining proceeds of bonds issued under this
21 subparagraph (b) (2) may be used to pay costs of issuance and
22 make necessary deposits to funds and accounts with respect to
23 debt service for bonds and notes issued under this subparagraph
24 or subparagraph (b) (1).

25 (3) In addition, refunding bonds are authorized to be
26 issued for the purpose of refunding outstanding bonds or notes

1 issued under this Section 12c.

2 (4) The bonds or notes issued under 12c(b)(1) shall be
3 issued as soon as practicable after the Auditor General issues
4 the report provided in Section 3-2.3(b) of the Illinois State
5 Auditing Act. The bonds or notes issued under 12c(b)(2) shall
6 be issued as soon as practicable after the Auditor General
7 issues the report provided in Section 3-2.3(c) of the Illinois
8 State Auditing Act.

9 (5) With respect to bonds and notes issued under
10 subparagraph (b), scheduled aggregate annual payments of
11 interest or deposits into funds and accounts established for
12 the purpose of such payment shall commence within one year
13 after the bonds and notes are issued. With respect to principal
14 and interest, scheduled aggregate annual payments of principal
15 and interest or deposits into funds and accounts established
16 for the purpose of such payment shall be not less than 70% in
17 2009, 80% in 2010, and 90% in 2011, respectively, of scheduled
18 payments or deposits of principal and interest in 2012 and
19 shall be substantially equal beginning in 2012 and each year
20 thereafter. For purposes of this subparagraph (b),
21 "substantially equal" means that debt service in any full year
22 after calendar year 2011 is not more than 115% of debt service
23 in any other full year after calendar year 2011 during the term
24 of the bonds or notes. For the purposes of this subsection (b),
25 with respect to bonds and notes that bear interest at a
26 variable rate, interest shall be assumed at a rate equal to the

1 rate for United States Treasury Securities - State and Local
2 Government Series for the same maturity, plus 75 basis points.
3 If the Authority enters into a Swap with a counterparty
4 requiring the Authority to pay a fixed interest rate on a
5 notional amount, and the Authority has made a determination
6 that such Swap was entered into for the purpose of providing
7 substitute interest payments for variable interest rate bonds
8 or notes of a particular maturity or maturities in a principal
9 amount equal to the notional amount of the Swap, then during
10 the term of the Swap for purposes of any calculation of
11 interest payable on such bonds or notes, the interest rate on
12 the bonds or notes of such maturity or maturities shall be
13 determined as if such bonds or notes bore interest at the fixed
14 interest rate payable by the Authority under such Swap.

15 (6) No bond or note issued under this Section 12c shall
16 mature later than December 31, 2039.

17 (c) The Chicago Transit Board shall provide for the
18 issuance of bonds or notes as authorized in this Section 12c by
19 the adoption of an ordinance. The ordinance, together with the
20 bonds or notes, shall constitute a contract among the
21 Authority, the owners from time to time of the bonds or notes,
22 any bond trustee with respect to the bonds or notes, any
23 related credit enhancer and any provider of any related Swaps.

24 (d) The Authority is authorized to cause the proceeds of
25 the bonds or notes, and any interest or investment earnings on
26 the bonds or notes, and of any Swaps, to be invested until the

1 proceeds and any interest or investment earnings have been
2 deposited with the Retirement Plan or the Retiree Health Care
3 Trust.

4 (e) Bonds or notes issued pursuant to this Section 12c may
5 be general obligations of the Authority, to which shall be
6 pledged the full faith and credit of the Authority, or may be
7 obligations payable solely from particular sources of funds all
8 as may be provided in the authorizing ordinance. The
9 authorizing ordinance for the bonds and notes, whether or not
10 general obligations of the Authority, may provide for the Debt
11 Service (as defined in paragraph (i) of this Section 12c) to
12 have a claim for payment from particular sources of funds,
13 including, without limitation, amounts to be paid to the
14 Authority or a bond trustee. The authorizing ordinance may
15 provide for the means by which the bonds or notes (and any
16 related Swaps) may be secured, which may include, a pledge of
17 any revenues or funds of the Authority from whatever source
18 which may by law be utilized for paying Debt Service. In
19 addition to any other security, upon the written approval of
20 the Regional Transportation Authority by the affirmative vote
21 of 12 of its then Directors, the ordinance shall provide a
22 specific pledge or assignment of and lien on or security
23 interest in amounts to be paid to the Authority by the Regional
24 Transportation Authority from the proceeds of any tax levied by
25 the Regional Transportation Authority under Section 4.03 of the
26 Regional Transportation Authority Act and direct payment

1 thereof to the bond trustee for payment of Debt Service with
2 respect to the bonds or notes, subject to the provisions of
3 existing lease agreements of the Authority with any public
4 building commission. The authorizing ordinance may also
5 provide a specific pledge or assignment of and lien on or
6 security interest in and direct payment to the trustee of all
7 or a portion of the moneys otherwise payable to the Authority
8 from the City of Chicago pursuant to an intergovernmental
9 agreement with the Authority to provide financial assistance to
10 the Authority. Any such pledge, assignment, lien or security
11 interest for the benefit of owners of bonds or notes shall be
12 valid and binding from the time the bonds or notes are issued,
13 without any physical delivery or further act, and shall be
14 valid and binding as against and prior to the claims of all
15 other parties having claims of any kind against the Authority
16 or any other person, irrespective of whether such other parties
17 have notice of such pledge, assignment, lien or security
18 interest, all as provided in the Local Government Debt Reform
19 Act, as it may be amended from time to time. The bonds or notes
20 of the Authority issued pursuant to this Section 12c shall have
21 such priority of payment and as to their claim for payment from
22 particular sources of funds, including their priority with
23 respect to obligations of the Authority issued under other
24 Sections of this Act, all as shall be provided in the
25 ordinances authorizing the issuance of the bonds or notes. The
26 ordinance authorizing the issuance of any bonds or notes under

1 this Section may provide for the creation of, deposits in, and
2 regulation and disposition of sinking fund or reserve accounts
3 relating to those bonds or notes and related agreements. The
4 ordinance authorizing the issuance of any such bonds or notes
5 authorized under this Section 12c may contain provisions for
6 the creation of a separate fund to provide for the payment of
7 principal of and interest on those bonds or notes and related
8 agreements. The ordinance may also provide limitations on the
9 issuance of additional bonds or notes of the Authority.

10 (f) Bonds or notes issued under this Section 12c shall not
11 constitute an indebtedness of the Regional Transportation
12 Authority, the State of Illinois, or of any other political
13 subdivision of or municipality within the State, except the
14 Authority.

15 (g) The ordinance of the Chicago Transit Board authorizing
16 the issuance of bonds or notes pursuant to this Section 12c may
17 provide for the appointment of a corporate trustee (which may
18 be any trust company or bank having the powers of a trust
19 company within Illinois) with respect to bonds or notes issued
20 pursuant to this Section 12c. The ordinance shall prescribe the
21 rights, duties, and powers of the trustee to be exercised for
22 the benefit of the Authority and the protection of the owners
23 of bonds or notes issued pursuant to this Section 12c. The
24 ordinance may provide for the trustee to hold in trust, invest
25 and use amounts in funds and accounts created as provided by
26 the ordinance with respect to the bonds or notes in accordance

1 with this Section 12c. The Authority may apply, as it shall
2 determine, any amounts received upon the sale of the bonds or
3 notes to pay any Debt Service on the bonds or notes. The
4 ordinance may provide for a trust indenture to set forth terms
5 of, sources of payment for and security for the bonds and
6 notes.

7 (h) The State of Illinois pledges to and agrees with the
8 owners of the bonds or notes issued pursuant to Section 12c
9 that the State of Illinois will not limit the powers vested in
10 the Authority by this Act to pledge and assign its revenues and
11 funds as security for the payment of the bonds or notes, or
12 vested in the Regional Transportation Authority by the Regional
13 Transportation Authority Act or this Act, so as to materially
14 impair the payment obligations of the Authority under the terms
15 of any contract made by the Authority with those owners or to
16 materially impair the rights and remedies of those owners until
17 those bonds or notes, together with interest and any redemption
18 premium, and all costs and expenses in connection with any
19 action or proceedings by or on behalf of such owners are fully
20 met and discharged. The Authority is authorized to include
21 these pledges and agreements of the State of Illinois in any
22 contract with owners of bonds or notes issued pursuant to this
23 Section 12c.

24 (i) For purposes of this Section, "Debt Service" with
25 respect to bonds or notes includes, without limitation,
26 principal (at maturity or upon mandatory redemption),

1 redemption premium, interest, periodic, upfront, and
2 termination payments on Swaps, fees for bond insurance or other
3 credit enhancement, liquidity facilities, the funding of bond
4 or note reserves, bond trustee fees, and all other costs of
5 providing for the security or payment of the bonds or notes.

6 (j) The Authority shall adopt a procurement program with
7 respect to contracts relating to the following service
8 providers in connection with the issuance of debt for the
9 benefit of the Retirement Plan for Chicago Transit Authority
10 Employees: underwriters, bond counsel, financial advisors, and
11 accountants. The program shall include goals for the payment of
12 not less than 30% of the total dollar value of the fees from
13 these contracts to minority owned businesses and female owned
14 businesses as defined in the Business Enterprise for
15 Minorities, Females, and Persons with Disabilities Act. The
16 Authority shall conduct outreach to minority owned businesses
17 and female owned businesses. Outreach shall include, but is not
18 limited to, advertisements in periodicals and newspapers,
19 mailings, and other appropriate media. The Authority shall
20 submit to the General Assembly a comprehensive report that
21 shall include, at a minimum, the details of the procurement
22 plan, outreach efforts, and the results of the efforts to
23 achieve goals for the payment of fees. The service providers
24 selected by the Authority pursuant to such program shall not be
25 subject to approval by the Regional Transportation Authority,
26 and the Regional Transportation Authority's approval pursuant

1 to subsection (e) of this Section 12c related to the issuance
2 of debt shall not be based in any way on the service providers
3 selected by the Authority pursuant to this Section.

4 (k) No person holding an elective office in this State,
5 holding a seat in the General Assembly, serving as a director,
6 trustee, officer, or employee of the Regional Transportation
7 Authority or the Chicago Transit Authority, including the
8 spouse or minor child of that person, may receive a legal,
9 banking, consulting, or other fee related to the issuance of
10 any bond issued by the Chicago Transit Authority pursuant to
11 this Section.

12 (70 ILCS 3605/15) (from Ch. 111 2/3, par. 315)

13 Sec. 15. The Authority shall have power to apply for and
14 accept grants and loans from the Federal Government or any
15 agency or instrumentality thereof, from the State, or from any
16 county, municipal corporation or other political subdivision
17 of the State to be used for any of the purposes of the
18 Authority, including, but not by way of limitation, grants and
19 loans in aid of mass transportation and for studies in mass
20 transportation, and may provide matching funds when necessary
21 to qualify for such grants or loans. The Authority may enter
22 into any agreement with the Federal Government, the State, and
23 any county, municipal corporation or other political
24 subdivision of the State in relation to such grants or loans;
25 provided that such agreement does not conflict with any of the

1 provisions of any trust agreement securing the payment of bonds
2 or certificates of the Authority.

3 The Authority may also accept from the state, or from any
4 county or other political subdivision, or from any municipal
5 corporation, or school district, or school authorities, grants
6 or other funds authorized by law to be paid to the Authority
7 for any of the purposes of this Act.

8 (Source: Laws 1961, p. 3135.)

9 (70 ILCS 3605/28a) (from Ch. 111 2/3, par. 328a)

10 Sec. 28a. (a) The Board may deal with and enter into
11 written contracts with the employees of the Authority through
12 accredited representatives of such employees or
13 representatives of any labor organization authorized to act for
14 such employees, concerning wages, salaries, hours, working
15 conditions and pension or retirement provisions; provided,
16 nothing herein shall be construed to permit hours of labor in
17 excess of those provided by law or to permit working conditions
18 prohibited by law. In case of dispute over wages, salaries,
19 hours, working conditions, or pension or retirement provisions
20 the Board may arbitrate any question or questions and may agree
21 with such accredited representatives or labor organization
22 that the decision of a majority of any arbitration board shall
23 be final, provided each party shall agree in advance to pay
24 half of the expense of such arbitration.

25 No contract or agreement shall be made with any labor

1 organization, association, group or individual for the
2 employment of members of such organization, association, group
3 or individual for the construction, improvement, maintenance,
4 operation or administration of any property, plant or
5 facilities under the jurisdiction of the Authority, where such
6 organization, association, group or individual denies on the
7 ground of race, creed, color, sex, religion, physical or mental
8 handicap unrelated to ability, or national origin membership
9 and equal opportunities for employment to any citizen of
10 Illinois.

11 (b)(1) The provisions of this paragraph (b) apply to
12 collective bargaining agreements (including extensions and
13 amendments of existing agreements) entered into on or after
14 January 1, 1984.

15 (2) The Board shall deal with and enter into written
16 contracts with their employees, through accredited
17 representatives of such employees authorized to act for such
18 employees concerning wages, salaries, hours, working
19 conditions, and pension or retirement provisions about which a
20 collective bargaining agreement has been entered prior to the
21 effective date of this amendatory Act of 1983. Any such
22 agreement of the Authority shall provide that the agreement may
23 be reopened if the amended budget submitted pursuant to Section
24 2.18a of the Regional Transportation Authority Act is not
25 approved by the Board of the Regional Transportation Authority.
26 The agreement may not include a provision requiring the payment

1 of wage increases based on changes in the Consumer Price Index.
2 The Board shall not have the authority to enter into collective
3 bargaining agreements with respect to inherent management
4 rights, which include such areas of discretion or policy as the
5 functions of the employer, standards of services, its overall
6 budget, the organizational structure and selection of new
7 employees and direction of personnel. Employers, however,
8 shall be required to bargain collectively with regard to policy
9 matters directly affecting wages, hours and terms and
10 conditions of employment, as well as the impact thereon upon
11 request by employee representatives. To preserve the rights of
12 employers and exclusive representatives which have established
13 collective bargaining relationships or negotiated collective
14 bargaining agreements prior to the effective date of this
15 amendatory Act of 1983, employers shall be required to bargain
16 collectively with regard to any matter concerning wages, hours
17 or conditions of employment about which they have bargained
18 prior to the effective date of this amendatory Act of 1983.

19 (3) The collective bargaining agreement may not include a
20 prohibition on the use of part-time operators on any service
21 operated by or funded by the Board, except where prohibited by
22 federal law.

23 (4) Within 30 days of the signing of any such collective
24 bargaining agreement, the Board shall determine the costs of
25 each provision of the agreement, prepare an amended budget
26 incorporating the costs of the agreement, and present the

1 amended budget to the Board of the Regional Transportation
2 Authority for its approval under Section 4.11 of the Regional
3 Transportation Act. The Board of the Regional Transportation
4 Authority may approve the amended budget by an affirmative vote
5 of 10 ~~two-thirds~~ of its then Directors. If the budget is not
6 approved by the Board of the Regional Transportation Authority,
7 the agreement may be reopened and its terms may be
8 renegotiated. Any amended budget which may be prepared
9 following renegotiation shall be presented to the Board of the
10 Regional Transportation Authority for its approval in like
11 manner.

12 (Source: P.A. 83-886.)

13 (70 ILCS 3605/34) (from Ch. 111 2/3, par. 334)

14 Sec. 34. Budget and Program. The Authority, subject to the
15 powers of the Regional Transportation Authority in Section 4.11
16 of the Regional Transportation Authority Act, shall control the
17 finances of the Authority. It shall by ordinance appropriate
18 money to perform the Authority's purposes and provide for
19 payment of debts and expenses of the Authority. Each year the
20 Authority shall prepare and publish a comprehensive annual
21 budget and five-year capital program document, and a financial
22 plan for the 2 years thereafter describing the state of the
23 Authority and presenting for the forthcoming fiscal year and
24 the two following years the Authority's plans for such
25 operations and capital expenditures as it intends to undertake

1 and the means by which it intends to finance them. The proposed
2 budget, ~~and financial plan,~~ and five-year capital program shall
3 be based on the Regional Transportation Authority's estimate of
4 funds to be made available to the Authority by or through the
5 Regional Transportation Authority and shall conform in all
6 respects to the requirements established by the Regional
7 Transportation Authority. The proposed ~~program and budget,~~
8 financial plan, and five-year capital program shall contain a
9 statement of the funds estimated to be on hand at the beginning
10 of the fiscal year, the funds estimated to be received from all
11 sources for such year and the funds estimated to be on hand at
12 the end of such year. ~~After adoption of the Regional~~
13 ~~Transportation Authority's first Five-Year Program, as~~
14 ~~provided in Section 2.01 of the Regional Transportation~~
15 ~~Authority Act, the proposed program and budget shall~~
16 ~~specifically identify any respect in which the recommended~~
17 ~~program deviates from the Regional Transportation Authority's~~
18 ~~then existing Five Year Program, giving the reasons for such~~
19 ~~deviation.~~ The proposed ~~program and budget,~~ financial plan, and
20 five-year capital program shall be available at no cost for
21 public inspection at the Authority's main office and at the
22 Regional Transportation Authority's main office at least 3
23 weeks prior to any public hearing. Before the proposed budget,
24 ~~and program and financial plan,~~ and five-year capital program
25 are submitted to the Regional Transportation Authority, the
26 Authority shall hold at least one public hearing thereon in

1 each of the counties in which the Authority provides service.
2 All Board members of the Authority shall attend a majority of
3 the public hearings unless reasonable cause is given for their
4 absence. After the public hearings, the Board of the Authority
5 shall hold at least one meeting for consideration of the
6 proposed program and budget with the Cook County Board. After
7 conducting such hearings and holding such meetings and after
8 making such changes in the proposed ~~program and~~ budget,
9 financial plan, and five-year capital program as the Board
10 deems appropriate, it shall adopt an annual budget ordinance at
11 least by November 15th preceding the beginning of each fiscal
12 year. The budget, ~~and program, and~~ financial plan, and
13 five-year capital program shall then be submitted to the
14 Regional Transportation Authority as provided in Section 4.11
15 of the Regional Transportation Authority Act. In the event that
16 the Board of the Regional Transportation Authority determines
17 that the budget, ~~and program, and~~ financial plan, and five-year
18 capital program do not meet the standards of said Section 4.11,
19 the Board of the Authority shall make such changes as are
20 necessary to meet such requirements and adopt an amended budget
21 ordinance. The amended budget ordinance shall be resubmitted to
22 the Regional Transportation Authority pursuant to said Section
23 4.11. The ordinance shall appropriate such sums of money as are
24 deemed necessary to defray all necessary expenses and
25 obligations of the Authority, specifying purposes and the
26 objects or programs for which appropriations are made and the

1 amount appropriated for each object or program. Additional
2 appropriations, transfers between items and other changes in
3 such ordinance which do not alter the basis upon which the
4 balanced budget determination was made by the Regional
5 Transportation Authority may be made from time to time by the
6 Board.

7 The budget shall:

8 (i) show a balance between (A) anticipated revenues
9 from all sources including operating subsidies and (B) the
10 costs of providing the services specified and of funding
11 any operating deficits or encumbrances incurred in prior
12 periods, including provision for payment when due of
13 principal and interest on outstanding indebtedness;

14 (ii) show cash balances including the proceeds of any
15 anticipated cash flow borrowing sufficient to pay with
16 reasonable promptness all costs and expenses as incurred;

17 (iii) provide for a level of fares or charges and
18 operating or administrative costs for the public
19 transportation provided by or subject to the jurisdiction
20 of the Board sufficient to allow the Board to meet its
21 required system generated revenue recovery ratio as
22 determined in accordance with subsection (a) of Section
23 4.11 of the Regional Transportation Authority Act;

24 (iv) be based upon and employ assumptions and
25 projections which are reasonable and prudent;

26 (v) have been prepared in accordance with sound

1 financial practices as determined by the Board of the
2 Regional Transportation Authority; ~~and~~

3 (vi) meet such other financial, budgetary, or fiscal
4 requirements that the Board of the Regional Transportation
5 Authority may by rule or regulation establish; and -

6 (vii) be consistent with the goals and objectives
7 adopted by the Regional Transportation Authority in the
8 Strategic Plan.

9 The Board shall establish a fiscal operating year. At least
10 thirty days prior to the beginning of the first full fiscal
11 year after the creation of the Authority, and annually
12 thereafter, the Board shall cause to be prepared a tentative
13 budget which shall include all operation and maintenance
14 expense for the ensuing fiscal year. The tentative budget shall
15 be considered by the Board and, subject to any revision and
16 amendments as may be determined, shall be adopted prior to the
17 first day of the ensuing fiscal year as the budget for that
18 year. No expenditures for operations and maintenance in excess
19 of the budget shall be made during any fiscal year except by
20 the affirmative vote of at least five members of the Board. It
21 shall not be necessary to include in the annual budget any
22 statement of necessary expenditures for pensions or retirement
23 annuities, or for interest or principal payments on bonds or
24 certificates, or for capital outlays, but it shall be the duty
25 of the Board to make provision for payment of same from
26 appropriate funds. The Board may not alter its fiscal year

1 without the prior approval of the Board of the Regional
2 Transportation Authority.

3 (Source: P.A. 87-1249.)

4 (70 ILCS 3605/46) (from Ch. 111 2/3, par. 346)

5 Sec. 46. Citizens Advisory Board. The Board shall establish
6 a citizens advisory board composed of 11 residents of those
7 portions of the metropolitan region in which the Authority
8 provides service who have an interest in public transportation,
9 one of whom shall be at least 65 years of age. The members of
10 the advisory board shall be named for 2 year terms, shall
11 select one of their members to serve as chairman and shall
12 serve without compensation. The citizens advisory board shall
13 meet with Board at least quarterly and advise the Board of the
14 impact of its policies and programs on the communities it
15 serves. Appointments to the citizens advisory board should, to
16 the greatest extent possible, reflect the ethnic, cultural, and
17 geographic diversity of all persons residing within the
18 metropolitan region in which the Authority provides service.

19 (Source: P.A. 87-226.)

20 (70 ILCS 3605/50 new)

21 Sec. 50. Disadvantaged Business Enterprise Contracting and
22 Equal Employment Opportunity Programs. The Authority shall, as
23 soon as is practicable but in no event later than two years
24 after the effective date of this amendatory Act of the 95th

1 General Assembly, establish and maintain a disadvantaged
2 business enterprise contracting program designed to ensure
3 non-discrimination in the award and administration of
4 contracts not covered under a federally mandated disadvantaged
5 business enterprise program. The program shall establish
6 narrowly tailored goals for the participation of disadvantaged
7 business enterprises as the Authority determines appropriate.
8 The goals shall be based on demonstrable evidence of the
9 availability of ready, willing, and able disadvantaged
10 business enterprises relative to all businesses ready,
11 willing, and able to participate on the program's contracts.
12 The program shall require the Authority to monitor the progress
13 of the contractors' obligations with respect to the program's
14 goals. Nothing in this program shall conflict with or interfere
15 with the maintenance or operation of, or compliance with, any
16 federally mandated disadvantaged business enterprise program.

17 The Authority shall establish and maintain a program
18 designed to promote equal employment opportunity. Each year, no
19 later than October 1, the Authority shall report to the General
20 Assembly on the number of employees of the Authority and the
21 number of employees who have designated themselves as members
22 of a minority group and gender.

23 Each year no later than October 1, and starting no later
24 than the October 1 after the establishment of the disadvantaged
25 business enterprise contracting program, the Authority shall
26 submit a report with respect to such program to the General

1 Assembly. In addition, no later than October 1 of each year,
2 the Authority shall submit a copy of its federally mandated
3 semi-annual Uniform Report of Disadvantaged Business
4 Enterprises Awards or Commitments and Payments to the General
5 Assembly.

6 Section 50. The Local Mass Transit District Act is amended
7 by changing Section 3.1 as follows:

8 (70 ILCS 3610/3.1) (from Ch. 111 2/3, par. 353.1)

9 Sec. 3.1. Also in the manner provided in this Act as
10 amended, a "Local Mass Transit District" may be created with
11 boundary to enclose a unit area of contiguous land, to be known
12 as the "participating area". Such a "participating area" may be
13 organized as a district under this Act without regard to
14 boundaries of counties or other political subdivisions or
15 municipal corporations.

16 (a) Any 500 or more legal voters who are residents within
17 such "participating area" may file a petition in the circuit
18 court of the county where the proposed district or a major part
19 thereof is located, asking that the question of creating such
20 district be submitted under this Act by referendum to the
21 voters residing within the proposed district. By their power of
22 attorney signed by them and filed in the cause the petitioners
23 may authorize a committee of their number named by the
24 petitioners, to conduct and pursue the cause for them to a

1 conclusion. Such petition shall define the boundaries of the
2 proposed district, shall indicate distances to nearest mass
3 transportation lines in each direction, naming them, shall have
4 attached a fair map of the proposed district, and shall suggest
5 a name for the proposed district.

6 (b) The circuit clerk shall present to the circuit judge
7 any petition so filed in the court. The judge shall enter an
8 order of record to set a date, hour and place for judicial
9 hearing on the petition. That order shall include instructions
10 to the circuit clerk to give notice by newspaper publication to
11 be made and completed at least 20 days before the hearing is to
12 be held, in 2 or more newspapers published or circulating
13 generally among the people residing within the proposed
14 district. The circuit clerk shall prepare that notice and cause
15 such publication notice to be given as directed.

16 (c) After proof of such newspaper publication of notice has
17 been made and filed in the cause and shown to the court in full
18 accord with the prior order, the circuit judge shall hear all
19 persons who attend and so request, as to location and boundary
20 and name for the proposed district. After the hearing on such
21 petition is completed, the circuit court by an order of record,
22 shall determine and establish the location, name and boundary
23 for such proposed district, and shall order the proposition
24 submitted at an election in accordance with the general
25 election law to the voters resident within such proposed
26 district. The circuit clerk shall certify the proposition to

1 the proper election officials who shall submit the proposition
2 in accordance with the general election law.

3 (d) The county clerk shall canvass the ballots and other
4 returns from such referendum, and prepare a full certification
5 of the result and shall file same in the cause pending in the
6 circuit court. When the vote is in favor of the creation of
7 such district as determined by the court order, a true map of
8 such district shall be filed with such report in the circuit
9 court.

10 (e) When the vote is in favor of creation of such district,
11 the circuit court by an order of record shall confirm the
12 result of election. If the district is wholly contained within
13 a single county the presiding officer of the county board with
14 the advice and consent of the county board shall appoint 5
15 trustees, not more than 3 of whom shall be affiliated with the
16 same political party, to govern the district and serve one each
17 for 1, 2, 3, 4 and 5 years respectively; upon the expiration of
18 the term of a trustee who is in office on the effective date of
19 this amendatory Act of 1989, the successor shall, at the time
20 of the appointment, and thereafter at all times while serving
21 as trustee, be a resident of the Mass Transit District for
22 which such person is appointed as trustee. If a trustee removes
23 his residence to a place outside of the District, a trustee
24 shall be appointed in the same manner as herein provided to
25 take the place of the trustee who so removed his residence. If
26 however the district is located in more than one county, the

1 number of trustees who are residents of a county shall be in
2 proportion, as nearly as practicable, to the number of
3 residents of the district who reside in that county in relation
4 to the total population of the district.

5 Upon the expiration of the term of a trustee who is in
6 office on the effective date of this amendatory Act of 1975,
7 the successor shall be a resident of whichever county is
8 entitled to such representation in order to bring about the
9 proportional representation required herein, and he shall be
10 appointed by the county board of that county, or in the case of
11 a home rule county as defined by Article VII, Section 6 of the
12 Constitution of 1970, the chief executive officer of that
13 county, with the advice and consent of the county board in
14 accordance with the provisions previously enumerated.
15 Successors shall serve 5 year overlapping terms.

16 Thereafter, each trustee shall be succeeded by a resident
17 of the same county who shall be appointed by the same
18 appointing authority; however, the provisions of the preceding
19 paragraph shall apply to the appointment of the successor to
20 each trustee who is in office at the time of the publication of
21 each decennial Federal census of population.

22 (f) Upon the creation of such district, the circuit clerk
23 shall prepare and certify a copy of the final court order
24 confirming the referendum creating the district, and a
25 duplicate of the map of such district, from the record of the
26 circuit court, and shall file the same with the county clerk

1 for recording in his office as "Certificate of Incorporation"
2 for the district. The county clerk shall cause a duplicate of
3 such "Certificate of Incorporation" to be filed in the office
4 of the Secretary of State of Illinois.

5 (g) The Board of Trustees of such "Local Mass Transit
6 District" shall have and exercise all the powers and shall
7 perform all the duties of any Board of Trustees of any district
8 created under this Act, as now or hereafter amended.

9 (h) The circuit court shall require the petitioners to post
10 a surety bond for the payment of all costs and expenses of such
11 proceeding and such referendum. When a district is created, the
12 circuit court shall order the district to pay or reimburse
13 others for all such costs and expenses. The surety bond shall
14 not be released until complete receipts for all such costs and
15 expenses have been filed in the cause and fully audited by the
16 circuit and county clerks.

17 (i) If the District is wholly contained within a single
18 county, the County Board of such county may, by resolution,
19 provide that, effective upon the next appointment of a Trustee,
20 after the effective date of this amendatory Act of 1989, that
21 the Board of Trustees of such Mass Transit District shall be
22 comprised of 7 Trustees, with no more than 4 members of the
23 same political party. This Subsection shall not apply to any
24 Mass Transit District in the State which receives funding in
25 whole or in part from the Regional Transportation Authority or
26 any of its service boards.

1 (j) The Board of a district that is in existence on the
2 effective date of this amendatory Act of the 95th General
3 Assembly and whose participating area: (i) is entirely within a
4 single county; and (ii) when created, was defined by township
5 boundaries may, by an ordinance adopted by the affirmative vote
6 of a majority of the members of the Board and approved by
7 referendum, provide that the participating area of the district
8 be coterminous and expand with the boundaries of the townships
9 that originally established the district's participating area.
10 The ordinance shall not be effective until it has been
11 submitted by referendum to, and approved by, the legal voters
12 of the district and the area within the township that is not
13 within the district. The Board shall certify its ordinance and
14 the proposition to the proper election officials, who shall
15 submit the question to the voters at the next election in
16 accordance with the general election law. The proposition shall
17 be in substantially the following form:

18 "Shall the boundaries of (local mass transit district)
19 be coterminous and expand with the boundaries of
20 (townships)?"

21 Votes shall be recorded as "Yes" or "No". If a majority of
22 the electors voting on the question vote in the affirmative,
23 then the district shall be entitled to make its boundaries
24 coterminous with the boundaries of the townships regardless of
25 when the district was formed. The district's boundaries shall
26 encompass all areas located within the townships at the time

1 the ordinance becomes effective and all areas that become part
2 of the townships at a future date. Nothing in this subsection
3 shall allow expansion of a district into an area that is
4 already a part of another local mass transit district.

5 (Source: P.A. 86-472.)

6 Section 55. The Regional Transportation Authority Act is
7 amended by changing Sections 1.02, 2.01, 2.04, 2.05, 2.09,
8 2.12, 2.14, 2.18a, 2.30, 3.01, 3.03, 3A.10, 3A.11, 3A.14,
9 3B.02, 3B.03, 3B.05, 3B.07, 3B.09, 3B.10, 3B.11, 3B.12, 3B.13,
10 4.01, 4.02, 4.02a, 4.02b, 4.03, 4.04, 4.09, 4.11, 4.13, 4.14,
11 and 5.01 and by adding Section 2.01a, 2.01b, 2.01c, 2.01d,
12 2.01e, 2.12b, and 2.31 as follows:

13 (70 ILCS 3615/1.02) (from Ch. 111 2/3, par. 701.02)

14 Sec. 1.02. Findings and Purpose. (a) The General Assembly
15 finds;

16 (i) Public transportation is, as provided in Section 7 of
17 Article XIII of the Illinois Constitution, an essential public
18 purpose for which public funds may be expended and that Section
19 authorizes the State to provide financial assistance to units
20 of local government for distribution to providers of public
21 transportation. There is an urgent need to reform and continue
22 a unit of local government to assure the proper management of
23 public transportation and to receive and distribute State or
24 federal operating assistance and to raise and distribute

1 revenues for local operating assistance. System generated
2 revenues are not adequate for such service and a public need
3 exists to provide for, aid and assist public transportation in
4 the northeastern area of the State, consisting of Cook, DuPage,
5 Kane, Lake, McHenry and Will Counties.

6 (ii) Comprehensive and coordinated regional public
7 transportation is essential to the public health, safety and
8 welfare. It is essential to economic well-being, maintenance of
9 full employment, conservation of sources of energy and land for
10 open space and reduction of traffic congestion and for
11 providing and maintaining a healthful environment for the
12 benefit of present and future generations in the metropolitan
13 region. Public transportation improves the mobility of the
14 public and improves access to jobs, commercial facilities,
15 schools and cultural attractions. Public transportation
16 decreases air pollution and other environmental hazards
17 resulting from excessive use of automobiles and allows for more
18 efficient land use and planning.

19 (iii) Because system generated receipts are not presently
20 adequate, public transportation facilities and services in the
21 northeastern area are in grave financial condition. With
22 existing methods of financing, coordination and management,
23 and relative convenience of automobiles, such public
24 transportation facilities are not providing adequate public
25 transportation to insure the public health, safety and welfare.

26 (iv) Additional commitments to the ~~special~~ public

1 transportation needs ~~problems~~ of the disabled ~~handicapped~~, the
2 economically disadvantaged, and the elderly are necessary.

3 (v) To solve these problems, it is necessary to provide for
4 the creation of a regional transportation authority with the
5 powers necessary to insure adequate public transportation.

6 (b) The General Assembly further finds, in connection with
7 this amendatory Act of 1983:

8 (i) Substantial, recurring deficits in the operations of
9 public transportation services subject to the jurisdiction of
10 the Regional Transportation Authority and periodic cash
11 shortages have occurred either of which could bring about a
12 loss of public transportation services throughout the
13 metropolitan region at any time;

14 (ii) A substantial or total loss of public transportation
15 services or any segment thereof would create an emergency
16 threatening the safety and well-being of the people in the
17 northeastern area of the State; and

18 (iii) To meet the urgent needs of the people of the
19 metropolitan region that such an emergency be averted and to
20 provide financially sound methods of managing the provision of
21 public transportation services in the northeastern area of the
22 State, it is necessary, while maintaining and continuing the
23 existing Authority, to modify the powers and responsibilities
24 of the Authority, to reallocate responsibility for operating
25 decisions, to change the composition and appointment of the
26 Board of Directors thereof, and to immediately establish a new

1 Board of Directors.

2 (c) The General Assembly further finds in connection with
3 this amendatory Act of the 95th General Assembly:

4 (i) The economic vitality of northeastern Illinois
5 requires regionwide and systemwide efforts to increase
6 ridership on the transit systems, constrain road congestion
7 within the metropolitan region, and allocate resources for
8 transportation so as to assist in the development of an
9 adequate, efficient, and coordinated regional transportation
10 system that is in a state of good repair.

11 (ii) To achieve the purposes of this amendatory Act of the
12 95th General Assembly, the powers and duties of the Authority
13 must be enhanced to improve overall planning and coordination,
14 to achieve an integrated and efficient regional transit system,
15 to advance the mobility of transit users, and to increase
16 financial transparency of the Authority and the Service Boards.

17 (d) ~~(e)~~ It is the purpose of this Act to provide for, aid
18 and assist public transportation in the northeastern area of
19 the State without impairing the overall quality of existing
20 public transportation by providing for the creation of a single
21 authority responsive to the people and elected officials of the
22 area and with the power and competence to develop, implement,
23 and enforce plans that promote adequate, efficient, and
24 coordinated public transportation, provide financial review of
25 the providers of public transportation in the metropolitan
26 region and facilitate public transportation provided by

1 Service Boards which is attractive and economical to users,
2 comprehensive, coordinated among its various elements,
3 economical, safe, efficient and coordinated with area and State
4 plans.

5 (Source: P.A. 83-885; 83-886.)

6 (70 ILCS 3615/2.01) (from Ch. 111 2/3, par. 702.01)

7 Sec. 2.01. General Allocation of Responsibility for Public
8 Transportation. Provision of Public Transportation — Review
9 and Program.

10 (a) In order to accomplish the its purposes as set forth in
11 this Act, the responsibility for planning, operating, and
12 funding public transportation in the metropolitan region shall
13 be allocated as described in this Act. The Authority shall:

14 (i) adopt plans that implement the public policy of the
15 State to provide adequate, efficient, and coordinated
16 public transportation throughout the metropolitan region;

17 (ii) set goals, objectives, and standards for the
18 Authority, the Service Boards, and transportation
19 agencies;

20 (iii) develop performance measures to inform the
21 public about the extent to which the provision of public
22 transportation in the metropolitan region meets those
23 goals, objectives, and standards;

24 (iv) allocate operating and capital funds made
25 available to support public transportation in the

1 metropolitan region;
2 (v) provide financial oversight of the Service Boards;
3 and
4 (vi) coordinate the provision of public transportation
5 and the investment in public transportation facilities to
6 enhance the integration of public transportation
7 throughout the metropolitan region, all as provided in this
8 Act.

9 The ~~the~~ Service Boards shall, on a continuing basis
10 determine the level, nature and kind of public transportation
11 which should be provided for the metropolitan region in order
12 to meet the plans, goals, objectives, and standards adopted by
13 the Authority. The Service Boards may provide public
14 transportation by purchasing such service from transportation
15 agencies through purchase of service agreements, by grants to
16 such agencies or by operating such service, all pursuant to
17 this Act and the "Metropolitan Transit Authority Act", as now
18 or hereafter amended. Certain of its actions to implement the
19 responsibilities allocated to the Authority in this subsection
20 (a) shall be taken in 3 public documents adopted by the
21 affirmative vote of at least 12 of its then Directors: A
22 Strategic Plan; a Five-Year Capital Program; and an Annual
23 Budget and Two-Year Financial Plan. ~~The Authority shall~~
24 ~~establish a policy to provide adequate public transportation~~
25 ~~throughout the metropolitan region.~~

26 (b) The Authority shall subject the operating and capital

1 plans and expenditures of the Service Boards in the
2 metropolitan region with regard to public transportation to
3 continuing review so that the Authority may budget and expend
4 its funds with maximum effectiveness and efficiency. The
5 Authority shall conduct audits of each of the Service Boards no
6 less than every 5 years. Such audits may include management,
7 performance, financial, and infrastructure condition audits.
8 The Authority may conduct management, performance, financial,
9 and infrastructure condition audits of transportation agencies
10 that receive funds from the Authority. The Authority may direct
11 a Service Board to conduct any such audit of a transportation
12 agency that receives funds from such Service Board, and the
13 Service Board shall comply with such request to the extent it
14 has the right to do so. These audits of the Service Boards or
15 transportation agencies may be project or service specific
16 audits to evaluate their achievement of the goals and
17 objectives of that project or service and their compliance with
18 any applicable requirements. Certain of its recommendations in
19 this regard shall be set forth in 2 public documents, the
20 Five-Year Program provided for in this Section and an Annual
21 Budget and Program provided for in Section 4.01.

22 ~~(c) The Authority shall, in consultation with the Service~~
23 ~~Boards, each year prepare and, by ordinance, adopt, after~~
24 ~~public hearings held in each county in the metropolitan region,~~
25 ~~a Five-Year Program to inform the public and government~~
26 ~~officials of the Authority's objectives and program for~~

1 ~~operations and capital development during the forthcoming~~
2 ~~five year period. The Five Year Program shall set forth the~~
3 ~~standards of service which the public may expect; each Service~~
4 ~~Board's plans for coordinating routes and service of the~~
5 ~~various transportation agencies; the anticipated expense of~~
6 ~~providing public transportation at standards of service then~~
7 ~~existing and under alternative operating programs; the nature,~~
8 ~~location and expense of anticipated capital improvements~~
9 ~~exceeding \$250,000, by specific item and by fiscal year; and~~
10 ~~such demographic and other data developed by planning and other~~
11 ~~related agencies, as the Authority shall consider pertinent to~~
12 ~~the Service Boards' decisions as to levels and nature of~~
13 ~~service, including without limitation the patterns of~~
14 ~~population density and growth, projected commercial and~~
15 ~~residential development, environmental factors and the~~
16 ~~availability of alternative modes of transportation. The~~
17 ~~Five Year Program shall be adopted on the affirmative votes of~~
18 ~~9 of the then Directors.~~

19 (Source: P.A. 83-886.)

20 (70 ILCS 3615/2.01a new)

21 Sec. 2.01a. Strategic Plan.

22 (a) By the affirmative vote of at least 12 of its then
23 Directors, the Authority shall adopt a Strategic Plan, no less
24 than every 5 years, after consultation with the Service Boards
25 and after holding a minimum of 3 public hearings in Cook County

1 and one public hearing in each of the other counties in the
2 region. The Executive Director of the Authority shall review
3 the Strategic Plan on an ongoing basis and make recommendations
4 to the Board of the Authority with respect to any update or
5 amendment of the Strategic Plan. The Strategic Plan shall
6 describe the specific actions to be taken by the Authority and
7 the Service Boards to provide adequate, efficient, and
8 coordinated public transportation.

9 (b) The Strategic Plan shall identify goals and objectives
10 with respect to:

11 (i) increasing ridership and passenger miles on public
12 transportation funded by the Authority;

13 (ii) coordination of public transportation services
14 and the investment in public transportation facilities to
15 enhance the integration of public transportation
16 throughout the metropolitan region;

17 (iii) coordination of fare and transfer policies to
18 promote transfers by riders among Service Boards,
19 transportation agencies, and public transportation modes,
20 which may include goals and objectives for development of a
21 universal fare instrument that riders may use
22 interchangeably on all public transportation funded by the
23 Authority, and methods to be used to allocate revenues from
24 transfers;

25 (iv) improvements in public transportation facilities
26 to bring those facilities into a state of good repair,

1 enhancements that attract ridership and improve customer
2 service, and expansions needed to serve areas with
3 sufficient demand for public transportation;

4 (v) access for transit-dependent populations,
5 including access by low-income communities to places of
6 employment, utilizing analyses provided by the Chicago
7 Metropolitan Agency for Planning regarding employment and
8 transportation availability, and giving consideration to
9 the location of employment centers in each county and the
10 availability of public transportation at off-peak hours
11 and on weekends;

12 (vi) the financial viability of the public
13 transportation system, including both operating and
14 capital programs;

15 (vii) limiting road congestion within the metropolitan
16 region and enhancing transit options to improve mobility;
17 and

18 (viii) such other goals and objectives that advance the
19 policy of the State to provide adequate, efficient, and
20 coordinated public transportation in the metropolitan
21 region.

22 (c) The Strategic Plan shall establish the process and
23 criteria by which proposals for capital improvements by a
24 Service Board or a transportation agency will be evaluated by
25 the Authority for inclusion in the Five-Year Capital Program,
26 which may include criteria for:

1 (i) allocating funds among maintenance, enhancement,
2 and expansion improvements;

3 (ii) projects to be funded from the Innovation,
4 Coordination, and Enhancement Fund;

5 (iii) projects intended to improve or enhance
6 ridership or customer service;

7 (iv) design and location of station or transit
8 improvements intended to promote transfers, increase
9 ridership, and support transit-oriented land development;

10 (v) assessing the impact of projects on the ability to
11 operate and maintain the existing transit system; and

12 (vi) other criteria that advance the goals and
13 objectives of the Strategic Plan.

14 (d) The Strategic Plan shall establish performance
15 standards and measurements regarding the adequacy, efficiency,
16 and coordination of public transportation services in the
17 region and the implementation of the goals and objectives in
18 the Strategic Plan. At a minimum, such standards and measures
19 shall include customer-related performance data measured by
20 line, route, or sub-region, as determined by the Authority, on
21 the following:

22 (i) travel times and on-time performance;

23 (ii) ridership data;

24 (iii) equipment failure rates;

25 (iv) employee and customer safety; and

26 (v) customer satisfaction.

1 The Service Boards and transportation agencies that
2 receive funding from the Authority or Service Boards shall
3 prepare, publish, and submit to the Authority such reports with
4 regard to these standards and measurements in the frequency and
5 form required by the Authority; however, the frequency of such
6 reporting shall be no less than annual. The Service Boards
7 shall publish such reports on their respective websites. The
8 Authority shall compile and publish such reports on its
9 website. Such performance standards and measures shall not be
10 used as the basis for disciplinary action against any employee
11 of the Authority or Service Boards, except to the extent the
12 employment and disciplinary practices of the Authority or
13 Service Board provide for such action.

14 (e) The Strategic Plan shall identify innovations to
15 improve the delivery of public transportation and the
16 construction of public transportation facilities.

17 (f) The Strategic Plan shall describe the expected
18 financial condition of public transportation in the
19 metropolitan region prospectively over a 10-year period, which
20 may include information about the cash position and all known
21 obligations of the Authority and the Service Boards including
22 operating expenditures, debt service, contributions for
23 payment of pension and other post-employment benefits, the
24 expected revenues from fares, tax receipts, grants from the
25 federal, State, and local governments for operating and capital
26 purposes and issuance of debt, the availability of working

1 capital, and the resources needed to achieve the goals and
2 objectives described in the Strategic Plan.

3 (g) In developing the Strategic Plan, the Authority shall
4 rely on such demographic and other data, forecasts, and
5 assumptions developed by the Chicago Metropolitan Agency for
6 Planning with respect to the patterns of population density and
7 growth, projected commercial and residential development, and
8 environmental factors, within the metropolitan region and in
9 areas outside the metropolitan region that may impact public
10 transportation utilization in the metropolitan region. Before
11 adopting or amending any Strategic Plan, the Authority shall
12 consult with the Chicago Metropolitan Agency for Planning
13 regarding the consistency of the Strategic Plan with the
14 Regional Comprehensive Plan adopted pursuant to the Regional
15 Planning Act.

16 (h) The Authority may adopt, by the affirmative vote of at
17 least 12 of its then Directors, sub-regional or corridor plans
18 for specific geographic areas of the metropolitan region in
19 order to improve the adequacy, efficiency, and coordination of
20 existing, or the delivery of new, public transportation. Such
21 plans may also address areas outside the metropolitan region
22 that may impact public transportation utilization in the
23 metropolitan region. In preparing a sub-regional or corridor
24 plan, the Authority may identify changes in operating practices
25 or capital investment in the sub-region or corridor that could
26 increase ridership, reduce costs, improve coordination, or

1 enhance transit-oriented development. The Authority shall
2 consult with any affected Service Boards in the preparation of
3 any sub-regional or corridor plans.

4 (i) If the Authority determines, by the affirmative vote of
5 at least 12 of its then Directors, that, with respect to any
6 proposed new public transportation service or facility, (i)
7 multiple Service Boards or transportation agencies are
8 potential service providers and (ii) the public transportation
9 facilities to be constructed or purchased to provide that
10 service have an expected construction cost of more than
11 \$25,000,000, the Authority shall have sole responsibility for
12 conducting any alternatives analysis and preliminary
13 environmental assessment required by federal or State law.
14 Nothing in this subparagraph (i) shall prohibit a Service Board
15 from undertaking alternatives analysis and preliminary
16 environmental assessment for any public transportation service
17 or facility identified in items (i) and (ii) above that is
18 included in the Five-Year Capital Program as of the effective
19 date of this amendatory Act of the 95th General Assembly;
20 however, any expenditure related to any such public
21 transportation service or facility must be included in a
22 Five-Year Capital Program under the requirements of Sections
23 2.01b and 4.02 of this Act.

24 (70 ILCS 3615/2.01b new)

25 Sec. 2.01b. The Five-Year Capital Program. By the

1 affirmative vote of at least 12 of its then Directors, the
2 Authority, after consultation with the Service Boards and after
3 holding a minimum of 3 public hearings in Cook County and one
4 public hearing in each of the other counties in the
5 metropolitan region, shall each year adopt a Five-Year Capital
6 Program that shall include each capital improvement to be
7 undertaken by or on behalf of a Service Board provided that the
8 Authority finds that the improvement meets any criteria for
9 capital improvements contained in the Strategic Plan, is not
10 inconsistent with any sub-regional or corridor plan adopted by
11 the Authority, and can be funded within amounts available with
12 respect to the capital and operating costs of such improvement.
13 In reviewing proposals for improvements to be included in a
14 Five-Year Capital Program, the Authority may give priority to
15 improvements that are intended to bring public transportation
16 facilities into a state of good repair. The Five-Year Capital
17 Program shall also identify capital improvements to be
18 undertaken by a Service Board, a transportation agency, or a
19 unit of local government and funded by the Authority from
20 amounts in the Innovation, Coordination, and Enhancement Fund,
21 provided that no improvement that is included in the Five-Year
22 Capital Program as of the effective date of this amendatory Act
23 of the 95th General Assembly may receive funding from the
24 Innovation, Coordination, and Enhancement Fund. Before
25 adopting a Five-Year Capital Program, the Authority shall
26 consult with the Chicago Metropolitan Agency for Planning

1 regarding the consistency of the Five-Year Capital Program with
2 the Regional Comprehensive Plan adopted pursuant to the
3 Regional Planning Act.

4 (70 ILCS 3615/2.01c new)

5 Sec. 2.01c. Innovation, Coordination, and Enhancement
6 Fund.

7 (a) The Authority shall establish an Innovation,
8 Coordination, and Enhancement Fund and each year deposit into
9 the Fund the amounts directed by Section 6z-69 of the State
10 Finance Act. Amounts on deposit in such Fund and interest and
11 other earnings on those amounts may be used by the Authority,
12 upon the affirmative vote of 12 of its then Directors, and
13 after a public participation process, for operating or capital
14 grants or loans to Service Boards, transportation agencies, or
15 units of local government that advance the goals and objectives
16 identified by the Authority in its Strategic Plan, provided
17 that no improvement that has been included in a Five-Year
18 Capital Program as of the effective date of this amendatory Act
19 of the 95th General Assembly may receive any funding from the
20 Innovation, Coordination, and Enhancement Fund. Unless the
21 Board has determined by a vote of 12 of its then Directors that
22 an emergency exists requiring the use of some or all of the
23 funds then in the Innovation, Coordination, and Enhancement
24 Fund, such funds may only be used to enhance the coordination
25 and integration of public transportation and develop and

1 implement innovations to improve the quality and delivery of
2 public transportation.

3 (b) Any grantee that receives funds from the Innovation,
4 Coordination, and Enhancement Fund for the operation of
5 eligible programs must (i) implement such programs within one
6 year of receipt of such funds and (ii) within 2 years following
7 commencement of any program utilizing such funds, determine
8 whether it is desirable to continue the program, and upon such
9 a determination, either incorporate such program into its
10 annual operating budget and capital program or discontinue such
11 program. No additional funds from the Innovation,
12 Coordination, and Enhancement Fund may be distributed to a
13 grantee for any individual program beyond 2 years unless the
14 Authority by the affirmative vote of at least 12 of its then
15 Directors waives this limitation. Any such waiver will be with
16 regard to an individual program and with regard to a one
17 year-period, and any further waivers for such individual
18 program require a subsequent vote of the Board.

19 (70 ILCS 3615/2.01d new)

20 Sec. 2.01d. ADA Paratransit Fund. The Authority shall
21 establish an ADA Paratransit Fund and, each year, deposit into
22 that Fund the amounts directed by Section 6z-69 of the State
23 Finance Act. The amounts on deposit in the Fund and interest
24 and other earnings on those amounts shall be used by the
25 Authority to make grants to the Suburban Bus Board for ADA

1 paratransit services provided pursuant to plans approved by the
2 Authority under Section 2.30 of this Act. Funds received by the
3 Suburban Bus Board from the Authority's ADA Paratransit Fund
4 shall be used only to provide ADA paratransit services to
5 individuals who are determined to be eligible for such services
6 by the Authority under the Americans with Disabilities Act of
7 1990 and its implementing regulations. Revenues from and costs
8 of services provided by the Suburban Bus Board with grants made
9 under this Section shall be included in the Annual Budget and
10 Two-Year Financial Program of the Suburban Bus Board and shall
11 be subject to all budgetary and financial requirements under
12 this Act that apply to ADA paratransit services. Beginning in
13 2008, the Executive Director shall, no later than August 15 of
14 each year, provide to the Board a written determination of the
15 projected annual costs of ADA paratransit services that are
16 required to be provided pursuant to the Americans with
17 Disabilities Act of 1990 and its implementing regulations. The
18 Authority shall conduct triennial financial, compliance, and
19 performance audits of ADA paratransit services to assist in
20 this determination.

21 (70 ILCS 3615/2.01e new)

22 Sec. 2.01e. Suburban Community Mobility Fund. The
23 Authority shall establish a Suburban Community Mobility Fund
24 and, each year, deposit into that Fund the amounts directed by
25 Section 6z-69 of the State Finance Act. The amounts on deposit

1 in the Fund and interest and other earnings on those amounts
2 shall be used by the Authority to make grants to the Suburban
3 Bus Board for the purpose of operating transit services, other
4 than traditional fixed-route services, that enhance suburban
5 mobility, including, but not limited to, demand-responsive
6 transit services, ride sharing, van pooling, service
7 coordination, centralized dispatching and call taking, reverse
8 commuting, service restructuring, and bus rapid transit. Using
9 funding it receives from the Authority from the Suburban
10 Community Mobility Fund, the Suburban Bus Board shall make an
11 annual grant of \$250,000 to the Intertownship Transportation
12 Program for Northwest Suburban Cook County for the purpose of
13 providing transportation services. Revenues from and costs of
14 services provided by the Suburban Bus Board with moneys from
15 the Suburban Community Mobility Fund shall be included in the
16 Annual Budget and Two-Year Financial Program of the Suburban
17 Bus Board and shall be subject to all budgetary and financial
18 requirements under this Act.

19 (70 ILCS 3615/2.04) (from Ch. 111 2/3, par. 702.04)

20 Sec. 2.04. Fares and Nature of Service.

21 (a) Whenever a Service Board provides any public
22 transportation by operating public transportation facilities,
23 the Service Board shall provide for the level and nature of
24 fares or charges to be made for such services, and the nature
25 and standards of public transportation to be so provided that

1 meet the goals and objectives adopted by the Authority in the
2 Strategic Plan. Provided, however that if the Board adopts a
3 budget and financial plan for a Service Board in accordance
4 with the provisions in Section 4.11(b)(5), the Board may
5 consistent with the terms of any purchase of service contract
6 provide for the level and nature of fares to be made for such
7 services under the jurisdiction of that Service Board, and the
8 nature and standards of public transportation to be so
9 provided.

10 (b) Whenever a Service Board provides any public
11 transportation pursuant to grants made after June 30, 1975, to
12 transportation agencies for operating expenses (other than
13 with regard to experimental programs) or pursuant to any
14 purchase of service agreement, the purchase of service
15 agreement or grant contract shall provide for the level and
16 nature of fares or charges to be made for such services, and
17 the nature and standards of public transportation to be so
18 provided. A Service Board shall require all transportation
19 agencies with which it contracts, or from which it purchases
20 transportation services or to which it makes grants to provide
21 half fare transportation for their student riders if any of
22 such agencies provide for half fare transportation to their
23 student riders.

24 (c) In so providing for the fares or charges and the nature
25 and standards of public transportation, any purchase of service
26 agreements or grant contracts shall provide, among other

1 matters, for the terms or cost of transfers or interconnections
2 between different modes of transportation and different public
3 transportation agencies, schedules or routes of such service,
4 changes which may be made in such service, the nature and
5 condition of the facilities used in providing service, the
6 manner of collection and disposition of fares or charges, the
7 records and reports to be kept and made concerning such
8 service, ~~and~~ for interchangeable tickets or other coordinated
9 or uniform methods of collection of charges, and shall further
10 require that the transportation agency comply with any
11 determination made by the Board of the Authority under and
12 subject to the provisions of Section 2.12b of this Act. In
13 regard to any such service, the Authority and the Service
14 Boards shall give attention to and may undertake programs to
15 promote use of public transportation and to provide coordinated
16 ticket sales and passenger information. In the case of a grant
17 to a transportation agency which remains subject to Illinois
18 Commerce Commission supervision and regulation, the Service
19 Boards shall exercise the powers set forth in this Section in a
20 manner consistent with such supervision and regulation by the
21 Illinois Commerce Commission.

22 (Source: P.A. 83-886.)

23 (70 ILCS 3615/2.05) (from Ch. 111 2/3, par. 702.05)

24 Sec. 2.05. Centralized Services; Acquisition and
25 Construction.

1 (a) The Authority may at the request of two or more Service
2 Boards, serve, or designate a Service Board to serve, as a
3 centralized purchasing agent for the Service Boards so
4 requesting.

5 (b) The Authority may at the request of two or more Service
6 Boards perform other centralized services such as ridership
7 information and transfers between services under the
8 jurisdiction of the Service Boards where such centralized
9 services financially benefit the region as a whole. Provided,
10 however, that the Board may require transfers only upon an
11 affirmative vote of 10 ~~9~~ of its then Directors.

12 (c) A Service Board or the Authority may for the benefit of
13 a Service Board, to meet its purposes, construct or acquire any
14 public transportation facility for use by a Service Board or
15 for use by any transportation agency and may acquire any such
16 facilities from any transportation agency, including also
17 without limitation any reserve funds, employees' pension or
18 retirement funds, special funds, franchises, licenses,
19 patents, permits and papers, documents and records of the
20 agency. In connection with any such acquisition from a
21 transportation agency the Authority may assume obligations of
22 the transportation agency with regard to such facilities or
23 property or public transportation operations of such agency.

24 In connection with any construction or acquisition, the
25 Authority shall make relocation payments as may be required by
26 federal law or by the requirements of any federal agency

1 authorized to administer any federal program of aid.

2 (d) The Authority shall, after consulting with the Service
3 Boards, develop regionally coordinated and consolidated sales,
4 marketing, advertising, and public information programs that
5 promote the use and coordination of, and transfers among,
6 public transportation services in the metropolitan region. The
7 Authority shall develop and adopt, with the affirmative vote of
8 at least 12 of its then Directors, rules and regulations for
9 the Authority and the Service Boards regarding such programs to
10 ensure that the Service Boards' independent programs conform
11 with the Authority's regional programs.

12 (Source: P.A. 83-886.)

13 (70 ILCS 3615/2.09) (from Ch. 111 2/3, par. 702.09)

14 Sec. 2.09. Research and Development.

15 (a) The Authority and the Service Boards shall study public
16 transportation problems and developments; encourage
17 experimentation in developing new public transportation
18 technology, financing methods, and management procedures;
19 conduct, in cooperation with other public and private agencies,
20 studies and demonstration and development projects to test and
21 develop methods for improving public transportation, for
22 reducing its costs to users or for increasing public use; and
23 conduct, sponsor, and participate in other studies and
24 experiments, which may include fare demonstration programs,
25 useful to achieving the purposes of this Act. The cost for any

1 such item authorized by this Section may be exempted by the
2 Board in a budget ordinance from the "costs" included in
3 determining that the Authority and its service boards meet the
4 farebox recovery ratio or system generated revenues recovery
5 ratio requirements of Sections 3A.10, 3B.10, 4.01(b), 4.09 and
6 4.11 of this Act and Section 34 of the Metropolitan Transit
7 Authority Act during the Authority's fiscal year which begins
8 January 1, 1986 and ends December 31, 1986, provided that the
9 cost of any item authorized herein must be specifically
10 approved within the budget adopted pursuant to Sections 4.01
11 and 4.11 of this Act for that fiscal year.

12 (b) To improve public transportation service in areas of
13 the metropolitan region with limited access to commuter rail
14 service, the Authority and the Suburban Bus Division shall
15 evaluate the feasibility of implementing new bus rapid transit
16 services using the expressway and tollway systems in the
17 metropolitan region. The Illinois Department of Transportation
18 and the Illinois Toll Highway Authority shall work
19 cooperatively with the Authority and the Suburban Bus Division
20 in that evaluation and in the implementation of bus rapid
21 transit services. The Authority and the Suburban Bus Division,
22 in cooperation with the Illinois Department of Transportation,
23 shall develop a bus rapid transit demonstration project on
24 Interstate 55 located in Will, DuPage, and Cook counties. This
25 demonstration project shall test and refine approaches to bus
26 rapid transit operations in the expressway or tollway shoulder

1 or regular travel lanes and shall investigate technology
2 options that facilitate the shared use of the transit lane and
3 provide revenue for financing construction and operation of
4 public transportation facilities.

5 (c) The Suburban Bus Division and the Authority shall
6 cooperate in the development, funding, and operation of
7 programs to enhance access to job markets for residents in
8 south suburban Cook County. Beginning in 2008, the Authority
9 shall allocate to the Suburban Bus Division an amount not less
10 than \$7,500,000 annually for the costs of such programs.

11 (Source: P.A. 84-939.)

12 (70 ILCS 3615/2.12) (from Ch. 111 2/3, par. 702.12)

13 Sec. 2.12. Coordination with Planning Agencies. The
14 Authority and the Service Boards shall cooperate with the
15 various public agencies charged with responsibility for
16 long-range or comprehensive planning for the metropolitan
17 region. The Authority shall utilize the official forecasts and
18 plans of the Chicago Metropolitan Agency for Planning in
19 developing the Strategic Plan and the Five-Year Capital
20 Program. The Authority and the Service Boards shall, prior to
21 the adoption of any Strategic Plan, as provided in Section
22 2.01a of this Act, or the adoption of any Five-Year Capital
23 Program, as provided in ~~paragraph (b) of Section 2.01b 2.01~~ of
24 this Act, submit its proposals to such agencies for review and
25 comment. The Authority and the Service Boards may make use of

1 existing studies, surveys, plans, data and other materials in
2 the possession of any State agency or department, any planning
3 agency or any unit of local government.

4 (Source: P.A. 83-886.)

5 (70 ILCS 3615/2.12b new)

6 Sec. 2.12b. Coordination of Fares and Service. Upon the
7 request of a Service Board, the Executive Director of the
8 Authority may, upon the affirmative vote of 10 of the then
9 Directors of the Authority, intervene in any matter involving
10 (i) a dispute between Service Boards or a Service Board and a
11 transportation agency providing service on behalf of a Service
12 Board with respect to the terms of transfer between, and the
13 allocation of revenues from fares and charges for,
14 transportation services provided by the parties or (ii) a
15 dispute between 2 Service Boards with respect to coordination
16 of service, route duplication, or a change in service. Any
17 Service Board or transportation agency involved in such dispute
18 shall meet with the Executive Director, cooperate in good faith
19 to attempt to resolve the dispute, and provide any books,
20 records, and other information requested by the Executive
21 Director. If the Executive Director is unable to mediate a
22 resolution of any dispute, he or she may provide a written
23 determination recommending a change in the fares or charges or
24 the allocation of revenues for such service or directing a
25 change in the nature or provider of service that is the subject

1 of the dispute. The Executive Director shall base such
2 determination upon the goals and objectives of the Strategic
3 Plan established pursuant to Section 2.01a(b). Such
4 determination shall be presented to the Board of the Authority
5 and, if approved by the affirmative vote of at least 7 of the
6 then Directors of the Authority, shall be final and shall be
7 implemented by any affected Service Board and transportation
8 agency within the time frame required by the determination.

9 (70 ILCS 3615/2.14) (from Ch. 111 2/3, par. 702.14)

10 Sec. 2.14. Appointment of Officers and Employees. The
11 Authority may appoint, retain and employ officers, attorneys,
12 agents, engineers and employees. The officers shall include an
13 Executive Director, who shall be the chief executive officer of
14 the Authority, appointed by the Chairman with the concurrence
15 of 9 of the other then Directors of the Board. The Executive
16 Director shall organize the staff of the Authority, shall
17 allocate their functions and duties, shall transfer such staff
18 to the Suburban Bus Division and the Commuter Rail Division as
19 is sufficient to meet their purposes, shall fix compensation
20 and conditions of employment of the staff of the Authority, and
21 consistent with the policies of and direction from the Board,
22 take all actions necessary to achieve its purposes, fulfill its
23 responsibilities and carry out its powers, and shall have such
24 other powers and responsibilities as the Board shall determine.
25 The Executive Director must be an individual of proven

1 transportation and management skills and may not be a member of
2 the Board. The Authority may employ its own professional
3 management personnel to provide professional and technical
4 expertise concerning its purposes and powers and to assist it
5 in assessing the performance of the Service Boards in the
6 metropolitan region.

7 No unlawful discrimination, as defined and prohibited in
8 the Illinois Human Rights Act, shall be made in any term or
9 aspect of employment nor shall there be discrimination based
10 upon political reasons or factors. The Authority shall
11 establish regulations to insure that its discharges shall not
12 be arbitrary and that hiring and promotion are based on merit.

13 The Authority shall be subject to the "Illinois Human
14 Rights Act", as now or hereafter amended, and the remedies and
15 procedure established thereunder. The Authority shall file an
16 affirmative action program for employment by it with the
17 Department of Human Rights to ensure that applicants are
18 employed and that employees are treated during employment,
19 without regard to unlawful discrimination. Such affirmative
20 action program shall include provisions relating to hiring,
21 upgrading, demotion, transfer, recruitment, recruitment
22 advertising, selection for training and rates of pay or other
23 forms of compensation.

24 (Source: P.A. 83-886.)

25 (70 ILCS 3615/2.18a) (from Ch. 111 2/3, par. 702.18a)

1 Sec. 2.18a. (a) The provisions of this Section apply to
2 collective bargaining agreements (including extensions and
3 amendments to existing agreements) between Service Boards or
4 transportation agencies subject to the jurisdiction of Service
5 Boards and their employees, which are entered into after
6 January 1, 1984.

7 (b) The Authority shall approve amended budgets prepared by
8 Service Boards which incorporate the costs of collective
9 bargaining agreements between Service Boards and their
10 employees. The Authority shall approve such an amended budget
11 provided that it determines by the affirmative vote of 12 ~~9~~ of
12 its then members that the amended budget meets the standards
13 established in Section 4.11.

14 (Source: P.A. 83-886.)

15 (70 ILCS 3615/2.30)

16 Sec. 2.30. Paratransit services.

17 (a) For purposes of this Act, "ADA paratransit services"
18 shall mean those comparable or specialized transportation
19 services provided by, or under grant or purchase of service
20 contracts of, the Service Boards to individuals with
21 disabilities who are unable to use fixed route transportation
22 systems and who are determined to be eligible, for some or all
23 of their trips, for such services under the Americans with
24 Disabilities Act of 1990 and its implementing regulations.

25 (b) Beginning July 1, 2005, the Authority is responsible

1 for the funding, from amounts on deposit in the ADA Paratransit
2 Fund established under Section 2.01d of this Act, financial
3 review and oversight of all ADA paratransit services that are
4 provided by the Authority or by any of the Service Boards. The
5 Suburban Bus Board shall operate or provide for the operation
6 of all ADA paratransit services by no later than July 1, 2006,
7 except that this date may be extended to the extent necessary
8 to obtain approval from the Federal Transit Administration of
9 the plan prepared pursuant to subsection (c).

10 (c) No later than January 1, 2006, the Authority, in
11 collaboration with the Suburban Bus Board and the Chicago
12 Transit Authority, shall develop a plan for the provision of
13 ADA paratransit services and submit such plan to the Federal
14 Transit Administration for approval. Approval of such plan by
15 the Authority shall require the affirmative votes of 10 ~~9~~ of
16 the then Directors. The Suburban Bus Board, the Chicago Transit
17 Authority and the Authority shall comply with the requirements
18 of the Americans with Disabilities Act of 1990 and its
19 implementing regulations in developing and approving such plan
20 including, without limitation, consulting with individuals
21 with disabilities and groups representing them in the
22 community, and providing adequate opportunity for public
23 comment and public hearings. The plan shall include the
24 contents required for a paratransit plan pursuant to the
25 Americans with Disabilities Act of 1990 and its implementing
26 regulations. The plan shall also include, without limitation,

1 provisions to:

2 (1) maintain, at a minimum, the levels of ADA
3 paratransit service that are required to be provided by the
4 Service Boards pursuant to the Americans with Disabilities
5 Act of 1990 and its implementing regulations;

6 (2) transfer the appropriate ADA paratransit services,
7 management, personnel, service contracts and assets from
8 the Chicago Transit Authority to the Authority or the
9 Suburban Bus Board, as necessary, by no later than July 1,
10 2006, except that this date may be extended to the extent
11 necessary to obtain approval from the Federal Transit
12 Administration of the plan prepared pursuant to this
13 subsection (c);

14 (3) provide for consistent policies throughout the
15 metropolitan region for scheduling of ADA paratransit
16 service trips to and from destinations, with consideration
17 of scheduling of return trips on a "will-call" open-ended
18 basis upon request of the rider, if practicable, and with
19 consideration of an increased number of trips available by
20 subscription service than are available as of the effective
21 date of this amendatory Act;

22 (4) provide that service contracts and rates, entered
23 into or set after the approval by the Federal Transit
24 Administration of the plan prepared pursuant to subsection
25 (c) of this Section, with private carriers and taxicabs for
26 ADA paratransit service are procured by means of an open

1 procurement process;

2 (5) provide for fares, fare collection and billing
3 procedures for ADA paratransit services throughout the
4 metropolitan region;

5 (6) provide for performance standards for all ADA
6 paratransit service transportation carriers, with
7 consideration of door-to-door service;

8 (7) provide, in cooperation with the Illinois
9 Department of Transportation, the Illinois Department of
10 Public Aid and other appropriate public agencies and
11 private entities, for the application and receipt of
12 grants, including, without limitation, reimbursement from
13 Medicaid or other programs for ADA paratransit services;

14 (8) provide for a system of dispatch of ADA paratransit
15 services transportation carriers throughout the
16 metropolitan region, with consideration of county-based
17 dispatch systems already in place as of the effective date
18 of this amendatory Act;

19 (9) provide for a process of determining eligibility
20 for ADA paratransit services that complies with the
21 Americans with Disabilities Act of 1990 and its
22 implementing regulations;

23 (10) provide for consideration of innovative methods
24 to provide and fund ADA paratransit services; and

25 (11) provide for the creation of one or more ADA
26 advisory boards, or the reconstitution of the existing ADA

1 advisory boards for the Service Boards, to represent the
2 diversity of individuals with disabilities in the
3 metropolitan region and to provide appropriate ongoing
4 input from individuals with disabilities into the
5 operation of ADA paratransit services.

6 (d) All revisions and annual updates to the ADA paratransit
7 services plan developed pursuant to subsection (c) of this
8 Section, or certifications of continued compliance in lieu of
9 plan updates, that are required to be provided to the Federal
10 Transit Administration shall be developed by the Authority, in
11 collaboration with the Suburban Bus Board and the Chicago
12 Transit Authority, and the Authority shall submit such
13 revision, update or certification to the Federal Transit
14 Administration for approval. Approval of such revisions,
15 updates or certifications by the Authority shall require the
16 affirmative votes of 12 ~~9~~ of the then Directors.

17 (e) The Illinois Department of Transportation, the
18 Illinois Department of Public Aid, the Authority, the Suburban
19 Bus Board and the Chicago Transit Authority shall enter into
20 intergovernmental agreements as may be necessary to provide
21 funding and accountability for, and implementation of, the
22 requirements of this Section.

23 (f) By no later than April 1, 2007, the Authority shall
24 develop and submit to the General Assembly and the Governor a
25 funding plan for ADA paratransit services. Approval of such
26 plan by the Authority shall require the affirmative votes of 12

1 of the then Directors. The funding plan shall, at a minimum,
2 contain an analysis of the current costs of providing ADA
3 paratransit services, projections of the long-term costs of
4 providing ADA paratransit services, identification of and
5 recommendations for possible cost efficiencies in providing
6 ADA paratransit services, and identification of and
7 recommendations for possible funding sources for providing ADA
8 paratransit services. The Illinois Department of
9 Transportation, the Illinois Department of Public Aid, the
10 Suburban Bus Board, the Chicago Transit Authority and other
11 State and local public agencies as appropriate shall cooperate
12 with the Authority in the preparation of such funding plan.

13 (g) Any funds derived from the federal Medicaid program for
14 reimbursement of the costs of providing ADA paratransit
15 services within the metropolitan region shall be directed to
16 the Authority and shall be used to pay for or reimburse the
17 costs of providing such services.

18 (h) Nothing in this amendatory Act shall be construed to
19 conflict with the requirements of the Americans with
20 Disabilities Act of 1990 and its implementing regulations.

21 (Source: P.A. 94-370, eff. 7-29-05.)

22 (70 ILCS 3615/2.31 new)

23 Sec. 2.31. Disadvantaged Business Enterprise Contracting
24 and Equal Employment Opportunity Programs. The Authority and
25 each Service Board shall, as soon as is practicable but in no

1 event later than two years after the effective date of this
2 amendatory Act of the 95th General Assembly, establish and
3 maintain a disadvantaged business enterprise contracting
4 program designed to ensure non-discrimination in the award and
5 administration of contracts not covered under a federally
6 mandated disadvantaged business enterprise program. The
7 program shall establish narrowly tailored goals for the
8 participation of disadvantaged business enterprises as the
9 Authority and each Service Board determines appropriate. The
10 goals shall be based on demonstrable evidence of the
11 availability of ready, willing, and able disadvantaged
12 business enterprises relative to all businesses ready,
13 willing, and able to participate on the program's contracts.
14 The program shall require the Authority and each Service Board
15 to monitor the progress of the contractors' obligations with
16 respect to the program's goals. Nothing in this program shall
17 conflict with or interfere with the maintenance or operation
18 of, or compliance with, any federally mandated disadvantaged
19 business enterprise program.

20 The Authority and each Service Board shall establish and
21 maintain a program designed to promote equal employment
22 opportunity. Each year, no later than October 1, the Authority
23 and each Service Board shall report to the General Assembly on
24 the number of their respective employees and the number of
25 their respective employees who have designated themselves as
26 members of a minority group and gender.

1 Each year no later than October 1, and starting no later
2 than the October 1 after the establishment of their
3 disadvantaged business enterprise contracting programs, the
4 Authority and each Service Board shall submit a report with
5 respect to such program to the General Assembly. In addition,
6 each year no later than October 1, the Authority and each
7 Service Board shall submit a copy of its federally mandated
8 semi-annual Uniform Report of Disadvantaged Business
9 Enterprises Awards or Commitments and Payments to the General
10 Assembly.

11 (70 ILCS 3615/3.01) (from Ch. 111 2/3, par. 703.01)

12 Sec. 3.01. Board of Directors. ~~The~~ ~~Upon expiration of the~~
13 ~~term of the members of the Transition Board as provided for in~~
14 ~~Section 3.09,~~ the corporate authorities and governing body of
15 the Authority shall be a Board consisting of 13 Directors until
16 January 1, 2008, and 16 Directors thereafter, appointed as
17 follows:

18 (a) Four Directors appointed by the Mayor of the City of
19 Chicago, with the advice and consent of the City Council of the
20 City of Chicago, and, only until January 1, 2008, a fifth
21 director who shall be the Chairman of the Chicago Transit
22 Authority. After January 1, 2008, the Mayor of the City of
23 Chicago, with the advice and consent of the City Council of the
24 City of Chicago, shall appoint a fifth Director. The Directors
25 appointed by the Mayor of the City of Chicago shall not be the

1 chairman or a director of the Chicago Transit Authority. Each
2 such Director shall reside in the City of Chicago ~~except the~~
3 ~~Chairman of the Chicago Transit Authority who shall reside~~
4 ~~within the metropolitan area as defined in the Metropolitan~~
5 ~~Transit Authority Act.~~

6 (b) Four Directors appointed by the votes of a majority of
7 the members of the Cook County Board elected from ~~that part of~~
8 ~~Cook County outside of Chicago, or, in the event such Board of~~
9 ~~Commissioners becomes elected from single member districts, by~~
10 ~~those Commissioners elected from~~ districts, a majority of the
11 electors of which reside outside Chicago. After January 1,
12 2008, a fifth Director appointed by the President of the Cook
13 County Board with the advice and consent of a majority of the
14 members of the Cook County Board elected from districts, a
15 majority of the electors of which reside outside Chicago. ~~In~~
16 ~~either case, such appointment shall be with the concurrence of~~
17 ~~four such Commissioners.~~ Each ~~such~~ Director appointed under
18 this subparagraph shall reside in that part of Cook County
19 outside Chicago.

20 (c) Until January 1, 2008, 3 Directors appointed by the
21 Chairmen of the county boards of DuPage, Kane, Lake, McHenry,
22 and Will Counties, as follows:

23 (i) Two Directors appointed by the Chairmen of the
24 county boards of Kane, Lake, McHenry and Will Counties,
25 with the concurrence of not less than a majority of the
26 Chairmen from such counties, from nominees by the Chairmen.

1 Each such Chairman may nominate not more than 2 persons for
2 each position. Each such Director shall reside in a county
3 in the metropolitan region other than Cook or DuPage
4 Counties.

5 (ii) ~~(d)~~ One Director ~~shall be~~ appointed by the
6 Chairman of the ~~Board of~~ DuPage County Board with the
7 advice and consent of the ~~County Board of~~ DuPage County
8 Board. Such Director ~~and~~ shall reside in DuPage County.

9 (d) After January 1, 2008, 5 Directors appointed by the
10 Chairmen of the county boards of DuPage, Kane, Lake and McHenry
11 Counties and the County Executive of Will County, as follows:

12 (i) One Director appointed by the Chairman of the
13 McHenry County Board with the advice and consent of the
14 McHenry County Board. Such Director shall reside in McHenry
15 County.

16 (ii) One Director appointed by the County Executive of
17 Will County with the advice and consent of the Will County
18 Board. Such Director shall reside in Will County.

19 (iii) One Director appointed by the Chairman of the
20 DuPage County Board with the advice and consent of the
21 DuPage County Board. Such Director shall reside in DuPage
22 County.

23 (iv) One Director appointed by the Chairman of the Lake
24 County Board with the advice and consent of the Lake County
25 Board. Such Director shall reside in Lake County.

26 (v) One Director appointed by the Chairman of the Kane

1 County Board with the advice and consent of the Kane County
2 Board. Such Director shall reside in Kane County.

3 (e) ~~The~~ ~~Before January 1, 1987, for the term expiring July~~
4 ~~1, 1989, the~~ Chairman shall be appointed ~~by the Governor.~~
5 ~~Thereafter the Chairman shall be appointed~~ by the other 12
6 Directors by the affirmative votes of at least 9 of the then
7 ~~with the concurrence of three fourths of such~~ Directors. Upon
8 the expiration or vacancy of the term of the Chairman then
9 -serving upon the effective date of this amendatory Act of the
10 95th General Assembly, the Chairman shall be appointed by the
11 other Directors, by the affirmative vote of at least 11 of the
12 then Directors, including the affirmative vote of at least 2
13 Directors appointed under subsection (a) of this Section, at
14 least 2 Directors appointed under subsection (b) of this
15 Section, and at least 2 Directors appointed under subsection
16 (c) or (d) of this Section. The chairman shall not be appointed
17 from among the other Directors. The chairman shall be a
18 resident of the metropolitan region.

19 (f) Except as otherwise provided by this Act no Director
20 shall, while serving as such, be an officer, a member of the
21 Board of Directors or Trustees or an employee of any Service
22 Board or transportation agency, or be an employee of the State
23 of Illinois or any department or agency thereof, or of any unit
24 of local government or receive any compensation from any
25 elected or appointed office under the Constitution and laws of
26 Illinois; except that a Director may be a member of a school

1 board.

2 (g) Each appointment made under this Section and under
3 Section 3.03 shall be certified by the appointing authority to
4 the Board, which shall maintain the certifications as part of
5 the official records of the Authority, ~~provided that the~~
6 ~~initial appointments shall be certified to the Secretary of~~
7 ~~State, who shall transmit the certifications to the Board~~
8 ~~following its organization. All appointments made by the~~
9 ~~Governor shall be made with the advice and consent of the~~
10 ~~Senate.~~

11 (h) (Blank). ~~The Board of Directors shall be so appointed~~
12 ~~as to represent the City of Chicago, that part of Cook County~~
13 ~~outside the City of Chicago, and that part of the metropolitan~~
14 ~~region outside Cook County on the one man one vote basis. After~~
15 ~~each Federal decennial census the General Assembly shall review~~
16 ~~the composition of the Board and, if a change is needed to~~
17 ~~comply with this requirement, shall provide for the necessary~~
18 ~~revision by July 1 of the third year after such census.~~
19 ~~Provided, however, that the Chairman of the Chicago Transit~~
20 ~~Authority shall be a Director of the Authority and shall be~~
21 ~~considered as representing the City of Chicago for purposes of~~
22 ~~this paragraph.~~

23 ~~Insofar as may be practicable, the changes in Board~~
24 ~~membership necessary to achieve this purpose shall take effect~~
25 ~~as appropriate members terms expire, no member's term being~~
26 ~~reduced by reason of such revision of the composition of the~~

1 ~~Board.~~

2 (Source: P.A. 83-1417.)

3 (70 ILCS 3615/3.03) (from Ch. 111 2/3, par. 703.03)

4 Sec. 3.03. Terms, vacancies. Each Director, ~~including the~~
5 ~~Chairman, shall be appointed for an initial term as provided~~
6 ~~for in Section 3.10 of this Act. Thereafter, each Director~~
7 shall hold office for a term of 5 years, and until his
8 successor has been appointed and has qualified. A vacancy shall
9 occur upon resignation, death, conviction of a felony, or
10 removal from office of a Director. Any Director may be removed
11 from office upon concurrence of not less than 9 Directors, on a
12 formal finding of incompetence, neglect of duty, or malfeasance
13 in office. Within 30 days after the office of any member
14 becomes vacant for any reason, the appointing authorities of
15 such member shall make an appointment to fill the vacancy. A
16 vacancy shall be filled for the unexpired term.

17 Whenever ~~After October 1, 1984, whenever~~ a vacancy for a
18 Director, except as to the Chairman or those Directors
19 appointed by ~~the Governor or~~ the Mayor of the City of Chicago,
20 exists for longer than 4 months, the new Director shall be
21 chosen by election by all legislative members in the General
22 Assembly representing the affected area. In order to qualify as
23 a voting legislative member in this matter, the affected area
24 must be more than 50% of the geographic area of the legislative
25 district.

1 (Source: P.A. 86-1475.)

2 (70 ILCS 3615/3A.10) (from Ch. 111 2/3, par. 703A.10)

3 Sec. 3A.10. Budget and Program. The Suburban Bus Board,
4 subject to the powers of the Authority in Section 4.11, shall
5 control the finances of the Division. It shall by ordinance
6 appropriate money to perform the Division's purposes and
7 provide for payment of debts and expenses of the Division. Each
8 year the Suburban Bus Board shall prepare and publish a
9 comprehensive annual budget and proposed five-year capital
10 program document, and a financial plan for the 2 years
11 thereafter describing the state of the Division and presenting
12 for the forthcoming fiscal year and the 2 following years the
13 Suburban Bus Board's plans for such operations and capital
14 expenditures as it intends to undertake and the means by which
15 it intends to finance them. The proposed budget, ~~and~~ financial
16 plan, and five-year capital program shall be based on the
17 Authority's estimate of funds to be made available to the
18 Suburban Bus Board by or through the Authority and shall
19 conform in all respects to the requirements established by the
20 Authority. The proposed ~~program and~~ budget, financial plan, and
21 five-year capital program shall contain a statement of the
22 funds estimated to be on hand at the beginning of the fiscal
23 year, the funds estimated to be received from all sources for
24 such year and the funds estimated to be on hand at the end of
25 such year. ~~After adoption of the Authority's first Five Year~~

1 ~~Program, as provided in Section 2.01 of this Act, the proposed~~
2 ~~program and budget shall specifically identify any respect in~~
3 ~~which the recommended program deviates from the Authority's~~
4 ~~then existing Five-Year Program, giving the reasons for such~~
5 ~~deviation.~~ The fiscal year of the Division shall be the same as
6 the fiscal year of the Authority. Before the proposed budget,
7 ~~and program and financial plan,~~ and five-year capital program
8 are submitted to the Authority, the Suburban Bus Board shall
9 hold at least one public hearing thereon in each of the
10 counties in the metropolitan region in which the Division
11 provides service. The Suburban Bus Board shall hold at least
12 one meeting for consideration of the proposed ~~program and~~
13 ~~budget,~~ financial plan, and five-year capital program with the
14 county board of each of the several counties in the
15 metropolitan region in which the Division provides service.
16 After conducting such hearings and holding such meetings and
17 after making such changes in the proposed ~~program and~~ budget,
18 financial plan, and five-year capital program as the Suburban
19 Bus Board deems appropriate, it shall adopt an annual budget
20 ordinance at least by November 15 next preceding the beginning
21 of each fiscal year. The budget, ~~and program, and~~ financial
22 plan, and five-year capital program shall then be submitted to
23 the Authority as provided in Section 4.11. In the event that
24 the Board of the Authority determines that the budget ~~and~~
25 ~~program,~~ and financial plan do not meet the standards of
26 Section 4.11, the Suburban Bus Board shall make such changes as

1 are necessary to meet such requirements and adopt an amended
2 budget ordinance. The amended budget ordinance shall be
3 resubmitted to the Authority pursuant to Section 4.11. The
4 ordinance shall appropriate such sums of money as are deemed
5 necessary to defray all necessary expenses and obligations of
6 the Division, specifying purposes and the objects or programs
7 for which appropriations are made and the amount appropriated
8 for each object or program. Additional appropriations,
9 transfers between items and other changes in such ordinance
10 which do not alter the basis upon which the balanced budget
11 determination was made by the Board of the Authority may be
12 made from time to time by the Suburban Bus Board.

13 The budget shall:

14 (i) show a balance between (A) anticipated revenues
15 from all sources including operating subsidies and (B) the
16 costs of providing the services specified and of funding
17 any operating deficits or encumbrances incurred in prior
18 periods, including provision for payment when due of
19 principal and interest on outstanding indebtedness;

20 (ii) show cash balances including the proceeds of any
21 anticipated cash flow borrowing sufficient to pay with
22 reasonable promptness all costs and expenses as incurred;

23 (iii) provide for a level of fares or charges and
24 operating or administrative costs for the public
25 transportation provided by or subject to the jurisdiction
26 of the Suburban Bus Board sufficient to allow the Suburban

1 Bus Board to meet its required system generated revenues
2 recovery ratio and, beginning with the 2007 fiscal year,
3 its system generated ADA paratransit services revenue
4 recovery ratio;

5 (iv) be based upon and employ assumptions and
6 projections which are reasonable and prudent;

7 (v) have been prepared in accordance with sound
8 financial practices as determined by the Board of the
9 Authority; ~~and~~

10 (vi) meet such other uniform financial, budgetary, or
11 fiscal requirements that the Board of the Authority may by
12 rule or regulation establish; and ~~and~~

13 (vii) be consistent with the goals and objectives
14 adopted by the Regional Transportation Authority in the
15 Strategic Plan.

16 (Source: P.A. 94-370, eff. 7-29-05.)

17 (70 ILCS 3615/3A.11) (from Ch. 111 2/3, par. 703A.11)

18 Sec. 3A.11. Citizens Advisory Board. The Suburban Bus Board
19 shall establish a citizens advisory board composed of 10
20 residents of those portions of the metropolitan region in which
21 the Suburban Bus Board provides service who have an interest in
22 public transportation. The members of the advisory board shall
23 be named for 2 year terms, shall select one of their members to
24 serve as chairman and shall serve without compensation. The
25 citizens advisory board shall meet with the Suburban Bus Board

1 at least quarterly and advise the Suburban Bus Board of the
2 impact of its policies and programs on the communities it
3 serves. Appointments to the citizens advisory board should, to
4 the greatest extent possible, reflect the ethnic, cultural, and
5 geographic diversity of all persons residing within the
6 Suburban Bus Board's jurisdiction.

7 (Source: P.A. 83-886.)

8 (70 ILCS 3615/3A.14) (from Ch. 111 2/3, par. 703A.14)

9 Sec. 3A.14. Labor. (a) The provisions of this Section apply
10 to collective bargaining agreements (including extensions and
11 amendments of existing agreements) entered into on or after
12 January 1, 1984.

13 (b) The Suburban Bus Board shall deal with and enter into
14 written contracts with their employees, through accredited
15 representatives of such employees authorized to act for such
16 employees concerning wages, salaries, hours, working
17 conditions, and pension or retirement provisions about which a
18 collective bargaining agreement has been entered prior to the
19 effective date of this amendatory Act of 1983. Any such
20 agreement of the Suburban Bus Board shall provide that the
21 agreement may be reopened if the amended budget submitted
22 pursuant to Section 2.18a of this Act is not approved by the
23 Board of the Authority. The agreement may not include a
24 provision requiring the payment of wage increases based on
25 changes in the Consumer Price Index. The Suburban Bus Board

1 shall not have the authority to enter collective bargaining
2 agreements with respect to inherent management rights, which
3 include such areas of discretion or policy as the functions of
4 the employer, standards of services, its overall budget, the
5 organizational structure and selection of new employees and
6 direction of personnel. Employers, however, shall be required
7 to bargain collectively with regard to policy matters directly
8 affecting wages, hours and terms and conditions of employment,
9 as well as the impact thereon, upon request by employee
10 representatives. To preserve the rights of employers and
11 exclusive representatives which have established collective
12 bargaining relationships or negotiated collective bargaining
13 agreements prior to the effective date of this amendatory Act
14 of 1983, employers shall be required to bargain collectively
15 with regard to any matter concerning wages, hours or conditions
16 of employment about which they have bargained prior to the
17 effective date of this amendatory Act of 1983.

18 (c) The collective bargaining agreement may not include a
19 prohibition on the use of part-time operators on any service
20 operated by the Suburban Bus Board except where prohibited by
21 federal law.

22 (d) Within 30 days of the signing of any such collective
23 bargaining agreement, the Suburban Bus Board shall determine
24 the costs of each provision of the agreement, prepare an
25 amended budget incorporating the costs of the agreement, and
26 present the amended budget to the Board of the Authority for

1 its approval under Section 4.11. The Board may approve the
2 amended budget by an affirmative vote of 10 ~~9~~ of its then
3 Directors. If the budget is not approved by the Board of the
4 Authority, the agreement may be reopened and its terms may be
5 renegotiated. Any amended budget which may be prepared
6 following renegotiation shall be presented to the Board of the
7 Authority for its approval in like manner.

8 (Source: P.A. 83-886.)

9 (70 ILCS 3615/3B.02) (from Ch. 111 2/3, par. 703B.02)

10 Sec. 3B.02. Commuter Rail Board.

11 (a) Until January 1, 2008, the ~~The~~ governing body of the
12 Commuter Rail Division shall be a board consisting of 7
13 directors appointed pursuant to Sections 3B.03 and 3B.04, as
14 follows:

15 (1) ~~(a)~~ One director shall be appointed by the Chairman
16 of the Board of DuPage County with the advice and consent
17 of the County Board of DuPage County and shall reside in
18 DuPage County. ~~†~~

19 (2) ~~(b)~~ Two directors appointed by the Chairmen of the
20 County Boards of Kane, Lake, McHenry and Will Counties with
21 the concurrence of not less than a majority of the chairmen
22 from such counties, from nominees by the Chairmen. Each
23 such chairman may nominate not more than two persons for
24 each position. Each such director shall reside in a county
25 in the metropolitan region other than Cook or DuPage

1 County.

2 (3) ~~(e)~~ Three directors appointed by the members of the
3 Cook County Board elected from that part of Cook County
4 outside of Chicago, or, in the event such Board of
5 Commissioners becomes elected from single member
6 districts, by those Commissioners elected from districts,
7 a majority of the residents of which reside outside
8 Chicago. In either case, such appointment shall be with the
9 concurrence of four such Commissioners. Each such director
10 shall reside in that part of Cook County outside Chicago.

11 (4) ~~(d)~~ One director appointed by the Mayor of the City
12 of Chicago, with the advice and consent of the City Council
13 of the City of Chicago. Such director shall reside in the
14 City of Chicago.

15 (5) The chairman shall be appointed by the directors,
16 from the members of the board, with the concurrence of 5 of
17 such directors.

18 (b) After January 1, 2008 the governing body of the
19 Commuter Rail Division shall be a board consisting of 11
20 directors appointed, pursuant to Sections 3B.03 and 3B.04, as
21 follows:

22 (1) One Director shall be appointed by the Chairman of
23 the DuPage County Board with the advice and consent of the
24 DuPage County Board and shall reside in DuPage County. To
25 implement the changes in appointing authority under this
26 Section, upon the expiration of the term of or vacancy in

1 office of the Director appointed under item (1) of
2 subsection (a) of this Section who resides in DuPage
3 County, a Director shall be appointed under this
4 subparagraph.

5 (2) One Director shall be appointed by the Chairman of
6 the McHenry County Board with advice and consent of the
7 McHenry County Board and shall reside in McHenry County. To
8 implement the change in appointing authority under this
9 Section, upon the expiration of the term of or vacancy in
10 office of the Director appointed under item (2) of
11 subsection (a) of this Section who resides in McHenry
12 County, a Director shall be appointed under this
13 subparagraph.

14 (3) One Director shall be appointed by the Will County
15 Executive with the advice and consent of the Will County
16 Board and shall reside in Will County. To implement the
17 change in appointing authority under this Section, upon the
18 expiration of the term of or vacancy in office of the
19 Director appointed under item (2) of subsection (a) of this
20 Section who resides in Will County, a Director shall be
21 appointed under this subparagraph.

22 (4) One Director shall be appointed by the Chairman of
23 the Lake County Board with the advice and consent of the
24 Lake County Board and shall reside in Lake County.

25 (5) One Director shall be appointed by the Chairman of
26 the Kane County Board with the advice and consent of the

1 Kane County Board and shall reside in Kane County.

2 (6) One Director shall be appointed by the Mayor of the
3 City of Chicago with the advice and consent of the City
4 Council of the City of Chicago and shall reside in the City
5 of Chicago. To implement the changes in appointing
6 authority under this Section, upon the expiration of the
7 term of or vacancy in office of the Director appointed
8 under item (4) of subsection (a) of this Section who
9 resides in the City of Chicago, a Director shall be
10 appointed under this subparagraph.

11 (7) Five Directors residing in Cook County outside of
12 the City of Chicago, as follows:

13 (i) One Director who resides in Cook County outside
14 of the City of Chicago, appointed by the President of
15 the Cook County Board with the advice and consent of a
16 majority of the members of the Cook County Board
17 elected from districts, a majority of the electors of
18 which reside outside Chicago.

19 (ii) One Director who resides in any of the
20 following townships: Evanston, New Trier, Northfield,
21 Maine, Niles, Norwood Park, or Leyden.

22 (iii) One Director who resides in any of the
23 following townships: Barrington, Palatine, Wheeling,
24 Hanover, Schaumburg, or Elk Grove.

25 (iv) One Director who resides in any of the
26 following townships: Proviso, Riverside, Berwyn,

1 Cicero, Stickney, Lyons, Palos, Lemont, or Orland.

2 (v) One Director who resides in any of the
3 following townships: Worth, Calumet, Bremen, Thornton,
4 Rich, or Bloom.

5 (vi) The Directors identified under the provisions
6 of subparagraphs (ii) through (v) of this paragraph (7)
7 shall be appointed by the members of the Cook County
8 Board whose Board districts overlap in whole or in part
9 with the geographic territory described in the
10 relevant subparagraph and have more than 50% of their
11 geographic territory outside of the City of Chicago.
12 The vote of County Board members eligible to appoint
13 directors under the provisions of this paragraph (7)
14 shall be weighted by the number of electors residing in
15 those portions of their Board districts within the
16 geographic territory described in the relevant
17 subparagraph (ii) through (v) of this paragraph (7). In
18 the event that the geographic territory of an election
19 precinct overlaps with more than one of the geographic
20 territories described in subparagraphs (ii) through
21 (v) of this paragraph (7), then for purposes of
22 establishing the weighted vote in this subparagraph
23 (vi) the electors for such precinct shall be allocated
24 to the geographic territory in which the majority of
25 the electors in that precinct reside.

26 (8) The chairman shall be appointed by the directors,

1 from the members of the board, with the concurrence of 8 of
2 such directors. To implement the changes in appointing
3 authority under this Section, upon the expiration of the
4 term of or vacancy in office of the Chairman appointed
5 under item (5) of subsection (a) of this Section, a
6 Chairman shall be appointed under this subparagraph.

7 (c) No director, while serving as such, shall be an
8 officer, a member of the board of directors or trustee or an
9 employee of any transportation agency, or be an employee of the
10 State of Illinois or any department or agency thereof, or of
11 any unit of local government or receive any compensation from
12 any elected or appointed office under the Constitution and laws
13 of Illinois.

14 (d) Each appointment made under subsections (a) and (b) of
15 this Section paragraphs (a) through (d) and under Section 3B.03
16 shall be certified by the appointing authority to the Commuter
17 Rail Board which shall maintain the certifications as part of
18 the official records of the Commuter Rail Board; ~~provided that~~
19 ~~the initial appointments shall be certified to the Secretary of~~
20 ~~State, who shall transmit the certifications to the Commuter~~
21 ~~Rail Board following its organization.~~

22 ~~Appointments to the Commuter Rail Board shall be~~
23 ~~apportioned so as to represent the City of Chicago, that part~~
24 ~~of Cook County outside of the City of Chicago, and DuPage~~
25 ~~County and that part of the metropolitan region other than Cook~~
26 ~~and DuPage Counties based on morning boardings of the services~~

1 ~~provided by the Commuter Rail Division as certified to the~~
2 ~~Board of the Authority by the Commuter Rail Board, provided~~
3 ~~however that the Mayor of the City of Chicago shall appoint no~~
4 ~~fewer than 1 member of the Commuter Rail Board. Within two~~
5 ~~years after each federal decennial census, the Board of the~~
6 ~~Authority shall review the composition of the Commuter Rail~~
7 ~~Board and, if change is needed to comply with this requirement,~~
8 ~~shall provide for the necessary reapportionment by July 1 of~~
9 ~~the second year after such census. Insofar as may be~~
10 ~~practicable, the changes in board membership necessary to~~
11 ~~achieve this purpose shall take effect as appropriate members~~
12 ~~terms expire, no member's term being reduced by reason of such~~
13 ~~revision of the composition of the Commuter Rail Board.~~

14 (Source: P.A. 83-886.)

15 (70 ILCS 3615/3B.03) (from Ch. 111 2/3, par. 703B.03)

16 Sec. 3B.03. Terms, Vacancies. Each ~~The initial term of the~~
17 ~~director appointed pursuant to subdivision (a) of Section 3B.02~~
18 ~~and the initial term of one of the directors appointed pursuant~~
19 ~~to subdivision (b) of Section 3B.02 shall expire on June 30,~~
20 ~~1985; the initial term of one of the directors appointed~~
21 ~~pursuant to subdivision (b) of Section 3B.02 and the initial~~
22 ~~term of one of the directors appointed pursuant to subdivision~~
23 ~~(c) of Section 3B.02 shall expire on June 30, 1986; the initial~~
24 ~~terms of two of the directors appointed pursuant to subdivision~~
25 ~~(c) of Section 3B.02 shall expire on June 30, 1987; the initial~~

1 ~~term of the director appointed pursuant to subdivision (d) of~~
2 ~~Section 3B.02 shall expire on June 30, 1988. Thereafter, each~~
3 director shall be appointed for a term of 4 years, and until
4 his successor has been appointed and qualified. A vacancy shall
5 occur upon the resignation, death, conviction of a felony, or
6 removal from office of a director. Any director may be removed
7 from office upon the concurrence of not less than 6 directors,
8 on a formal finding of incompetence, neglect of duty, or
9 malfeasance in office. Within 30 days after the office of any
10 director becomes vacant for any reason, the appropriate
11 appointing authorities of such director, as provided in Section
12 3B.02, shall make an appointment to fill the vacancy. A vacancy
13 shall be filled for the unexpired term.

14 (Source: P.A. 84-939.)

15 (70 ILCS 3615/3B.05) (from Ch. 111 2/3, par. 703B.05)

16 Sec. 3B.05. Appointment of officers and employees. The
17 Commuter Rail Board shall appoint an Executive Director who
18 shall be the chief executive officer of the Division,
19 appointed, retained or dismissed with the concurrence of 8 ~~6~~ of
20 the directors of the Commuter Rail Board. The Executive
21 Director shall appoint, retain and employ officers, attorneys,
22 agents, engineers, employees and shall organize the staff,
23 shall allocate their functions and duties, fix compensation and
24 conditions of employment, and consistent with the policies of
25 and direction from the Commuter Rail Board take all actions

1 necessary to achieve its purposes, fulfill its
2 responsibilities and carry out its powers, and shall have such
3 other powers and responsibilities as the Commuter Rail Board
4 shall determine. The Executive Director shall be an individual
5 of proven transportation and management skills and may not be a
6 member of the Commuter Rail Board. The Division may employ its
7 own professional management personnel to provide professional
8 and technical expertise concerning its purposes and powers and
9 to assist it in assessing the performance of transportation
10 agencies in the metropolitan region.

11 No unlawful discrimination, as defined and prohibited in
12 the Illinois Human Rights Act, shall be made in any term or
13 aspect of employment nor shall there be discrimination based
14 upon political reasons or factors. The Commuter Rail Board
15 shall establish regulations to insure that its discharges shall
16 not be arbitrary and that hiring and promotion are based on
17 merit.

18 The Division shall be subject to the "Illinois Human Rights
19 Act", as now or hereafter amended, and the remedies and
20 procedure established thereunder. The Commuter Rail Board
21 shall file an affirmative action program for employment by it
22 with the Department of Human Rights to ensure that applicants
23 are employed and that employees are treated during employment,
24 without regard to unlawful discrimination. Such affirmative
25 action program shall include provisions relating to hiring,
26 upgrading, demotion, transfer, recruitment, recruitment

1 advertising, selection for training and rates of pay or other
2 forms of compensation.

3 (Source: P.A. 83-885; 83-886.)

4 (70 ILCS 3615/3B.07) (from Ch. 111 2/3, par. 703B.07)

5 Sec. 3B.07. Meetings. The Commuter Rail Board shall
6 prescribe the times and places for meetings and the manner in
7 which special meetings may be called. The Commuter Rail Board
8 shall comply in all respects with the "Open Meetings Act", as
9 now or hereafter amended. All records, documents and papers of
10 the Commuter Rail Division, other than those relating to
11 matters concerning which closed sessions of the Commuter Rail
12 Board may be held, shall be available for public examination,
13 subject to such reasonable regulations as the board may adopt.

14 A majority of the members shall constitute a quorum for the
15 conduct of business. The affirmative votes of at least 8 ~~4~~
16 members shall be necessary for any action required by this Act
17 to be taken by ordinance.

18 (Source: P.A. 83-886.)

19 (70 ILCS 3615/3B.09) (from Ch. 111 2/3, par. 703B.09)

20 Sec. 3B.09. General Powers. In addition to any powers
21 elsewhere provided to the Commuter Rail Board, it shall have
22 all of the powers specified in Section 2.20 of this Act except
23 for the powers specified in Section 2.20(a)(v). The Board shall
24 also have the power:

1 (a) to cooperate with the Regional Transportation
2 Authority in the exercise by the Regional Transportation
3 Authority of all the powers granted it by such Act;

4 (b) to receive funds from the Regional Transportation
5 Authority pursuant to Sections 2.02, 4.01, 4.02, 4.09 and 4.10
6 of the "Regional Transportation Authority Act", all as provided
7 in the "Regional Transportation Authority Act"; ~~and~~

8 (c) to receive financial grants from the Regional
9 Transportation Authority or a Service Board, as defined in the
10 "Regional Transportation Authority Act", upon such terms and
11 conditions as shall be set forth in a grant contract between
12 either the Division and the Regional Transportation Authority
13 or the Division and another Service Board, which contract or
14 agreement may be for such number of years or duration as the
15 parties may agree, all as provided in the "Regional
16 Transportation Authority Act"; ~~and-~~

17 (d) to borrow money for the purpose of acquiring,
18 constructing, reconstructing, extending, or improving any
19 Public Transportation Facilities (as defined in Section 1.03 of
20 the Regional Transportation Authority Act) operated by or to be
21 operated by or on behalf of the Commuter Rail Division. For the
22 purpose of evidencing the obligation of the Commuter Rail Board
23 to repay any money borrowed as provided in this subsection, the
24 Commuter Rail Board may issue revenue bonds from time to time
25 pursuant to ordinance adopted by the Commuter Rail Board,
26 subject to the approval of the Regional Transportation

1 Authority of each such issuance by the affirmative vote of 12
2 of its then Directors; provided that the Commuter Rail Board
3 may not issue bonds for the purpose of financing the
4 acquisition, construction, or improvement of a corporate
5 headquarters building. All such bonds shall be payable solely
6 from the revenues or income or any other funds that the
7 Commuter Rail Board may receive. The bonds shall bear interest
8 at a rate not to exceed the maximum rate authorized by the Bond
9 Authorization Act and shall mature at such time or times not
10 exceeding 30 years from their respective dates, provided that
11 the bonds shall have approximately equal debt service payments
12 in each year, with the first principal or mandatory redemption
13 payment being no later than the fiscal year after their initial
14 issuance. The maximum principal amount of the bonds that may be
15 issued and outstanding at any time may not exceed
16 \$1,000,000,000. The bonds shall have all the qualities of
17 negotiable instruments under the laws of this State. To secure
18 the payment of any or all of such bonds and for the purpose of
19 setting forth the covenants and undertakings of the Commuter
20 Rail Board in connection with the issuance thereof and the
21 issuance of any additional bonds payable from such revenue or
22 income as well as the use and application of the revenue or
23 income received by the Commuter Rail Board, the Commuter Rail
24 Board may execute and deliver a trust agreement or agreements;
25 provided that no lien upon any physical property of the
26 Commuter Rail Board shall be created thereby. A remedy for any

1 breach or default of the terms of any such trust agreement by
2 the Commuter Rail Board may be by mandamus proceedings in any
3 court of competent jurisdiction to compel performance and
4 compliance therewith, but the trust agreement may prescribe by
5 whom or on whose behalf such action may be instituted. Under no
6 circumstances shall any bonds issued by the Commuter Rail Board
7 or any other obligation of the Commuter Rail Board in
8 connection with the issuance of such bonds be or become an
9 indebtedness or obligation of the State of Illinois, the
10 Regional Transportation Authority, or any other political
11 subdivision of or municipality within the State, nor shall any
12 such bonds or obligations be or become an indebtedness of the
13 Commuter Rail Board within the purview of any constitutional
14 limitation or provision, and it shall be plainly stated on the
15 face of each bond that it does not constitute such an
16 indebtedness or obligation but is payable solely from the
17 revenues or income as aforesaid.

18 (Source: P.A. 83-885; 83-886.)

19 (70 ILCS 3615/3B.10) (from Ch. 111 2/3, par. 703B.10)

20 Sec. 3B.10. Budget and Program. The Commuter Rail Board,
21 subject to the powers of the Authority in Section 4.11, shall
22 control the finances of the Division. It shall by ordinance
23 appropriate money to perform the Division's purposes and
24 provide for payment of debts and expenses of the Division. Each
25 year the Commuter Rail Board shall prepare and publish a

1 comprehensive annual budget and proposed five-year capital
2 program document, and a financial plan for the two years
3 thereafter describing the state of the Division and presenting
4 for the forthcoming fiscal year and the two following years the
5 Commuter Rail Board's plans for such operations and capital
6 expenditures as the Commuter Rail Board intends to undertake
7 and the means by which it intends to finance them. The proposed
8 budget, ~~and financial plan,~~ and five-year capital program shall
9 be based on the Authority's estimate of funds to be made
10 available to the Commuter Rail Board by or through the
11 Authority and shall conform in all respects to the requirements
12 established by the Authority. The proposed ~~program and budget,~~
13 financial plan, and five-year capital program shall contain a
14 statement of the funds estimated to be on hand at the beginning
15 of the fiscal year, the funds estimated to be received from all
16 sources for such year and the funds estimated to be on hand at
17 the end of such year. ~~After adoption of the Authority's first~~
18 ~~Five Year Program, as provided in Section 2.01 of this Act, the~~
19 ~~proposed program and budget shall specifically identify any~~
20 ~~respect in which the recommended program deviates from the~~
21 ~~Authority's then existing Five Year Program, giving the~~
22 ~~reasons for such deviation.~~ The fiscal year of the Division
23 shall be the same as the fiscal year of the Authority. Before
24 the proposed budget, ~~and program and~~ financial plan, and
25 five-year capital program are submitted to the Authority, the
26 Commuter Rail Board shall hold at least one public hearing

1 thereon in each of the counties in the metropolitan region in
2 which the Division provides service. The Commuter Rail Board
3 shall hold at least one meeting for consideration of the
4 proposed ~~program and budget,~~ financial plan, and five-year
5 capital plan with the county board of each of the several
6 counties in the metropolitan region in which the Division
7 provides service. After conducting such hearings and holding
8 such meetings and after making such changes in the proposed
9 ~~program and budget,~~ financial plan, and five-year capital plan
10 as the Commuter Rail Board deems appropriate, the board shall
11 adopt its annual budget ordinance at least by November 15 next
12 preceding the beginning of each fiscal year. The budget, ~~and~~
13 ~~program, and~~ financial plan, and five-year capital program
14 shall then be submitted to the Authority as provided in Section
15 4.11. In the event that the Board of the Authority determines
16 that the budget and program, and financial plan do not meet the
17 standards of Section 4.11, the Commuter Rail Board shall make
18 such changes as are necessary to meet such requirements and
19 adopt an amended budget ordinance. The amended budget ordinance
20 shall be resubmitted to the Authority pursuant to Section 4.11.
21 The ordinance shall appropriate such sums of money as are
22 deemed necessary to defray all necessary expenses and
23 obligations of the Division, specifying purposes and the
24 objects or programs for which appropriations are made and the
25 amount appropriated for each object or program. Additional
26 appropriations, transfers between items and other changes in

1 such ordinance which do not alter the basis upon which the
2 balanced budget determination was made by the Board of the
3 Authority may be made from time to time by the Commuter Rail
4 Board.

5 The budget shall:

6 (i) show a balance between (A) anticipated revenues from
7 all sources including operating subsidies and (B) the costs of
8 providing the services specified and of funding any operating
9 deficits or encumbrances incurred in prior periods, including
10 provision for payment when due of principal and interest on
11 outstanding indebtedness;

12 (ii) show cash balances including the proceeds of any
13 anticipated cash flow borrowing sufficient to pay with
14 reasonable promptness all costs and expenses as incurred;

15 (iii) provide for a level of fares or charges for the
16 public transportation provided by or subject to the
17 jurisdiction of such Commuter Rail Board sufficient to allow
18 the Commuter Rail Board to meet its required system generated
19 revenue recovery ratio;

20 (iv) be based upon and employ assumptions and projections
21 which the Board of the Authority finds to be reasonable and
22 prudent;

23 (v) have been prepared in accordance with sound financial
24 practices as determined by the Board of the Authority; ~~and~~

25 (vi) meet such other uniform financial, budgetary, or
26 fiscal requirements that the Board of the Authority may by rule

1 or regulation establish; and -

2 (vii) be consistent with the goals and objectives adopted
3 by the Regional Transportation Authority in the Strategic Plan.

4 (Source: P.A. 83-885; 83-886.)

5 (70 ILCS 3615/3B.11) (from Ch. 111 2/3, par. 703B.11)

6 Sec. 3B.11. Citizens Advisory Board. The Commuter Rail
7 Board shall establish a citizens advisory board composed of ten
8 residents of those portions of the metropolitan region in which
9 the Commuter Rail Board provides service who have an interest
10 in public transportation. The members of the advisory board
11 shall be named for two year terms, shall select one of their
12 members to serve as chairman and shall serve without
13 compensation. The citizens advisory board shall meet with the
14 Commuter Rail Board at least quarterly and advise the Commuter
15 Rail Board of the impact of its policies and programs on the
16 communities it serves. Appointments to the citizens advisory
17 board should, to the greatest extent possible, reflect the
18 ethnic, cultural, and geographic diversity of all persons
19 residing within the Commuter Rail Division's jurisdiction.

20 (Source: P.A. 83-886.)

21 (70 ILCS 3615/3B.12) (from Ch. 111 2/3, par. 703B.12)

22 Sec. 3B.12. Working Cash Borrowing. The Commuter Rail Board
23 with the affirmative vote of 7 ~~5~~ of its Directors may demand
24 and direct the Board of the Authority to issue Working Cash

1 Notes at such time and in such amounts and having such
2 maturities as the Commuter Rail Board deems proper, provided
3 however any such borrowing shall have been specifically
4 identified in the budget of the Commuter Rail Board as approved
5 by the Board of the Authority. Provided further, that the
6 Commuter Rail Board may not demand and direct the Board of the
7 Authority to have issued and have outstanding at any time in
8 excess of \$20,000,000 in Working Cash Notes.

9 (Source: P.A. 83-886.)

10 (70 ILCS 3615/3B.13) (from Ch. 111 2/3, par. 703B.13)

11 Sec. 3B.13. Labor. (a) The provisions of this Section apply
12 to collective bargaining agreements (including extensions and
13 amendments of existing agreements) entered into on or after
14 January 1, 1984. This Section does not apply to collective
15 bargaining agreements that are subject to the provisions of the
16 Railway Labor Act, as now or hereafter amended.

17 (b) The Commuter Rail Board shall deal with and enter into
18 written contracts with their employees, through accredited
19 representatives of such employees authorized to act for such
20 employees concerning wages, salaries, hours, working
21 conditions, and pension or retirement provisions about which a
22 collective bargaining agreement has been entered prior to the
23 effective date of this amendatory Act of 1983. Any such
24 agreement of the Commuter Rail Board shall provide that the
25 agreement may be reopened if the amended budget submitted

1 pursuant to Section 2.18a of this Act is not approved by the
2 Board of the Authority. The agreement may not include a
3 provision requiring the payment of wage increases based on
4 changes in the Consumer Price Index. The Commuter Rail Board
5 shall not have the authority to enter collective bargaining
6 agreements with respect to inherent management rights which
7 include such areas of discretion or policy as the functions of
8 the employer, standards of services, its overall budget, the
9 organizational structure and selection of new employees and
10 direction of personnel. Employers, however, shall be required
11 to bargain collectively with regard to policy matters directly
12 affecting wages, hours and terms and conditions of employment,
13 as well as the impact thereon, upon request by employee
14 representatives. To preserve the rights of the Commuter Rail
15 Board and exclusive representatives which have established
16 collective bargaining relationships or negotiated collective
17 bargaining agreements prior to the effective date of this
18 amendatory Act of 1983, the Commuter Rail Board shall be
19 required to bargain collectively with regard to any matter
20 concerning wages, hours or conditions of employment about which
21 they have bargained prior to the effective date of this
22 amendatory Act of 1983.

23 (c) The collective bargaining agreement may not include a
24 prohibition on the use of part-time operators on any service
25 operated by the Commuter Rail Board except where prohibited by
26 federal law.

1 (d) Within 30 days of the signing of any such collective
2 bargaining agreement, the Commuter Rail Board shall determine
3 the costs of each provision of the agreement, prepare an
4 amended budget incorporating the costs of the agreement, and
5 present the amended budget to the Board of the Authority for
6 its approval under Section 4.11. The Board may approve the
7 amended budget by an affirmative vote of 10 ~~9~~ of its then
8 Directors. If the budget is not approved by the Board of the
9 Authority, the agreement may be reopened and its terms may be
10 renegotiated. Any amended budget which may be prepared
11 following renegotiation shall be presented to the Board of the
12 Authority for its approval in like manner.

13 (Source: P.A. 84-1308.)

14 (70 ILCS 3615/4.01) (from Ch. 111 2/3, par. 704.01)

15 Sec. 4.01. Budget and Program.

16 (a) The Board shall control the finances of the Authority.
17 It shall by ordinance adopted by the affirmative vote of at
18 least 12 of its then Directors (i) appropriate money to perform
19 the Authority's purposes and provide for payment of debts and
20 expenses of the Authority, (ii) take action with respect to the
21 budget and two-year financial plan of each Service Board, as
22 provided in Section 4.11, and (iii) adopt an Annual Budget and
23 Two-Year Financial Plan for the Authority that includes the
24 annual budget and two-year financial plan of each Service Board
25 that has been approved by the Authority. ~~Each year the~~

1 ~~Authority shall prepare and publish a comprehensive annual~~
2 ~~budget and program document describing the state of the~~
3 ~~Authority and presenting for the forthcoming fiscal year the~~
4 ~~Authority's plans for such operations and capital expenditures~~
5 ~~as the Authority intends to undertake and the means by which it~~
6 ~~intends to finance them.~~ The Annual Budget and Two-Year
7 Financial Plan ~~proposed program and budget~~ shall contain a
8 statement of the funds estimated to be on hand for the
9 Authority and each Service Board at the beginning of the fiscal
10 year, the funds estimated to be received from all sources for
11 such year, the estimated expenses and obligations of the
12 Authority and each Service Board for all purposes, including
13 expenses for contributions to be made with respect to pension
14 and other employee benefits, and the funds estimated to be on
15 hand at the end of such year. ~~After adoption of the Authority's~~
16 ~~first Five Year Program, as provided in Section 2.01 of this~~
17 ~~Act, the proposed program and budget shall specifically~~
18 ~~identify any respect in which the recommended program deviates~~
19 ~~from the Authority's then existing Five Year Program, giving~~
20 ~~the reasons for such deviation.~~ The fiscal year of the
21 Authority and each Service Board shall begin on January 1st and
22 end on the succeeding December 31st ~~except that the fiscal year~~
23 ~~that began October 1, 1982, shall end December 31, 1983.~~ By
24 ~~July 1st 1981 and~~ July 1st of each year ~~thereafter~~ the Director
25 of the Illinois Governor's Office of Management and Budget
26 (formerly Bureau of the Budget) shall submit to the Authority

1 an estimate of revenues for the next fiscal year of the
2 Authority to be collected from the taxes imposed by the
3 Authority and the amounts to be available in the Public
4 Transportation Fund and the Regional Transportation Authority
5 Occupation and Use Tax Replacement Fund and the amounts
6 otherwise to be appropriated by the State to the Authority for
7 its purposes. The Authority shall file a copy of its Annual
8 Budget and Two-Year Financial Plan with ~~For the fiscal year~~
9 ~~ending on December 31, 1983, the Board shall report its results~~
10 ~~from operations and financial condition to the General Assembly~~
11 ~~and the Governor by January 31. For the fiscal year beginning~~
12 ~~January 1, 1984, and thereafter, the budget and program shall~~
13 ~~be presented to the General Assembly and the Governor~~ after its
14 adoption ~~not later than the preceding December 31st.~~ Before the
15 proposed Annual Budget and Two-Year Financial Plan ~~budget and~~
16 ~~program~~ is adopted, the Authority shall hold at least one
17 public hearing thereon in the metropolitan region, and shall
18 meet . ~~The Board shall hold at least one meeting for~~
19 ~~consideration of the proposed program and budget~~ with the
20 county board or its designee of each of the several counties in
21 the metropolitan region. After conducting such hearings and
22 holding such meetings and after making such changes in the
23 proposed Annual Budget and Two-Year Financial Plan ~~program and~~
24 ~~budget~~ as the Board deems appropriate, the Board shall adopt
25 its annual appropriation and Annual Budget and Two-Year
26 Financial Plan ~~budget~~ ordinance. The ordinance may be adopted

1 only upon the affirmative votes of 12 ~~9~~ of its then Directors.
2 The ordinance shall appropriate such sums of money as are
3 deemed necessary to defray all necessary expenses and
4 obligations of the Authority, specifying purposes and the
5 objects or programs for which appropriations are made and the
6 amount appropriated for each object or program. Additional
7 appropriations, transfers between items and other changes in
8 such ordinance may be made from time to time by the Board upon
9 the affirmative votes of 12 ~~9~~ of its then Directors.

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

17 The Annual Budget and Two-Year Financial Plan ~~annual budget~~
18 ~~and financial plan~~ must show:

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

1 provided, contributions received in connection with public
2 transportation from units of local government other than
3 the Authority and from the State pursuant to subsection (i)
4 of Section 2705-305 of the Department of Transportation Law
5 (20 ILCS 2705/2705-305), and all other operating revenues
6 properly included consistent with generally accepted
7 accounting principles but do not include: the proceeds of
8 any borrowings, and, beginning with the 2007 fiscal year,
9 all revenues and receipts, including but not limited to
10 fares and grants received from the federal, State or any
11 unit of local government or other entity, derived from
12 providing ADA paratransit service pursuant to Section 2.30
13 of the Regional Transportation Authority Act. "Costs"
14 include all items properly included as operating costs
15 consistent with generally accepted accounting principles,
16 including administrative costs, but do not include:
17 depreciation; payment of principal and interest on bonds,
18 notes or other evidences of obligation for borrowed money
19 issued by the Authority; payments with respect to public
20 transportation facilities made pursuant to subsection (b)
21 of Section 2.20 of this Act; any payments with respect to
22 rate protection contracts, credit enhancements or
23 liquidity agreements made under Section 4.14; any other
24 cost to which it is reasonably expected that a cash
25 expenditure will not be made; costs ~~up to \$5,000,000~~
26 ~~annually~~ for passenger security including grants,

1 contracts, personnel, equipment and administrative
2 expenses, except in the case of the Chicago Transit
3 Authority, in which case the term does not include costs
4 spent annually by that entity for protection against crime
5 as required by Section 27a of the Metropolitan Transit
6 Authority Act; the payment by the Chicago Transit Authority
7 of Debt Service, as defined in Section 12c of the
8 Metropolitan Transit Authority Act, on bonds or notes
9 issued pursuant to that Section; the payment by the
10 Commuter Rail Division of debt service on bonds issued
11 pursuant to Section 3B.09; expenses incurred by the
12 Suburban Bus Division for the cost of new public
13 transportation services funded from grants pursuant to
14 Section 2.01e of this amendatory Act of the 95th General
15 Assembly for a period of 2 years from the date of
16 initiation of each such service; costs as exempted by the
17 Board for projects pursuant to Section 2.09 of this Act;
18 or, beginning with the 2007 fiscal year, expenses related
19 to providing ADA paratransit service pursuant to Section
20 2.30 of the Regional Transportation Authority Act; and in
21 fiscal years 2008 through 2012 inclusive, costs in the
22 amount of \$400,000,000 in fiscal year 2008, reducing by
23 \$40,000,000 in each fiscal year thereafter until this
24 exemption is eliminated; and

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

1 of all projected revenues from such fares charged and
2 received in each fiscal year to equal at least 10% of the
3 aggregate costs of providing such ADA paratransit services
4 in fiscal years 2007 and 2008 and at least 12% of the
5 aggregate costs of providing such ADA paratransit services
6 in fiscal years 2009 and thereafter; for purposes of this
7 Act, the percentages in this subsection (b)(ii) shall be
8 referred to as the "system generated ADA paratransit
9 services revenue recovery ratio".

10 (c) The actual administrative expenses of the Authority for
11 the fiscal year commencing January 1, 1985 may not exceed
12 \$5,000,000. The actual administrative expenses of the
13 Authority for the fiscal year commencing January 1, 1986, and
14 for each fiscal year thereafter shall not exceed the maximum
15 administrative expenses for the previous fiscal year plus 5%.
16 "Administrative expenses" are defined for purposes of this
17 Section as all expenses except: (1) capital expenses and
18 purchases of the Authority on behalf of the Service Boards; (2)
19 payments to Service Boards; and (3) payment of principal and
20 interest on bonds, notes or other evidence of obligation for
21 borrowed money issued by the Authority; (4) costs for passenger
22 security including grants, contracts, personnel, equipment and
23 administrative expenses; (5) payments with respect to public
24 transportation facilities made pursuant to subsection (b) of
25 Section 2.20 of this Act; and (6) any payments with respect to
26 rate protection contracts, credit enhancements or liquidity

1 agreements made pursuant to Section 4.14.

2 (d) After withholding 15% of the proceeds of any tax
3 imposed by the Authority and 15% of money received by the
4 Authority from the Regional Transportation Authority
5 Occupation and Use Tax Replacement Fund, the Board shall
6 allocate the proceeds and money remaining to the Service Boards
7 as follows: (1) an amount equal to 85% of the proceeds of those
8 taxes collected within the City of Chicago and 85% of the money
9 received by the Authority on account of transfers to the
10 Regional Transportation Authority Occupation and Use Tax
11 Replacement Fund from the County and Mass Transit District Fund
12 attributable to retail sales within the City of Chicago shall
13 be allocated to the Chicago Transit Authority; (2) an amount
14 equal to 85% of the proceeds of those taxes collected within
15 Cook County outside the City of Chicago and 85% of the money
16 received by the Authority on account of transfers to the
17 Regional Transportation Authority Occupation and Use Tax
18 Replacement Fund from the County and Mass Transit District Fund
19 attributable to retail sales within Cook County outside of the
20 city of Chicago shall be allocated 30% to the Chicago Transit
21 Authority, 55% to the Commuter Rail Board and 15% to the
22 Suburban Bus Board; and (3) an amount equal to 85% of the
23 proceeds of the taxes collected within the Counties of DuPage,
24 Kane, Lake, McHenry and Will shall be allocated 70% to the
25 Commuter Rail Board and 30% to the Suburban Bus Board.

26 (e) Moneys received by the Authority on account of

1 transfers to the Regional Transportation Authority Occupation
2 and Use Tax Replacement Fund from the State and Local Sales Tax
3 Reform Fund shall be allocated among the Authority and the
4 Service Boards as follows: 15% of such moneys shall be retained
5 by the Authority and the remaining 85% shall be transferred to
6 the Service Boards as soon as may be practicable after the
7 Authority receives payment. Moneys which are distributable to
8 the Service Boards pursuant to the preceding sentence shall be
9 allocated among the Service Boards on the basis of each Service
10 Board's distribution ratio. The term "distribution ratio"
11 means, for purposes of this subsection (e) of this Section
12 4.01, the ratio of the total amount distributed to a Service
13 Board pursuant to subsection (d) of Section 4.01 for the
14 immediately preceding calendar year to the total amount
15 distributed to all of the Service Boards pursuant to subsection
16 (d) of Section 4.01 for the immediately preceding calendar
17 year.

18 (f) To carry out its duties and responsibilities under this
19 Act, further and accomplish the preparation of the annual
20 budget and program as well as the Five-Year Program provided
21 for in Section 2.01 of this Act and to make such interim
22 management decisions as may be necessary, the Board shall
23 employ staff which shall: (1) propose for adoption by the Board
24 of the Authority rules for the Service Boards that establish
25 (i) forms and schedules to be used and information required to
26 be provided with respect to a five-year capital program, annual

1 budgets, and two-year financial plans and regular reporting of
2 actual results against adopted budgets and financial plans,
3 (ii) financial practices to be followed in the budgeting and
4 expenditure of public funds, (iii) assumptions and projections
5 that must be followed in preparing and submitting its annual
6 budget and two-year financial plan or a five-year capital
7 program; (2) evaluate for the Board public transportation
8 programs operated or proposed by the Service Boards and
9 transportation agencies in terms of the goals and objectives
10 set out in the Strategic Plan , ~~costs and relative priorities;~~
11 (3) ~~(2)~~ keep the Board and the public informed of the extent to
12 which the Service Boards and transportation agencies are
13 meeting the goals and objectives adopted by the Authority in
14 the Strategic Plan ~~public transportation programs and~~
15 ~~accomplishments of such transportation agencies;~~ and (4)
16 assess the efficiency or adequacy of public transportation
17 services provided by a Service Board and make recommendations
18 for change in that service ~~(3) coordinate the development and~~
19 ~~implementation of public transportation programs~~ to the end
20 that the moneys ~~monies~~ available to the Authority may be
21 expended in the most economical manner possible with the least
22 possible duplication.

23 (g) All ~~Under such regulations as the Board may prescribe,~~
24 ~~all~~ Service Boards, transportation agencies, comprehensive
25 planning agencies, including the Chicago Metropolitan Agency
26 for Planning, or transportation planning agencies in the

1 metropolitan region shall furnish to the Authority Board such
2 information pertaining to public transportation or relevant
3 for plans therefor as it may from time to time require. The
4 Executive Director, or his or her designee, upon payment to any
5 such agency or Service Board of the reasonable additional cost
6 of its so providing such information except as may otherwise be
7 provided by agreement with the Authority, and the Board or any
8 duly authorized employee of the Board shall, for the purpose of
9 securing any such information necessary or appropriate to carry
10 out any of the powers and responsibilities of the Authority
11 under this Act, have access to, and the right to examine, all
12 books, documents, papers or records of a Service Board or any
13 transportation such agency receiving funds from the Authority
14 or Service Board, and such Service Board or transportation
15 agency shall comply with any request by the Executive Director,
16 or his or her designee, within 30 days or an extended time
17 provided by the Executive Director pertaining to public
18 transportation or relevant for plans therefor.

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

22 (Source: P.A. 94-370, eff. 7-29-05.)

23 (70 ILCS 3615/4.02) (from Ch. 111 2/3, par. 704.02)

24 Sec. 4.02. Federal, State and Other Funds.

25 (a) The Authority shall have the power to apply for,

1 receive and expend grants, loans or other funds from the State
2 of Illinois or any department or agency thereof, from any unit
3 of local government, from the federal government or any
4 department or agency thereof, for use in connection with any of
5 the powers or purposes of the Authority as set forth in this
6 Act. The Authority shall have power to make such studies as may
7 be necessary and to enter into contracts or agreements with the
8 State of Illinois or any department or agency thereof, with any
9 unit of local government, or with the federal government or any
10 department or agency thereof, concerning such grants, loans or
11 other funds, or any conditions relating thereto, including
12 obligations to repay such funds. The Authority may make such
13 covenants concerning such grants, loans and funds as it deems
14 proper and necessary in carrying out its responsibilities,
15 purposes and powers as provided in this Act.

16 (b) The Authority shall be the primary public body in the
17 metropolitan region with authority to apply for and receive any
18 grants, loans or other funds relating to public transportation
19 programs from the State of Illinois or any department or agency
20 thereof, or from the federal government or any department or
21 agency thereof. Any unit of local government, Service Board or
22 transportation agency may apply for and receive any such
23 federal or state capital grants, loans or other funds,
24 provided, however that a Service Board may not apply for or
25 receive any grant or loan which is not identified in the
26 Five-Year Capital Program. Any Service Board, unit of local

1 government or transportation agency shall notify the Authority
2 prior to making any such application and shall file a copy
3 thereof with the Authority. Nothing in this Section shall be
4 construed to impose any limitation on the ability of the State
5 of Illinois or any department or agency thereof, any unit of
6 local government or Service Board or transportation agency to
7 make any grants or to enter into any agreement or contract with
8 the National Rail Passenger Corporation. Nor shall anything in
9 this Section impose any limitation on the ability of any school
10 district to apply for or receive any grant, loan or other funds
11 for transportation of school children.

12 (c) The Authority shall provide to the Service Board any
13 monies received relating to public transportation services
14 under the jurisdiction of the Service Boards as follows:

15 (1) As soon as may be practicable after the Authority
16 receives payment, under Section 4.03(m) or Section
17 4.03.1(d), of the proceeds of those taxes levied by the
18 Authority, the Authority shall transfer to each Service
19 Board the amount to which it is entitled under Section
20 4.01(d);

21 (2) The Authority by ordinance adopted by 9 of its then
22 Directors shall establish a formula apportioning any
23 federal funds for operating assistance purposes the
24 Authority receives to each Service Board. In establishing
25 the formula, the Board shall consider, among other factors:
26 ridership levels, the efficiency with which the service is

1 provided, the degree of transit dependence of the area
2 served and the cost of service. That portion of any federal
3 funds for operating assistance received by the Authority
4 shall be paid to each Service Board as soon as may be
5 practicable upon their receipt provided the Authority has
6 adopted a balanced budget as required by Section 4.01 and
7 further provided that the Service Boards are in compliance
8 with the requirements in Section 4.11.

9 (3) The Authority by ordinance adopted by 12 ~~9~~ of its
10 then Directors shall apportion to the Service Boards funds
11 provided by the State of Illinois under Section 4.09 and
12 shall make payment of said funds to each Service Board as
13 soon as may be practicable upon their receipt provided the
14 Authority has adopted a balanced budget as required by
15 Section 4.01 and further provided the Service Board is in
16 compliance with the requirements in Section 4.11.

17 (4) Beginning January 1, 2009, before making any
18 payments, transfers, or expenditures under this subsection
19 to a Service Board, the Authority must first comply with
20 Section 4.02a or 4.02b of this Act, whichever may be
21 applicable.

22 (Source: P.A. 94-839, eff. 6-6-06; revised 8-3-06.)

23 (70 ILCS 3615/4.02a)

24 Sec. 4.02a. Chicago Transit Authority contributions to
25 pension funds.

1 (a) The Authority shall continually review the Chicago
2 Transit Authority's payment of the required contributions to
3 its retirement system under Section 22-101 of the Illinois
4 Pension Code.

5 (b) Beginning January 1, 2009, if at any time the Authority
6 determines that the Chicago Transit Authority's payment of any
7 portion of the required contributions to its retirement system
8 under Section 22-101 of the Illinois Pension Code is more than
9 one month overdue, it shall as soon as possible pay the amount
10 of those overdue contributions to the Board of Trustees ~~trustee~~
11 of the Retirement Plan ~~retirement system~~ on behalf of the
12 Chicago Transit Authority out of moneys otherwise payable to
13 the Chicago Transit Authority under ~~subsection (e) of~~ Section
14 4.02 of this Act. The Authority shall thereafter have no
15 liability to the Chicago Transit Authority for amounts paid to
16 the Board of Trustees ~~trustee~~ of the Retirement Plan ~~retirement~~
17 ~~system~~ under this Section.

18 (c) Whenever the Authority acts or determines that it is
19 required to act under subsection (b), it shall so notify the
20 Chicago Transit Authority, the Mayor of Chicago, the Governor,
21 the Auditor General of the State of Illinois, and the General
22 Assembly.

23 (Source: P.A. 94-839, eff. 6-6-06.)

24 (70 ILCS 3615/4.02b)

25 Sec. 4.02b. Other contributions to pension funds.

1 (a) The Authority shall continually review the payment of
2 the required employer contributions to affected pension plans
3 under Section 22-103 of the Illinois Pension Code.

4 (b) Beginning January 1, 2009, if at any time the Authority
5 determines that the Commuter Rail Board's or Suburban Bus
6 Board's payment of any portion of the required contributions to
7 an affected pension plan under Section 22-103 of the Illinois
8 Pension Code is more than one month overdue, it shall as soon
9 as possible pay the amount of those overdue contributions to
10 the trustee of the affected pension plan on behalf of that
11 Service Board out of moneys otherwise payable to that Service
12 Board under subsection (c) of Section 4.02 of this Act. The
13 Authority shall thereafter have no liability to the Service
14 Board for amounts paid to the trustee of the affected pension
15 plan under this Section.

16 (c) Whenever the Authority acts or determines that it is
17 required to act under subsection (b), it shall so notify the
18 affected Service Board, the Mayor of Chicago, the Governor, the
19 Auditor General of the State of Illinois, and the General
20 Assembly.

21 (d) Beginning January 1, 2009, if the Authority fails to
22 pay to an affected pension fund within 30 days after it is due
23 any employer contribution that it is required to make as a
24 contributing employer under Section 22-103 of the Illinois
25 Pension Code, it shall promptly so notify the Commission on
26 Government Forecasting and Accountability, the Mayor of

1 Chicago, the Governor, and the General Assembly, and it shall
2 promptly pay the overdue amount out of the first money
3 available to the Authority for its administrative expenses, as
4 that term is defined in Section 4.01(c).

5 (Source: P.A. 94-839, eff. 6-6-06.)

6 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

7 Sec. 4.03. Taxes.

8 (a) In order to carry out any of the powers or purposes of
9 the Authority, the Board may by ordinance adopted with the
10 concurrence of 12 ~~9~~ of the then Directors, impose throughout
11 the metropolitan region any or all of the taxes provided in
12 this Section. Except as otherwise provided in this Act, taxes
13 imposed under this Section and civil penalties imposed incident
14 thereto shall be collected and enforced by the State Department
15 of Revenue. The Department shall have the power to administer
16 and enforce the taxes and to determine all rights for refunds
17 for erroneous payments of the taxes.

18 (b) The Board may impose a public transportation tax upon
19 all persons engaged in the metropolitan region in the business
20 of selling at retail motor fuel for operation of motor vehicles
21 upon public highways. The tax shall be at a rate not to exceed
22 5% of the gross receipts from the sales of motor fuel in the
23 course of the business. As used in this Act, the term "motor
24 fuel" shall have the same meaning as in the Motor Fuel Tax Law.
25 The Board may provide for details of the tax. The provisions of

1 any tax shall conform, as closely as may be practicable, to the
2 provisions of the Municipal Retailers Occupation Tax Act,
3 including without limitation, conformity to penalties with
4 respect to the tax imposed and as to the powers of the State
5 Department of Revenue to promulgate and enforce rules and
6 regulations relating to the administration and enforcement of
7 the provisions of the tax imposed, except that reference in the
8 Act to any municipality shall refer to the Authority and the
9 tax shall be imposed only with regard to receipts from sales of
10 motor fuel in the metropolitan region, at rates as limited by
11 this Section.

12 (c) In connection with the tax imposed under paragraph (b)
13 of this Section the Board may impose a tax upon the privilege
14 of using in the metropolitan region motor fuel for the
15 operation of a motor vehicle upon public highways, the tax to
16 be at a rate not in excess of the rate of tax imposed under
17 paragraph (b) of this Section. The Board may provide for
18 details of the tax.

19 (d) The Board may impose a motor vehicle parking tax upon
20 the privilege of parking motor vehicles at off-street parking
21 facilities in the metropolitan region at which a fee is
22 charged, and may provide for reasonable classifications in and
23 exemptions to the tax, for administration and enforcement
24 thereof and for civil penalties and refunds thereunder and may
25 provide criminal penalties thereunder, the maximum penalties
26 not to exceed the maximum criminal penalties provided in the

1 Retailers' Occupation Tax Act. The Authority may collect and
2 enforce the tax itself or by contract with any unit of local
3 government. The State Department of Revenue shall have no
4 responsibility for the collection and enforcement unless the
5 Department agrees with the Authority to undertake the
6 collection and enforcement. As used in this paragraph, the term
7 "parking facility" means a parking area or structure having
8 parking spaces for more than 2 vehicles at which motor vehicles
9 are permitted to park in return for an hourly, daily, or other
10 periodic fee, whether publicly or privately owned, but does not
11 include parking spaces on a public street, the use of which is
12 regulated by parking meters.

13 (e) The Board may impose a Regional Transportation
14 Authority Retailers' Occupation Tax upon all persons engaged in
15 the business of selling tangible personal property at retail in
16 the metropolitan region. In Cook County the tax rate shall be
17 1% of the gross receipts from sales of food for human
18 consumption that is to be consumed off the premises where it is
19 sold (other than alcoholic beverages, soft drinks and food that
20 has been prepared for immediate consumption) and prescription
21 and nonprescription medicines, drugs, medical appliances and
22 insulin, urine testing materials, syringes and needles used by
23 diabetics, and 3/4% of the gross receipts from other taxable
24 sales made in the course of that business. In DuPage, Kane,
25 Lake, McHenry, and Will Counties, the tax rate shall be 1/4% of
26 the gross receipts from all taxable sales made in the course of

1 that business. The tax imposed under this Section and all civil
2 penalties that may be assessed as an incident thereof shall be
3 collected and enforced by the State Department of Revenue. The
4 Department shall have full power to administer and enforce this
5 Section; to collect all taxes and penalties so collected in the
6 manner hereinafter provided; and to determine all rights to
7 credit memoranda arising on account of the erroneous payment of
8 tax or penalty hereunder. In the administration of, and
9 compliance with this Section, the Department and persons who
10 are subject to this Section shall have the same rights,
11 remedies, privileges, immunities, powers and duties, and be
12 subject to the same conditions, restrictions, limitations,
13 penalties, exclusions, exemptions and definitions of terms,
14 and employ the same modes of procedure, as are prescribed in
15 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
16 (in respect to all provisions therein other than the State rate
17 of tax), 2c, 3 (except as to the disposition of taxes and
18 penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
19 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the
20 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
21 Penalty and Interest Act, as fully as if those provisions were
22 set forth herein.

23 Persons subject to any tax imposed under the authority
24 granted in this Section may reimburse themselves for their
25 seller's tax liability hereunder by separately stating the tax
26 as an additional charge, which charge may be stated in

1 combination in a single amount with State taxes that sellers
2 are required to collect under the Use Tax Act, under any
3 bracket schedules the Department may prescribe.

4 Whenever the Department determines that a refund should be
5 made under this Section to a claimant instead of issuing a
6 credit memorandum, the Department shall notify the State
7 Comptroller, who shall cause the warrant to be drawn for the
8 amount specified, and to the person named, in the notification
9 from the Department. The refund shall be paid by the State
10 Treasurer out of the Regional Transportation Authority tax fund
11 established under paragraph (n) of this Section.

12 If a tax is imposed under this subsection (e), a tax shall
13 also be imposed under subsections (f) and (g) of this Section.

14 For the purpose of determining whether a tax authorized
15 under this Section is applicable, a retail sale by a producer
16 of coal or other mineral mined in Illinois, is a sale at retail
17 at the place where the coal or other mineral mined in Illinois
18 is extracted from the earth. This paragraph does not apply to
19 coal or other mineral when it is delivered or shipped by the
20 seller to the purchaser at a point outside Illinois so that the
21 sale is exempt under the Federal Constitution as a sale in
22 interstate or foreign commerce.

23 No tax shall be imposed or collected under this subsection
24 on the sale of a motor vehicle in this State to a resident of
25 another state if that motor vehicle will not be titled in this
26 State.

1 Nothing in this Section shall be construed to authorize the
2 Regional Transportation Authority to impose a tax upon the
3 privilege of engaging in any business that under the
4 Constitution of the United States may not be made the subject
5 of taxation by this State.

6 (f) If a tax has been imposed under paragraph (e), a
7 Regional Transportation Authority Service Occupation Tax shall
8 also be imposed upon all persons engaged, in the metropolitan
9 region in the business of making sales of service, who as an
10 incident to making the sales of service, transfer tangible
11 personal property within the metropolitan region, either in the
12 form of tangible personal property or in the form of real
13 estate as an incident to a sale of service. In Cook County, the
14 tax rate shall be: (1) 1% of the serviceman's cost price of
15 food prepared for immediate consumption and transferred
16 incident to a sale of service subject to the service occupation
17 tax by an entity licensed under the Hospital Licensing Act or
18 the Nursing Home Care Act that is located in the metropolitan
19 region; (2) 1% of the selling price of food for human
20 consumption that is to be consumed off the premises where it is
21 sold (other than alcoholic beverages, soft drinks and food that
22 has been prepared for immediate consumption) and prescription
23 and nonprescription medicines, drugs, medical appliances and
24 insulin, urine testing materials, syringes and needles used by
25 diabetics; and (3) 3/4% of the selling price from other taxable
26 sales of tangible personal property transferred. In DuPage,

1 Kane, Lake, McHenry and Will Counties the rate shall be 1/4% of
2 the selling price of all tangible personal property
3 transferred.

4 The tax imposed under this paragraph and all civil
5 penalties that may be assessed as an incident thereof shall be
6 collected and enforced by the State Department of Revenue. The
7 Department shall have full power to administer and enforce this
8 paragraph; to collect all taxes and penalties due hereunder; to
9 dispose of taxes and penalties collected in the manner
10 hereinafter provided; and to determine all rights to credit
11 memoranda arising on account of the erroneous payment of tax or
12 penalty hereunder. In the administration of and compliance with
13 this paragraph, the Department and persons who are subject to
14 this paragraph shall have the same rights, remedies,
15 privileges, immunities, powers and duties, and be subject to
16 the same conditions, restrictions, limitations, penalties,
17 exclusions, exemptions and definitions of terms, and employ the
18 same modes of procedure, as are prescribed in Sections 1a-1, 2,
19 2a, 3 through 3-50 (in respect to all provisions therein other
20 than the State rate of tax), 4 (except that the reference to
21 the State shall be to the Authority), 5, 7, 8 (except that the
22 jurisdiction to which the tax shall be a debt to the extent
23 indicated in that Section 8 shall be the Authority), 9 (except
24 as to the disposition of taxes and penalties collected, and
25 except that the returned merchandise credit for this tax may
26 not be taken against any State tax), 10, 11, 12 (except the

1 reference therein to Section 2b of the Retailers' Occupation
2 Tax Act), 13 (except that any reference to the State shall mean
3 the Authority), the first paragraph of Section 15, 16, 17, 18,
4 19 and 20 of the Service Occupation Tax Act and Section 3-7 of
5 the Uniform Penalty and Interest Act, as fully as if those
6 provisions were set forth herein.

7 Persons subject to any tax imposed under the authority
8 granted in this paragraph may reimburse themselves for their
9 serviceman's tax liability hereunder by separately stating the
10 tax as an additional charge, that charge may be stated in
11 combination in a single amount with State tax that servicemen
12 are authorized to collect under the Service Use Tax Act, under
13 any bracket schedules the Department may prescribe.

14 Whenever the Department determines that a refund should be
15 made under this paragraph to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the warrant to be drawn for the
18 amount specified, and to the person named in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the Regional Transportation Authority tax fund
21 established under paragraph (n) of this Section.

22 Nothing in this paragraph shall be construed to authorize
23 the Authority to impose a tax upon the privilege of engaging in
24 any business that under the Constitution of the United States
25 may not be made the subject of taxation by the State.

26 (g) If a tax has been imposed under paragraph (e), a tax

1 shall also be imposed upon the privilege of using in the
2 metropolitan region, any item of tangible personal property
3 that is purchased outside the metropolitan region at retail
4 from a retailer, and that is titled or registered with an
5 agency of this State's government. In Cook County the tax rate
6 shall be 3/4% of the selling price of the tangible personal
7 property, as "selling price" is defined in the Use Tax Act. In
8 DuPage, Kane, Lake, McHenry and Will counties the tax rate
9 shall be 1/4% of the selling price of the tangible personal
10 property, as "selling price" is defined in the Use Tax Act. The
11 tax shall be collected from persons whose Illinois address for
12 titling or registration purposes is given as being in the
13 metropolitan region. The tax shall be collected by the
14 Department of Revenue for the Regional Transportation
15 Authority. The tax must be paid to the State, or an exemption
16 determination must be obtained from the Department of Revenue,
17 before the title or certificate of registration for the
18 property may be issued. The tax or proof of exemption may be
19 transmitted to the Department by way of the State agency with
20 which, or the State officer with whom, the tangible personal
21 property must be titled or registered if the Department and the
22 State agency or State officer determine that this procedure
23 will expedite the processing of applications for title or
24 registration.

25 The Department shall have full power to administer and
26 enforce this paragraph; to collect all taxes, penalties and

1 interest due hereunder; to dispose of taxes, penalties and
2 interest collected in the manner hereinafter provided; and to
3 determine all rights to credit memoranda or refunds arising on
4 account of the erroneous payment of tax, penalty or interest
5 hereunder. In the administration of and compliance with this
6 paragraph, the Department and persons who are subject to this
7 paragraph shall have the same rights, remedies, privileges,
8 immunities, powers and duties, and be subject to the same
9 conditions, restrictions, limitations, penalties, exclusions,
10 exemptions and definitions of terms and employ the same modes
11 of procedure, as are prescribed in Sections 2 (except the
12 definition of "retailer maintaining a place of business in this
13 State"), 3 through 3-80 (except provisions pertaining to the
14 State rate of tax, and except provisions concerning collection
15 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
16 19 (except the portions pertaining to claims by retailers and
17 except the last paragraph concerning refunds), 20, 21 and 22 of
18 the Use Tax Act, and are not inconsistent with this paragraph,
19 as fully as if those provisions were set forth herein.

20 Whenever the Department determines that a refund should be
21 made under this paragraph to a claimant instead of issuing a
22 credit memorandum, the Department shall notify the State
23 Comptroller, who shall cause the order to be drawn for the
24 amount specified, and to the person named in the notification
25 from the Department. The refund shall be paid by the State
26 Treasurer out of the Regional Transportation Authority tax fund

1 established under paragraph (n) of this Section.

2 (h) The Authority may impose a replacement vehicle tax of
3 \$50 on any passenger car as defined in Section 1-157 of the
4 Illinois Vehicle Code purchased within the metropolitan region
5 by or on behalf of an insurance company to replace a passenger
6 car of an insured person in settlement of a total loss claim.
7 The tax imposed may not become effective before the first day
8 of the month following the passage of the ordinance imposing
9 the tax and receipt of a certified copy of the ordinance by the
10 Department of Revenue. The Department of Revenue shall collect
11 the tax for the Authority in accordance with Sections 3-2002
12 and 3-2003 of the Illinois Vehicle Code.

13 The Department shall immediately pay over to the State
14 Treasurer, *ex officio*, as trustee, all taxes collected
15 hereunder. On or before the 25th day of each calendar month,
16 the Department shall prepare and certify to the Comptroller the
17 disbursement of stated sums of money to the Authority. The
18 amount to be paid to the Authority shall be the amount
19 collected hereunder during the second preceding calendar month
20 by the Department, less any amount determined by the Department
21 to be necessary for the payment of refunds. Within 10 days
22 after receipt by the Comptroller of the disbursement
23 certification to the Authority provided for in this Section to
24 be given to the Comptroller by the Department, the Comptroller
25 shall cause the orders to be drawn for that amount in
26 accordance with the directions contained in the certification.

1 (i) The Board may not impose any other taxes except as it
2 may from time to time be authorized by law to impose.

3 (j) A certificate of registration issued by the State
4 Department of Revenue to a retailer under the Retailers'
5 Occupation Tax Act or under the Service Occupation Tax Act
6 shall permit the registrant to engage in a business that is
7 taxed under the tax imposed under paragraphs (b), (e), (f) or
8 (g) of this Section and no additional registration shall be
9 required under the tax. A certificate issued under the Use Tax
10 Act or the Service Use Tax Act shall be applicable with regard
11 to any tax imposed under paragraph (c) of this Section.

12 (k) The provisions of any tax imposed under paragraph (c)
13 of this Section shall conform as closely as may be practicable
14 to the provisions of the Use Tax Act, including without
15 limitation conformity as to penalties with respect to the tax
16 imposed and as to the powers of the State Department of Revenue
17 to promulgate and enforce rules and regulations relating to the
18 administration and enforcement of the provisions of the tax
19 imposed. The taxes shall be imposed only on use within the
20 metropolitan region and at rates as provided in the paragraph.

21 (l) The Board in imposing any tax as provided in paragraphs
22 (b) and (c) of this Section, shall, after seeking the advice of
23 the State Department of Revenue, provide means for retailers,
24 users or purchasers of motor fuel for purposes other than those
25 with regard to which the taxes may be imposed as provided in
26 those paragraphs to receive refunds of taxes improperly paid,

1 which provisions may be at variance with the refund provisions
2 as applicable under the Municipal Retailers Occupation Tax Act.
3 The State Department of Revenue may provide for certificates of
4 registration for users or purchasers of motor fuel for purposes
5 other than those with regard to which taxes may be imposed as
6 provided in paragraphs (b) and (c) of this Section to
7 facilitate the reporting and nontaxability of the exempt sales
8 or uses.

9 (m) Any ordinance imposing or discontinuing any tax under
10 this Section shall be adopted and a certified copy thereof
11 filed with the Department on or before June 1, whereupon the
12 Department of Revenue shall proceed to administer and enforce
13 this Section on behalf of the Regional Transportation Authority
14 as of September 1 next following such adoption and filing.
15 Beginning January 1, 1992, an ordinance or resolution imposing
16 or discontinuing the tax hereunder shall be adopted and a
17 certified copy thereof filed with the Department on or before
18 the first day of July, whereupon the Department shall proceed
19 to administer and enforce this Section as of the first day of
20 October next following such adoption and filing. Beginning
21 January 1, 1993, an ordinance or resolution imposing or
22 discontinuing the tax hereunder shall be adopted and a
23 certified copy thereof filed with the Department on or before
24 the first day of October, whereupon the Department shall
25 proceed to administer and enforce this Section as of the first
26 day of January next following such adoption and filing.

1 (n) The State Department of Revenue shall, upon collecting
2 any taxes as provided in this Section, pay the taxes over to
3 the State Treasurer as trustee for the Authority. The taxes
4 shall be held in a trust fund outside the State Treasury. On or
5 before the 25th day of each calendar month, the State
6 Department of Revenue shall prepare and certify to the
7 Comptroller of the State of Illinois and ~~the amount to be paid~~
8 ~~to the Authority, which shall be the then balance in the fund,~~
9 ~~less any amount determined by the Department to be necessary~~
10 ~~for the payment of refunds. The State Department of Revenue~~
11 ~~shall also certify~~ to the Authority (i) the amount of taxes
12 collected in each County other than Cook County in the
13 metropolitan region, (ii) ~~less the amount necessary for the~~
14 ~~payment of refunds to taxpayers in the County. With regard to~~
15 ~~the County of Cook, the certification shall specify~~ the amount
16 of taxes collected within the City of Chicago, less the amount
17 ~~necessary for the payment of refunds to taxpayers in the City~~
18 ~~of Chicago~~ and (iii) the amount collected in that portion of
19 Cook County outside of Chicago, each amount less the amount
20 necessary for the payment of refunds to taxpayers located in
21 those areas described in items (i), (ii), and (iii) in that
22 ~~portion of Cook County outside of Chicago~~. Within 10 days after
23 receipt by the Comptroller of the certification of the amounts
24 ~~amount to be paid to the Authority~~, the Comptroller shall cause
25 an order to be drawn for the payment the amount certified in
26 items (i), (ii), and (iii) of this subsection to the Authority

1 ~~for the amount in accordance with the direction in the~~
2 ~~certification.~~

3 In addition to the disbursement required by the preceding
4 paragraph, an allocation shall be made in July 1991 and each
5 year thereafter to the Regional Transportation Authority. The
6 allocation shall be made in an amount equal to the average
7 monthly distribution during the preceding calendar year
8 (excluding the 2 months of lowest receipts) and the allocation
9 shall include the amount of average monthly distribution from
10 the Regional Transportation Authority Occupation and Use Tax
11 Replacement Fund. The distribution made in July 1992 and each
12 year thereafter under this paragraph and the preceding
13 paragraph shall be reduced by the amount allocated and
14 disbursed under this paragraph in the preceding calendar year.
15 The Department of Revenue shall prepare and certify to the
16 Comptroller for disbursement the allocations made in
17 accordance with this paragraph.

18 (o) Failure to adopt a budget ordinance or otherwise to
19 comply with Section 4.01 of this Act or to adopt a Five-year
20 Capital Program or otherwise to comply with paragraph (b) of
21 Section 2.01 of this Act shall not affect the validity of any
22 tax imposed by the Authority otherwise in conformity with law.

23 (p) At no time shall a public transportation tax or motor
24 vehicle parking tax authorized under paragraphs (b), (c) and
25 (d) of this Section be in effect at the same time as any
26 retailers' occupation, use or service occupation tax

1 authorized under paragraphs (e), (f) and (g) of this Section is
2 in effect.

3 Any taxes imposed under the authority provided in
4 paragraphs (b), (c) and (d) shall remain in effect only until
5 the time as any tax authorized by paragraphs (e), (f) or (g) of
6 this Section are imposed and becomes effective. Once any tax
7 authorized by paragraphs (e), (f) or (g) is imposed the Board
8 may not reimpose taxes as authorized in paragraphs (b), (c) and
9 (d) of the Section unless any tax authorized by paragraphs (e),
10 (f) or (g) of this Section becomes ineffective by means other
11 than an ordinance of the Board.

12 (q) Any existing rights, remedies and obligations
13 (including enforcement by the Regional Transportation
14 Authority) arising under any tax imposed under paragraphs (b),
15 (c) or (d) of this Section shall not be affected by the
16 imposition of a tax under paragraphs (e), (f) or (g) of this
17 Section.

18 (Source: P.A. 92-221, eff. 8-2-01; 92-651, eff. 7-11-02;
19 93-1068, eff. 1-15-05.)

20 (70 ILCS 3615/4.04) (from Ch. 111 2/3, par. 704.04)

21 Sec. 4.04. Issuance and Pledge of Bonds and Notes.

22 (a) The Authority shall have the continuing power to borrow
23 money and to issue its negotiable bonds or notes as provided in
24 this Section. Unless otherwise indicated in this Section, the
25 term "notes" also includes bond anticipation notes, which are

1 notes which by their terms provide for their payment from the
2 proceeds of bonds thereafter to be issued. Bonds or notes of
3 the Authority may be issued for any or all of the following
4 purposes: to pay costs to the Authority or a Service Board of
5 constructing or acquiring any public transportation facilities
6 (including funds and rights relating thereto, as provided in
7 Section 2.05 of this Act); to repay advances to the Authority
8 or a Service Board made for such purposes; to pay other
9 expenses of the Authority or a Service Board incident to or
10 incurred in connection with such construction or acquisition;
11 to provide funds for any transportation agency to pay principal
12 of or interest or redemption premium on any bonds or notes,
13 whether as such amounts become due or by earlier redemption,
14 issued prior to the date of this amendatory Act by such
15 transportation agency to construct or acquire public
16 transportation facilities or to provide funds to purchase such
17 bonds or notes; and to provide funds for any transportation
18 agency to construct or acquire any public transportation
19 facilities, to repay advances made for such purposes, and to
20 pay other expenses incident to or incurred in connection with
21 such construction or acquisition; and to provide funds for
22 payment of obligations, including the funding of reserves,
23 under any self-insurance plan or joint self-insurance pool or
24 entity.

25 In addition to any other borrowing as may be authorized by
26 this Section, the Authority may issue its notes, from time to

1 time, in anticipation of tax receipts of the Authority or of
2 other revenues or receipts of the Authority, in order to
3 provide money for the Authority or the Service Boards to cover
4 any cash flow deficit which the Authority or a Service Board
5 anticipates incurring. Any such notes are referred to in this
6 Section as "Working Cash Notes". No Working Cash Notes shall be
7 issued for a term of longer than 24 ~~18~~ months. Proceeds of
8 Working Cash Notes may be used to pay day to day operating
9 expenses of the Authority or the Service Boards, consisting of
10 wages, salaries and fringe benefits, professional and
11 technical services (including legal, audit, engineering and
12 other consulting services), office rental, furniture, fixtures
13 and equipment, insurance premiums, claims for self-insured
14 amounts under insurance policies, public utility obligations
15 for telephone, light, heat and similar items, travel expenses,
16 office supplies, postage, dues, subscriptions, public hearings
17 and information expenses, fuel purchases, and payments of
18 grants and payments under purchase of service agreements for
19 operations of transportation agencies, prior to the receipt by
20 the Authority or a Service Board from time to time of funds for
21 paying such expenses. In addition to any Working Cash Notes
22 that the Board of the Authority may determine to issue, the
23 Suburban Bus Board, the Commuter Rail Board or the Board of the
24 Chicago Transit Authority may demand and direct that the
25 Authority issue its Working Cash Notes in such amounts and
26 having such maturities as the Service Board may determine.

1 Notwithstanding any other provision of this Act, any
2 amounts necessary to pay principal of and interest on any
3 Working Cash Notes issued at the demand and direction of a
4 Service Board or any Working Cash Notes the proceeds of which
5 were used for the direct benefit of a Service Board or any
6 other Bonds or Notes of the Authority the proceeds of which
7 were used for the direct benefit of a Service Board shall
8 constitute a reduction of the amount of any other funds
9 provided by the Authority to that Service Board. The Authority
10 shall, after deducting any costs of issuance, tender the net
11 proceeds of any Working Cash Notes issued at the demand and
12 direction of a Service Board to such Service Board as soon as
13 may be practicable after the proceeds are received. The
14 Authority may also issue notes or bonds to pay, refund or
15 redeem any of its notes and bonds, including to pay redemption
16 premiums or accrued interest on such bonds or notes being
17 renewed, paid or refunded, and other costs in connection
18 therewith. The Authority may also utilize the proceeds of any
19 such bonds or notes to pay the legal, financial, administrative
20 and other expenses of such authorization, issuance, sale or
21 delivery of bonds or notes or to provide or increase a debt
22 service reserve fund with respect to any or all of its bonds or
23 notes. The Authority may also issue and deliver its bonds or
24 notes in exchange for any public transportation facilities,
25 (including funds and rights relating thereto, as provided in
26 Section 2.05 of this Act) or in exchange for outstanding bonds

1 or notes of the Authority, including any accrued interest or
2 redemption premium thereon, without advertising or submitting
3 such notes or bonds for public bidding.

4 (b) The ordinance providing for the issuance of any such
5 bonds or notes shall fix the date or dates of maturity, the
6 dates on which interest is payable, any sinking fund account or
7 reserve fund account provisions and all other details of such
8 bonds or notes and may provide for such covenants or agreements
9 necessary or desirable with regard to the issue, sale and
10 security of such bonds or notes. The rate or rates of interest
11 on its bonds or notes may be fixed or variable and the
12 Authority shall determine or provide for the determination of
13 the rate or rates of interest of its bonds or notes issued
14 under this Act in an ordinance adopted by the Authority prior
15 to the issuance thereof, none of which rates of interest shall
16 exceed that permitted in the Bond Authorization Act. Interest
17 may be payable at such times as are provided for by the Board.
18 Bonds and notes issued under this Section may be issued as
19 serial or term obligations, shall be of such denomination or
20 denominations and form, including interest coupons to be
21 attached thereto, be executed in such manner, shall be payable
22 at such place or places and bear such date as the Authority
23 shall fix by the ordinance authorizing such bond or note and
24 shall mature at such time or times, within a period not to
25 exceed forty years from the date of issue, and may be
26 redeemable prior to maturity with or without premium, at the

1 option of the Authority, upon such terms and conditions as the
2 Authority shall fix by the ordinance authorizing the issuance
3 of such bonds or notes. No bond anticipation note or any
4 renewal thereof shall mature at any time or times exceeding 5
5 years from the date of the first issuance of such note. The
6 Authority may provide for the registration of bonds or notes in
7 the name of the owner as to the principal alone or as to both
8 principal and interest, upon such terms and conditions as the
9 Authority may determine. The ordinance authorizing bonds or
10 notes may provide for the exchange of such bonds or notes which
11 are fully registered, as to both principal and interest, with
12 bonds or notes which are registerable as to principal only. All
13 bonds or notes issued under this Section by the Authority other
14 than those issued in exchange for property or for bonds or
15 notes of the Authority shall be sold at a price which may be at
16 a premium or discount but such that the interest cost
17 (excluding any redemption premium) to the Authority of the
18 proceeds of an issue of such bonds or notes, computed to stated
19 maturity according to standard tables of bond values, shall not
20 exceed that permitted in the Bond Authorization Act. The
21 Authority shall notify the Governor's Office of Management and
22 Budget and the State Comptroller at least 30 days before any
23 bond sale and shall file with the Governor's Office of
24 Management and Budget and the State Comptroller a certified
25 copy of any ordinance authorizing the issuance of bonds at or
26 before the issuance of the bonds. After December 31, 1994, any

1 such bonds or notes shall be sold to the highest and best
2 bidder on sealed bids as the Authority shall deem. As such
3 bonds or notes are to be sold the Authority shall advertise for
4 proposals to purchase the bonds or notes which advertisement
5 shall be published at least once in a daily newspaper of
6 general circulation published in the metropolitan region at
7 least 10 days before the time set for the submission of bids.
8 The Authority shall have the right to reject any or all bids.
9 Notwithstanding any other provisions of this Section, Working
10 Cash Notes or bonds or notes to provide funds for
11 self-insurance or a joint self-insurance pool or entity may be
12 sold either upon competitive bidding or by negotiated sale
13 (without any requirement of publication of intention to
14 negotiate the sale of such Notes), as the Board shall determine
15 by ordinance adopted with the affirmative votes of at least 7
16 Directors. In case any officer whose signature appears on any
17 bonds, notes or coupons authorized pursuant to this Section
18 shall cease to be such officer before delivery of such bonds or
19 notes, such signature shall nevertheless be valid and
20 sufficient for all purposes, the same as if such officer had
21 remained in office until such delivery. Neither the Directors
22 of the Authority nor any person executing any bonds or notes
23 thereof shall be liable personally on any such bonds or notes
24 or coupons by reason of the issuance thereof.

25 (c) All bonds or notes of the Authority issued pursuant to
26 this Section shall be general obligations of the Authority to

1 which shall be pledged the full faith and credit of the
2 Authority, as provided in this Section. Such bonds or notes
3 shall be secured as provided in the authorizing ordinance,
4 which may, notwithstanding any other provision of this Act,
5 include in addition to any other security, a specific pledge or
6 assignment of and lien on or security interest in any or all
7 tax receipts of the Authority and on any or all other revenues
8 or moneys of the Authority from whatever source, which may by
9 law be utilized for debt service purposes and a specific pledge
10 or assignment of and lien on or security interest in any funds
11 or accounts established or provided for by the ordinance of the
12 Authority authorizing the issuance of such bonds or notes. Any
13 such pledge, assignment, lien or security interest for the
14 benefit of holders of bonds or notes of the Authority shall be
15 valid and binding from the time the bonds or notes are issued
16 without any physical delivery or further act and shall be valid
17 and binding as against and prior to the claims of all other
18 parties having claims of any kind against the Authority or any
19 other person irrespective of whether such other parties have
20 notice of such pledge, assignment, lien or security interest.
21 The obligations of the Authority incurred pursuant to this
22 Section shall be superior to and have priority over any other
23 obligations of the Authority.

24 The Authority may provide in the ordinance authorizing the
25 issuance of any bonds or notes issued pursuant to this Section
26 for the creation of, deposits in, and regulation and

1 disposition of sinking fund or reserve accounts relating to
2 such bonds or notes. The ordinance authorizing the issuance of
3 any bonds or notes pursuant to this Section may contain
4 provisions as part of the contract with the holders of the
5 bonds or notes, for the creation of a separate fund to provide
6 for the payment of principal and interest on such bonds or
7 notes and for the deposit in such fund from any or all the tax
8 receipts of the Authority and from any or all such other moneys
9 or revenues of the Authority from whatever source which may by
10 law be utilized for debt service purposes, all as provided in
11 such ordinance, of amounts to meet the debt service
12 requirements on such bonds or notes, including principal and
13 interest, and any sinking fund or reserve fund account
14 requirements as may be provided by such ordinance, and all
15 expenses incident to or in connection with such fund and
16 accounts or the payment of such bonds or notes. Such ordinance
17 may also provide limitations on the issuance of additional
18 bonds or notes of the Authority. No such bonds or notes of the
19 Authority shall constitute a debt of the State of Illinois.
20 Nothing in this Act shall be construed to enable the Authority
21 to impose any ad valorem tax on property.

22 (d) The ordinance of the Authority authorizing the issuance
23 of any bonds or notes may provide additional security for such
24 bonds or notes by providing for appointment of a corporate
25 trustee (which may be any trust company or bank having the
26 powers of a trust company within the state) with respect to

1 such bonds or notes. The ordinance shall prescribe the rights,
2 duties and powers of the trustee to be exercised for the
3 benefit of the Authority and the protection of the holders of
4 such bonds or notes. The ordinance may provide for the trustee
5 to hold in trust, invest and use amounts in funds and accounts
6 created as provided by the ordinance with respect to the bonds
7 or notes. The ordinance may provide for the assignment and
8 direct payment to the trustee of any or all amounts produced
9 from the sources provided in Section 4.03 and Section 4.09 of
10 this Act and provided in Section 6z-17 of "An Act in relation
11 to State finance", approved June 10, 1919, as amended. Upon
12 receipt of notice of any such assignment, the Department of
13 Revenue and the Comptroller of the State of Illinois shall
14 thereafter, notwithstanding the provisions of Section 4.03 and
15 Section 4.09 of this Act and Section 6z-17 of "An Act in
16 relation to State finance", approved June 10, 1919, as amended,
17 provide for such assigned amounts to be paid directly to the
18 trustee instead of the Authority, all in accordance with the
19 terms of the ordinance making the assignment. The ordinance
20 shall provide that amounts so paid to the trustee which are not
21 required to be deposited, held or invested in funds and
22 accounts created by the ordinance with respect to bonds or
23 notes or used for paying bonds or notes to be paid by the
24 trustee to the Authority.

25 (e) Any bonds or notes of the Authority issued pursuant to
26 this Section shall constitute a contract between the Authority

1 and the holders from time to time of such bonds or notes. In
2 issuing any bond or note, the Authority may include in the
3 ordinance authorizing such issue a covenant as part of the
4 contract with the holders of the bonds or notes, that as long
5 as such obligations are outstanding, it shall make such
6 deposits, as provided in paragraph (c) of this Section. It may
7 also so covenant that it shall impose and continue to impose
8 taxes, as provided in Section 4.03 of this Act and in addition
9 thereto as subsequently authorized by law, sufficient to make
10 such deposits and pay the principal and interest and to meet
11 other debt service requirements of such bonds or notes as they
12 become due. A certified copy of the ordinance authorizing the
13 issuance of any such obligations shall be filed at or prior to
14 the issuance of such obligations with the Comptroller of the
15 State of Illinois and the Illinois Department of Revenue.

16 (f) The State of Illinois pledges to and agrees with the
17 holders of the bonds and notes of the Authority issued pursuant
18 to this Section that the State will not limit or alter the
19 rights and powers vested in the Authority by this Act so as to
20 impair the terms of any contract made by the Authority with
21 such holders or in any way impair the rights and remedies of
22 such holders until such bonds and notes, together with interest
23 thereon, with interest on any unpaid installments of interest,
24 and all costs and expenses in connection with any action or
25 proceedings by or on behalf of such holders, are fully met and
26 discharged. In addition, the State pledges to and agrees with

1 the holders of the bonds and notes of the Authority issued
2 pursuant to this Section that the State will not limit or alter
3 the basis on which State funds are to be paid to the Authority
4 as provided in this Act, or the use of such funds, so as to
5 impair the terms of any such contract. The Authority is
6 authorized to include these pledges and agreements of the State
7 in any contract with the holders of bonds or notes issued
8 pursuant to this Section.

9 (g) (1) Except as provided in subdivisions (g)(2) and
10 (g)(3) of Section 4.04 of this Act, the Authority shall not
11 at any time issue, sell or deliver any bonds or notes
12 (other than Working Cash Notes) pursuant to this Section
13 4.04 which will cause it to have issued and outstanding at
14 any time in excess of \$800,000,000 of such bonds and notes
15 (other than Working Cash Notes). The Authority shall not at
16 any time issue, sell, or deliver any Working Cash Notes
17 pursuant to this Section that will cause it to have issued
18 and outstanding at any time in excess of \$100,000,000.
19 Notwithstanding the foregoing, before January 1, 2009, the
20 Authority may issue and have outstanding an additional
21 \$300,000,000 in Working Cash Notes, provided that no such
22 note shall mature later than December 31, 2010. ~~The~~
23 ~~Authority shall not at any time issue, sell or deliver any~~
24 ~~Working Cash Notes pursuant to this Section which will~~
25 ~~cause it to have issued and outstanding at any time in~~
26 ~~excess of \$100,000,000 of Working Cash Notes.~~ Bonds or

1 notes which are being paid or retired by such issuance,
2 sale or delivery of bonds or notes, and bonds or notes for
3 which sufficient funds have been deposited with the paying
4 agency of such bonds or notes to provide for payment of
5 principal and interest thereon or to provide for the
6 redemption thereof, all pursuant to the ordinance
7 authorizing the issuance of such bonds or notes, shall not
8 be considered to be outstanding for the purposes of the
9 first two sentences of this subsection.

10 (2) In addition to the authority provided by paragraphs
11 (1) and (3), the Authority is authorized to issue, sell and
12 deliver bonds or notes for Strategic Capital Improvement
13 Projects approved pursuant to Section 4.13 as follows:

14 \$100,000,000 is authorized to be issued on or after
15 January 1, 1990;

16 an additional \$100,000,000 is authorized to be issued
17 on or after January 1, 1991;

18 an additional \$100,000,000 is authorized to be issued
19 on or after January 1, 1992;

20 an additional \$100,000,000 is authorized to be issued
21 on or after January 1, 1993;

22 an additional \$100,000,000 is authorized to be issued
23 on or after January 1, 1994; and

24 the aggregate total authorization of bonds and notes
25 for Strategic Capital Improvement Projects as of January 1,
26 1994, shall be \$500,000,000.

1 The Authority is also authorized to issue, sell, and
2 deliver bonds or notes in such amounts as are necessary to
3 provide for the refunding or advance refunding of bonds or
4 notes issued for Strategic Capital Improvement Projects
5 under this subdivision (g)(2), provided that no such
6 refunding bond or note shall mature later than the final
7 maturity date of the series of bonds or notes being
8 refunded, and provided further that the debt service
9 requirements for such refunding bonds or notes in the
10 current or any future fiscal year shall not exceed the debt
11 service requirements for that year on the refunded bonds or
12 notes.

13 (3) In addition to the authority provided by paragraphs
14 (1) and (2), the Authority is authorized to issue, sell,
15 and deliver bonds or notes for Strategic Capital
16 Improvement Projects approved pursuant to Section 4.13 as
17 follows:

18 \$260,000,000 is authorized to be issued on or after
19 January 1, 2000;

20 an additional \$260,000,000 is authorized to be issued
21 on or after January 1, 2001;

22 an additional \$260,000,000 is authorized to be issued
23 on or after January 1, 2002;

24 an additional \$260,000,000 is authorized to be issued
25 on or after January 1, 2003;

26 an additional \$260,000,000 is authorized to be issued

1 on or after January 1, 2004; and

2 the aggregate total authorization of bonds and notes
3 for Strategic Capital Improvement Projects pursuant to
4 this paragraph (3) as of January 1, 2004 shall be
5 \$1,300,000,000.

6 The Authority is also authorized to issue, sell, and
7 deliver bonds or notes in such amounts as are necessary to
8 provide for the refunding or advance refunding of bonds or
9 notes issued for Strategic Capital Improvement projects
10 under this subdivision (g)(3), provided that no such
11 refunding bond or note shall mature later than the final
12 maturity date of the series of bonds or notes being
13 refunded, and provided further that the debt service
14 requirements for such refunding bonds or notes in the
15 current or any future fiscal year shall not exceed the debt
16 service requirements for that year on the refunded bonds or
17 notes.

18 (h) The Authority, subject to the terms of any agreements
19 with noteholders or bond holders as may then exist, shall have
20 power, out of any funds available therefor, to purchase notes
21 or bonds of the Authority, which shall thereupon be cancelled.

22 (i) In addition to any other authority granted by law, the
23 State Treasurer may, with the approval of the Governor, invest
24 or reinvest, at a price not to exceed par, any State money in
25 the State Treasury which is not needed for current expenditures
26 due or about to become due in Working Cash Notes.

1 (Source: P.A. 94-793, eff. 5-19-06.)

2 (70 ILCS 3615/4.11) (from Ch. 111 2/3, par. 704.11)

3 Sec. 4.11. Budget Review Powers.

4 (a) ~~The provisions of this Section shall only be applicable~~
5 ~~to financial periods beginning after December 31, 1983. The~~
6 ~~Transition Board shall adopt a timetable governing the~~
7 ~~certification of estimates and any submissions required under~~
8 ~~this Section for fiscal year 1984 which shall control over the~~
9 ~~provisions of this Act.~~ Based upon estimates which shall be
10 given to the Authority by the Director of the Governor's Office
11 of Management and Budget (formerly Bureau of the Budget) of the
12 receipts to be received by the Authority from the taxes imposed
13 by the Authority and the authorized estimates of amounts to be
14 available from State and other sources to the Service Boards,
15 and the times at which such receipts and amounts will be
16 available, the Board shall, not later than the next preceding
17 September 15th prior to the beginning of the Authority's next
18 fiscal year, advise each Service Board of the amounts estimated
19 by the Board to be available for such Service Board during such
20 fiscal year and the two following fiscal years and the times at
21 which such amounts will be available. The Board shall, at the
22 same time, also advise each Service Board of its required
23 system generated revenues recovery ratio for the next fiscal
24 year which shall be the percentage of the aggregate costs of
25 providing public transportation by or under jurisdiction of

1 that Service Board which must be recovered from system
2 generated revenues. The Board shall, at the same time,
3 beginning with the 2007 fiscal year, also advise each Service
4 Board that provides ADA paratransit services of its required
5 system generated ADA paratransit services revenue recovery
6 ratio for the next fiscal year which shall be the percentage of
7 the aggregate costs of providing ADA paratransit services by or
8 under jurisdiction of that Service Board which must be
9 recovered from fares charged for such services, except that
10 such required system generated ADA paratransit services
11 revenue recovery ratio shall not exceed the minimum percentage
12 established pursuant to Section 4.01(b)(ii) of this Act. In
13 determining a Service Board's system generated revenue
14 recovery ratio, the Board shall consider the historical system
15 generated revenues recovery ratio for the services subject to
16 the jurisdiction of that Service Board. The Board shall not
17 increase a Service Board's system generated revenues recovery
18 ratio for the next fiscal year over such ratio for the current
19 fiscal year disproportionately or prejudicially to increases
20 in such ratios for other Service Boards. The Board may, by
21 ordinance, provide that (i) the cost of research and
22 development projects in the fiscal year beginning January 1,
23 1986 and ending December 31, 1986 conducted pursuant to Section
24 2.09 of this Act, ~~and (ii) up to \$5,000,000 annually of the~~
25 costs for passenger security, and (iii) expenditures of amounts
26 granted to a Service Board from the Innovation, Coordination,

1 and Enhancement Fund for operating purposes may be exempted
2 from the farebox recovery ratio or the system generated
3 revenues recovery ratio of the Chicago Transit Authority, the
4 Suburban Bus Board, and the Commuter Rail Board, or any of
5 them. During fiscal years 2008 through 2012, the Board may also
6 allocate the exemption of \$400,000,000 and the reducing amounts
7 of costs provided by this amendatory Act of the 95th General
8 Assembly from the farebox recovery ratio or system generated
9 revenues recovery ratio of each Service Board. ~~For the fiscal~~
10 ~~year beginning January 1, 1986 and ending December 31, 1986,~~
11 ~~and for the fiscal year beginning January 1, 1987 and ending~~
12 ~~December 31, 1987, the Board shall, by ordinance, provide that:~~
13 ~~(1) the amount of a grant, pursuant to Section 2705-310 of the~~
14 ~~Department of Transportation Law (20 ILCS 2705/2705-310), from~~
15 ~~the Department of Transportation for the cost of services for~~
16 ~~the mobility limited provided by the Chicago Transit Authority,~~
17 ~~and (2) the amount of a grant, pursuant to Section 2705-310 of~~
18 ~~the Department of Transportation Law (20 ILCS 2705/2705-310),~~
19 ~~from the Department of Transportation for the cost of services~~
20 ~~for the mobility limited by the Suburban Bus Board or the~~
21 ~~Commuter Rail Board, be exempt from the farebox recovery ratio~~
22 ~~or the system generated revenues recovery ratio.~~

23 (b) (1) Not later than the next preceding November 15 prior
24 to the commencement of such fiscal year, each Service Board
25 shall submit to the Authority its proposed budget for such
26 fiscal year and its proposed financial plan for the two

1 following fiscal years. Such budget and financial plan shall
2 (i) be prepared in the format, follow the financial and
3 budgetary practices, and be based on any assumptions and
4 projections required by the Authority and (ii) not project or
5 assume a receipt of revenues from the Authority in amounts
6 greater than those set forth in the estimates provided by the
7 Authority pursuant to subsection (a) of this Section.

8 (2) The Board shall review the proposed budget and two-year
9 financial plan submitted by each Service Board, ~~and shall adopt~~
10 ~~a consolidated budget and financial plan.~~ The Board shall
11 approve the budget and two-year financial plan of a Service
12 Board if:

13 ~~(i) the Board has approved the proposed budget and cash~~
14 ~~flow plan for such fiscal year of each Service Board,~~
15 ~~pursuant to the conditions set forth in clauses (ii)~~
16 ~~through (vii) of this paragraph;~~

17 (i) ~~(ii)~~ such budget and plan show a balance between
18 (A) anticipated revenues from all sources including
19 operating subsidies and (B) the costs of providing the
20 services specified and of funding any operating deficits or
21 encumbrances incurred in prior periods, including
22 provision for payment when due of principal and interest on
23 outstanding indebtedness;

24 (ii) ~~(iii)~~ such budget and plan show cash balances
25 including the proceeds of any anticipated cash flow
26 borrowing sufficient to pay with reasonable promptness all

1 costs and expenses as incurred;

2 (iii) ~~(iv)~~ such budget and plan provide for a level of
3 fares or charges and operating or administrative costs for
4 the public transportation provided by or subject to the
5 jurisdiction of such Service Board sufficient to allow the
6 Service Board to meet its required system generated revenue
7 recovery ratio and, beginning with the 2007 fiscal year,
8 system generated ADA paratransit services revenue recovery
9 ratio;

10 (iv) ~~(v)~~ such budget and plan are based upon and employ
11 assumptions and projections which are reasonable and
12 prudent;

13 (v) ~~(vi)~~ such budget and plan have been prepared in
14 accordance with sound financial practices as determined by
15 the Board; ~~and~~

16 (vi) ~~(vii)~~ such budget and plan meet such other
17 financial, budgetary, or fiscal requirements that the
18 Board may by rule or regulation establish; and ~~;~~

19 (vii) such budget and plan are consistent with the
20 goals and objectives adopted by the Authority in the
21 Strategic Plan.

22 (3) (Blank) ~~In determining whether the budget and financial~~
23 ~~plan provide a level of fares or charges sufficient to allow a~~
24 ~~Service Board to meet its required system generated revenue~~
25 ~~recovery ratio and, beginning with the 2007 fiscal year, system~~
26 ~~generated ADA paratransit services revenue recovery ratio~~

1 ~~under clause (iv) in subparagraph (2), the Board shall allow a~~
2 ~~Service Board to carry over cash from farebox revenues to~~
3 ~~subsequent fiscal years.~~

4 (4) Unless the Board by an affirmative vote of 12 ~~9~~ of the
5 then Directors determines that the budget and financial plan of
6 a Service Board meets the criteria specified in clauses (i)
7 ~~(ii)~~ through (vii) of subparagraph (2) of this paragraph (b),
8 the Board shall not release to that Service Board any funds for
9 the periods covered by such budget and financial plan after
10 February 1, except for the proceeds of taxes imposed by the
11 Authority under Section 4.03 which are allocated to the Service
12 Board under Section ~~4.01~~.

13 (5) If the Board has not found that the budget and
14 financial plan of a Service Board meets the criteria specified
15 in clauses (i) through (vii) of subparagraph (2) of this
16 paragraph (b), the Board, by the affirmative vote of at least
17 12 of its then Directors, shall ~~shall, five working days after~~
18 ~~the start of the Service Board's fiscal year~~ adopt a budget and
19 financial plan meeting such criteria for that Service Board.

20 (c)(1) If the Board shall at any time have received a
21 revised estimate, or revises any estimate the Board has made,
22 pursuant to this Section of the receipts to be collected by the
23 Authority which, in the judgment of the Board, requires a
24 change in the estimates on which the budget of any Service
25 Board is based, the Board shall advise the affected Service
26 Board of such revised estimates, and such Service Board shall

1 within 30 days after receipt of such advice submit a revised
2 budget incorporating such revised estimates. If the revised
3 estimates require, in the judgment of the Board, that the
4 system generated revenues recovery ratio of one or more Service
5 Boards be revised in order to allow the Authority to meet its
6 required ratio, the Board shall advise any such Service Board
7 of its revised ratio and such Service Board shall within 30
8 days after receipt of such advice submit a revised budget
9 incorporating such revised estimates or ratio.

10 (2) Each Service Board shall, within such period after the
11 end of each fiscal quarter as shall be specified by the Board,
12 report to the Authority its financial condition and results of
13 operations and the financial condition and results of
14 operations of the public transportation services subject to its
15 jurisdiction, as at the end of and for such quarter. If in the
16 judgment of the Board such condition and results are not
17 substantially in accordance with such Service Board's budget
18 for such period, the Board shall so advise such Service Board
19 and such Service Board shall within the period specified by the
20 Board submit a revised budget incorporating such results.

21 (3) If the Board shall determine that a revised budget
22 submitted by a Service Board pursuant to subparagraph (1) or
23 (2) of this paragraph (c) does not meet the criteria specified
24 in clauses (i) ~~(ii)~~ through (vii) of subparagraph (2) of
25 paragraph (b) of this Section, the Board shall not release any
26 monies to that Service Board, except the proceeds of taxes

1 imposed by the Authority under Section 4.03 or 4.03.1 which are
2 allocated to the Service Board under Section 4.01. If the
3 Service Board submits a revised financial plan and budget which
4 plan and budget shows that the criteria will be met within a
5 four quarter period, the Board shall continue to release funds
6 to the Service Board. The Board by the affirmative vote of at
7 least 12 ~~a 9 vote~~ of its then Directors may require a Service
8 Board to submit a revised financial plan and budget which shows
9 that the criteria will be met in a time period less than four
10 quarters.

11 (d) All budgets and financial plans, financial statements,
12 audits and other information presented to the Authority
13 pursuant to this Section or which may be required by the Board
14 to permit it to monitor compliance with the provisions of this
15 Section shall be prepared and presented in such manner and
16 frequency and in such detail as shall have been prescribed by
17 the Board, shall be prepared on both an accrual and cash flow
18 basis as specified by the Board, shall present such information
19 as the Authority shall prescribe that fairly presents the
20 condition of any pension plan or trust for health care benefits
21 with respect to retirees established by the Service Board and
22 describes the plans of the Service Board to meet the
23 requirements of Sections 4.02a and 4.02b, and shall identify
24 and describe the assumptions and projections employed in the
25 preparation thereof to the extent required by the Board. If the
26 Executive Director certifies that a Service Board has not

1 presented its budget and two-year financial plan in conformity
2 with the rules adopted by the Authority under the provisions of
3 Section 4.01(f) and this subsection (d), and such certification
4 is accepted by the affirmative vote of at least 10 of the then
5 Directors of the Authority, the Authority shall not distribute
6 to that Service Board any funds for operating purposes in
7 excess of the amounts distributed for such purposes to the
8 Service Board in the previous fiscal year. Except when the
9 Board adopts a budget and a financial plan for a Service Board
10 under paragraph (b) (5), a Service Board shall provide for such
11 levels of transportation services and fares or charges therefor
12 as it deems appropriate and necessary in the preparation of a
13 budget and financial plan meeting the criteria set forth in
14 clauses (i) ~~(ii)~~ through (vii) of subparagraph (2) of paragraph
15 (b) of this Section. The Authority Board shall have access to
16 and the right to examine and copy all books, documents, papers,
17 records, or other source data of a Service Board relevant to
18 any information submitted pursuant to this Section.

19 (e) Whenever this Section requires the Board to make
20 determinations with respect to estimates, budgets or financial
21 plans, or rules or regulations with respect thereto such
22 determinations shall be made upon the affirmative vote of at
23 least 12 ~~9~~ of the then Directors and shall be incorporated in a
24 written report of the Board and such report shall be submitted
25 within 10 days after such determinations are made to the
26 Governor, the Mayor of Chicago (if such determinations relate

1 to the Chicago Transit Authority), and the Auditor General of
2 Illinois.

3 (Source: P.A. 94-370, eff. 7-29-05.)

4 (70 ILCS 3615/4.13) (from Ch. 111 2/3, par. 704.13)

5 Sec. 4.13. Annual Capital Improvement Plan.

6 (a) With respect to each calendar year, the Authority shall
7 prepare as part of its Five Year Program an Annual Capital
8 Improvement Plan (the "Plan") which shall describe its intended
9 development and implementation of the Strategic Capital
10 Improvement Program. The Plan shall include the following
11 information:

12 (i) a list of projects for which approval is sought
13 from the Governor, with a description of each project
14 stating at a minimum the project cost, its category, its
15 location and the entity responsible for its
16 implementation;

17 (ii) a certification by the Authority that the
18 Authority and the Service Boards have applied for all
19 grants, loans and other moneys made available by the
20 federal government or the State of Illinois during the
21 preceding federal and State fiscal years for financing its
22 capital development activities;

23 (iii) a certification that, as of September 30 of the
24 preceding calendar year or any later date, the balance of
25 all federal capital grant funds and all other funds to be

1 used as matching funds therefor which were committed to or
2 possessed by the Authority or a Service Board but which had
3 not been obligated was less than \$350,000,000, or a greater
4 amount as authorized in writing by the Governor (for
5 purposes of this subsection (a), "obligated" means
6 committed to be paid by the Authority or a Service Board
7 under a contract with a nongovernmental entity in
8 connection with the performance of a project or committed
9 under a force account plan approved by the federal
10 government);

11 (iv) a certification that the Authority has adopted a
12 balanced budget with respect to such calendar year under
13 Section 4.01 of this Act;

14 (v) a schedule of all bonds or notes previously issued
15 for Strategic Capital Improvement Projects and all debt
16 service payments to be made with respect to all such bonds
17 and the estimated additional debt service payments through
18 June 30 of the following calendar year expected to result
19 from bonds to be sold prior thereto;

20 (vi) a long-range summary of the Strategic Capital
21 Improvement Program describing the projects to be funded
22 through the Program with respect to project cost, category,
23 location, and implementing entity, and presenting a
24 financial plan including an estimated time schedule for
25 obligating funds for the performance of approved projects,
26 issuing bonds, expending bond proceeds and paying debt

1 service throughout the duration of the Program; and

2 (vii) the source of funding for each project in the
3 Plan. For any project for which full funding has not yet
4 been secured and which is not subject to a federal full
5 funding contract, the Authority must identify alternative,
6 dedicated funding sources available to complete the
7 project. The Governor may waive this requirement on a
8 project by project basis.

9 (b) The Authority shall submit the Plan with respect to any
10 calendar year to the Governor on or before January 15 of that
11 year, or as soon as possible thereafter; provided, however,
12 that the Plan shall be adopted on the affirmative votes of 10 ~~9~~
13 of the then Directors. The Plan may be revised or amended at
14 any time, but any revision in the projects approved shall
15 require the Governor's approval.

16 (c) The Authority shall seek approval from the Governor
17 only through the Plan or an amendment thereto. The Authority
18 shall not request approval of the Plan from the Governor in any
19 calendar year in which it is unable to make the certifications
20 required under items (ii), (iii) and (iv) of subsection (a). In
21 no event shall the Authority seek approval of the Plan from the
22 Governor for projects in an aggregate amount exceeding the
23 proceeds of bonds or notes for Strategic Capital Improvement
24 Projects issued under Section 4.04 of this Act.

25 (d) The Governor may approve the Plan for which approval is
26 requested. The Governor's approval is limited to the amount of

1 the project cost stated in the Plan. The Governor shall not
2 approve the Plan in a calendar year if the Authority is unable
3 to make the certifications required under items (ii), (iii) and
4 (iv) of subsection (a). In no event shall the Governor approve
5 the Plan for projects in an aggregate amount exceeding the
6 proceeds of bonds or notes for Strategic Capital Improvement
7 Projects issued under Section 4.04 of this Act.

8 (e) With respect to capital improvements, only those
9 capital improvements which are in a Plan approved by the
10 Governor shall be financed with the proceeds of bonds or notes
11 issued for Strategic Capital Improvement Projects.

12 (f) Before the Authority or a Service Board obligates any
13 funds for a project for which the Authority or Service Board
14 intends to use the proceeds of bonds or notes for Strategic
15 Capital Improvement Projects, but which project is not included
16 in an approved Plan, the Authority must notify the Governor of
17 the intended obligation. No project costs incurred prior to
18 approval of the Plan including that project may be paid from
19 the proceeds of bonds or notes for Strategic Capital
20 Improvement Projects issued under Section 4.04 of this Act.

21 (Source: P.A. 94-839, eff. 6-6-06.)

22 (70 ILCS 3615/4.14) (from Ch. 111 2/3, par. 704.14)

23 Sec. 4.14. Rate Protection Contract. "Rate Protection
24 Contract" means interest rate price exchange agreements;
25 currency exchange agreements; forward payment conversion

1 agreements; contracts providing for payment or receipt of funds
2 based on levels of, or changes in, interest rates, currency
3 exchange rates, stock or other indices; contracts to exchange
4 cash flows or a series of payments; contracts, including
5 without limitation, interest rate caps; interest rate floor;
6 interest rate locks; interest rate collars; rate of return
7 guarantees or assurances, to manage payment, currency, rate,
8 spread or similar exposure; the obligation, right, or option to
9 issue, put, lend, sell, grant a security interest in, buy,
10 borrow or otherwise acquire, a bond, note or other security or
11 interest therein as an investment, as collateral, as a hedge,
12 or otherwise as a source or assurance of payment to or by the
13 Authority or as a reduction of the Authority's or an obligor's
14 risk exposure; repurchase agreements; securities lending
15 agreements; and other agreements or arrangements similar to the
16 foregoing.

17 Notwithstanding any provision in Section 2.20 (a) (ii) of
18 this Act to the contrary, in connection with or incidental to
19 the issuance by the Authority of its bonds or notes under the
20 provisions of Section 4.04 or the exercise of its powers under
21 subsection (b) of Section 2.20, the Authority, for its own
22 benefit or for the benefit of the holders of its obligations or
23 their trustee, may enter into rate protection contracts. The
24 Authority may enter into rate protection contracts only
25 pursuant to a determination by a vote of 10 ~~9~~ of the then
26 Directors that the terms of the contracts and any related

1 agreements reduce the risk of loss to the Authority, or
2 protect, preserve or enhance the value of its assets, or
3 provide compensation to the Authority for losses resulting from
4 changes in interest rates. The Authority's obligations under
5 any rate protection contract or credit enhancement or liquidity
6 agreement shall not be considered bonds or notes for purposes
7 of this Act. For purposes of this Section a rate protection
8 contract is a contract determined by the Authority as necessary
9 or appropriate to permit it to manage payment, currency or
10 interest rate risks or levels.

11 (Source: P.A. 87-764.)

12 (70 ILCS 3615/5.01) (from Ch. 111 2/3, par. 705.01)

13 Sec. 5.01. Hearings and Citizen Participation.

14 (a) The Authority shall provide for and encourage
15 participation by the public in the development and review of
16 public transportation policy, and in the process by which major
17 decisions significantly affecting the provision of public
18 transportation are made. The Authority shall coordinate such
19 public participation processes with the Chicago Metropolitan
20 Agency for Planning to the extent practicable.

21 (b) The Authority shall hold such public hearings as may be
22 required by this Act or as the Authority may deem appropriate
23 to the performance of any of its functions. The Authority shall
24 coordinate such public hearings with the Chicago Metropolitan
25 Agency for Planning to the extent practicable.

1 (c) Unless such items are specifically provided for either
2 in the Five-Year Capital Program or in the annual budget
3 program which has been the subject of public hearings as
4 provided in Sections 2.01 or 4.01 of this Act, the Board shall
5 hold public hearings at which citizens may be heard prior to:

6 (i) the construction or acquisition of any public
7 transportation facility, the aggregate cost of which exceeds \$5
8 million; and

9 (ii) the extension of, or major addition to services
10 provided by the Authority or by any transportation agency
11 pursuant to a purchase of service agreement with the Authority.

12 (d) Unless such items are specifically provided for in the
13 annual budget and program which has been the subject of public
14 hearing, as provided in Section 4.01 of this Act, the Board
15 shall hold public hearings at which citizens may be heard prior
16 to the providing for or allowing, by means of any purchase of
17 service agreement or any grant pursuant to Section 2.02 of this
18 Act, any general increase or series of increases in fares or
19 charges for public transportation, whether by the Authority or
20 by any transportation agency, which increase or series of
21 increases within any twelve months affects more than 25% of the
22 consumers of service of the Authority or of the transportation
23 agency; or so providing for or allowing any discontinuance of
24 any public transportation route, or major portion thereof,
25 which has been in service for more than a year.

26 (e) At least twenty days prior notice of any public

1 hearing, as required in this Section, shall be given by public
2 advertisement in a newspaper of general circulation in the
3 metropolitan region.

4 (f) The Authority may designate one or more Directors or
5 may appoint one or more hearing officers to preside over any
6 hearing pursuant to this Act. The Authority shall have the
7 power in connection with any such hearing to issue subpoenas to
8 require the attendance of witnesses and the production of
9 documents, and the Authority may apply to any circuit court in
10 the State to require compliance with such subpoenas.

11 (g) The Authority may require any Service Board to hold one
12 or more public hearings with respect to any item described in
13 paragraphs (c) and (d) of this Section 5.01, notwithstanding
14 whether such item has been the subject of a public hearing
15 under this Section 5.01 or Section 2.01 or 4.01 of this Act.

16 (Source: P.A. 78-3rd S.S.-5.)

17 (70 ILCS 3615/2.12a rep.)

18 (70 ILCS 3615/3.09 rep.)

19 (70 ILCS 3615/3.10 rep.)

20 Section 60. The Regional Transportation Authority Act is
21 amended by repealing Sections 2.12a, 3.09, and 3.10.

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

24 Section 99. Effective date. This Act takes effect upon

1 becoming law.

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6	30 ILCS 105/6z-69 new	
7	30 ILCS 740/2-2.04	from Ch. 111 2/3, par. 662.04
8	30 ILCS 740/2-3	from Ch. 111 2/3, par. 663
9	30 ILCS 740/2-7	from Ch. 111 2/3, par. 667
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11	35 ILCS 105/9	from Ch. 120, par. 439.9
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17	70 ILCS 3605/12c new	
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19	70 ILCS 3605/28a	from Ch. 111 2/3, par. 328a
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