



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5732

Introduced 2/9/2010, by Rep. Lisa M. Dugan

SYNOPSIS AS INTRODUCED:

30 ILCS 740/2-2.04

from Ch. 111 2/3, par. 662.04

Amends the Downstate Public Transportation Act. Provides that the annual 10% growth in appropriation may be exceeded when any participant extends its service area by either annexation or intergovernmental agreement.

LRB096 19055 HLH 34446 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

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

4 Section 5. The Downstate Public Transportation Act is
5 amended by changing Section 2-2.04 as follows:

6 (30 ILCS 740/2-2.04) (from Ch. 111 2/3, par. 662.04)

7 Sec. 2-2.04. "Eligible operating expenses" means all
8 expenses required for public transportation, including
9 employee wages and benefits, materials, fuels, supplies,
10 rental of facilities, taxes other than income taxes, payment
11 made for debt service (including principal and interest) on
12 publicly owned equipment or facilities, and any other
13 expenditure which is an operating expense according to standard
14 accounting practices for the providing of public
15 transportation. Eligible operating expenses shall not include
16 allowances: (a) for depreciation whether funded or unfunded;
17 (b) for amortization of any intangible costs; (c) for debt
18 service on capital acquired with the assistance of capital
19 grant funds provided by the State of Illinois; (d) for profits
20 or return on investment; (e) for excessive payment to
21 associated entities; (f) for Comprehensive Employment Training
22 Act expenses; (g) for costs reimbursed under Sections 6 and 8
23 of the "Urban Mass Transportation Act of 1964", as amended; (h)

1 for entertainment expenses; (i) for charter expenses; (j) for
2 fines and penalties; (k) for charitable donations; (l) for
3 interest expense on long term borrowing and debt retirement
4 other than on publicly owned equipment or facilities; (m) for
5 income taxes; or (n) for such other expenses as the Department
6 may determine consistent with federal Department of
7 Transportation regulations or requirements. In consultation
8 with participants, the Department shall, by October 2008,
9 promulgate or update rules, pursuant to the Illinois
10 Administrative Procedure Act, concerning eligible expenses to
11 ensure consistent application of the Act, and the Department
12 shall provide written copies of those rules to all eligible
13 recipients. The Department shall review this process in the
14 same manner no less frequently than every 5 years.

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

1 upon which the appropriation for such participant for Fiscal
2 Year 1980 is based.

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

18 With respect to all participants other than any Metro-East
19 Transit District participant, the maximum eligible operating
20 expenses for any such participant in any fiscal year after
21 Fiscal Year 1985 (except Fiscal Year 2008 and Fiscal Year 2009)
22 shall be the amount appropriated for such participant for the
23 fiscal year ending June 30, 1985, plus in each year a 10%
24 increase over the maximum established for the preceding year.
25 For Fiscal Year 1985, the maximum eligible operating expenses
26 for any such participant shall be the amount of projected

1 operating expenses upon which the appropriation for such
2 participant for Fiscal Year 1985 is based.

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

24 With respect to a participant that receives an initial
25 appropriation in State fiscal year 2002 or thereafter, the
26 maximum eligible operating expenses for any State fiscal year

1 after 2003 (except State fiscal years 2006 through 2009) shall
2 be the amount appropriated for that participant for the State
3 fiscal year in which it received its initial appropriation,
4 plus, in each year, a 10% increase over the preceding year. The
5 10% annual growth in appropriation may be exceeded when any
6 participant extends its service area by either annexation or
7 intergovernmental agreement. For the initial State fiscal year
8 in which a participant received an appropriation, the maximum
9 eligible operating expenses for any such participant shall be
10 the amount of projected operating expenses upon which the
11 appropriation for that participant for that State fiscal year
12 is based.

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

22 With respect to the District serving primarily Madison
23 County, beginning July 1, 2008, the Madison County Transit
24 District shall no longer be included for new appropriation
25 funding purposes as part of the Metro-East Public
26 Transportation Fund and instead shall be included for new

1 appropriation funding purposes as part of the Downstate Public
2 Transportation Fund; provided, however, that nothing herein
3 shall alter the eligibility of that District for previously
4 appropriated funds to which it would otherwise be entitled.

5 With respect to the fiscal year beginning July 1, 2007, and
6 thereafter, the following shall be included for new
7 appropriation funding purposes as part of the Downstate Public
8 Transportation Fund: Bond County; Bureau County; Coles County;
9 Edgar County; Stephenson County and the City of Freeport; Henry
10 County; Jo Daviess County; Kankakee and McLean Counties; Peoria
11 County; Piatt County; Shelby County; Tazewell and Woodford
12 Counties; Vermilion County; Williamson County; and Kendall
13 County.

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