



## 98TH GENERAL ASSEMBLY

### State of Illinois

### 2013 and 2014

#### HB5751

by Rep. Michael W. Tryon

#### SYNOPSIS AS INTRODUCED:

70 ILCS 3605/34	from Ch. 111 2/3, par. 334
70 ILCS 3615/3A.10	from Ch. 111 2/3, par. 703A.10
70 ILCS 3615/3B.10	from Ch. 111 2/3, par. 703B.10
70 ILCS 3615/4.11	from Ch. 111 2/3, par. 704.11

Amends the Metropolitan Transit Authority Act and the Regional Transportation Authority Act. Requires that the budget and 2-year financial plan submitted by each Service Board (Chicago Transit Authority, Suburban Bus Board, and Commuter Rail Board) to the Regional Transportation Authority to include specific line-items for revenues and expenses and be divided into detailed categories established by rule by the Board of the Regional Transportation Authority. Provides that the Board of the Regional Transportation Authority may reduce or veto any item of appropriations in the budget or plan submitted by a Service Board and shall return the item vetoed or reduced with its objections to the Service Board that submitted the budget or plan. Makes similar changes in provisions concerning the approval of a Service Board's revised budget.

LRB098 20226 JLK 55577 b

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 Metropolitan Transit Authority Act is  
5 amended by changing Sections 28a, 30, and 34 as follows:

6 (70 ILCS 3605/34) (from Ch. 111 2/3, par. 334)

7 Sec. 34. Budget and Program. The Authority, subject to the  
8 powers of the Regional Transportation Authority in Section 4.11  
9 of the Regional Transportation Authority Act, shall control the  
10 finances of the Authority. It shall by ordinance appropriate  
11 money to perform the Authority's purposes and provide for  
12 payment of debts and expenses of the Authority. Each year the  
13 Authority shall prepare and publish a comprehensive annual  
14 budget and five-year capital program document, and a financial  
15 plan for the 2 years thereafter describing the state of the  
16 Authority and presenting for the forthcoming fiscal year and  
17 the two following years the Authority's plans for such  
18 operations and capital expenditures as it intends to undertake  
19 and the means by which it intends to finance them. The proposed  
20 budget, financial plan, and five-year capital program shall be  
21 based on the Regional Transportation Authority's estimate of  
22 funds to be made available to the Authority by or through the  
23 Regional Transportation Authority and shall conform in all

1 respects to the requirements established by the Regional  
2 Transportation Authority. The proposed budget, financial plan,  
3 and five-year capital program shall contain a statement of the  
4 funds estimated to be on hand at the beginning of the fiscal  
5 year, the funds estimated to be received from all sources for  
6 such year and the funds estimated to be on hand at the end of  
7 such year. The proposed budget, financial plan, and five-year  
8 capital program shall be available at no cost for public  
9 inspection at the Authority's main office and at the Regional  
10 Transportation Authority's main office at least 3 weeks prior  
11 to any public hearing. Before the proposed budget, financial  
12 plan, and five-year capital program are submitted to the  
13 Regional Transportation Authority, the Authority shall hold at  
14 least one public hearing thereon in each of the counties in  
15 which the Authority provides service. All Board members of the  
16 Authority shall attend a majority of the public hearings unless  
17 reasonable cause is given for their absence. After the public  
18 hearings, the Board of the Authority shall hold at least one  
19 meeting for consideration of the proposed program and budget  
20 with the Cook County Board. After conducting such hearings and  
21 holding such meetings and after making such changes in the  
22 proposed budget, financial plan, and five-year capital program  
23 as the Board deems appropriate, it shall adopt an annual budget  
24 ordinance at least by November 15th preceding the beginning of  
25 each fiscal year. The budget, financial plan, and five-year  
26 capital program shall then be submitted to the Regional

1 Transportation Authority as provided in Section 4.11 of the  
2 Regional Transportation Authority Act.

3 In the event that the Board of the Regional Transportation  
4 Authority determines that the budget, financial plan, and  
5 five-year capital program do not meet the standards of said  
6 Section 4.11 , the Board of the Authority shall make such  
7 changes as are necessary to meet such requirements and adopt an  
8 amended budget ordinance. The amended budget ordinance shall be  
9 resubmitted to the Regional Transportation Authority pursuant  
10 to said Section 4.11. The ordinance shall appropriate such sums  
11 of money as are deemed necessary to defray all necessary  
12 expenses and obligations of the Authority, specifying purposes  
13 and the objects or programs for which appropriations are made  
14 and the amount appropriated for each object or program.  
15 Additional appropriations, transfers between items and other  
16 changes in such ordinance which do not alter the basis upon  
17 which the balanced budget determination was made by the  
18 Regional Transportation Authority may be made from time to time  
19 by the Board.

20 The budget shall:

21 (i) show a balance between (A) anticipated revenues  
22 from all sources including operating subsidies and (B) the  
23 costs of providing the services specified and of funding  
24 any operating deficits or encumbrances incurred in prior  
25 periods, including provision for payment when due of  
26 principal and interest on outstanding indebtedness;

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

4 (iii) provide for a level of fares or charges and  
5 operating or administrative costs for the public  
6 transportation provided by or subject to the jurisdiction  
7 of the Board sufficient to allow the Board to meet its  
8 required system generated revenue recovery ratio as  
9 determined in accordance with subsection (a) of Section  
10 4.11 of the Regional Transportation Authority Act;

11 (iv) be based upon and employ assumptions and  
12 projections which are reasonable and prudent;

13 (v) have been prepared in accordance with sound  
14 financial practices as determined by the Board of the  
15 Regional Transportation Authority;

16 (vi) meet such other financial, budgetary, or fiscal  
17 requirements that the Board of the Regional Transportation  
18 Authority may by rule or regulation establish; ~~and~~

19 (vii) be consistent with the goals and objectives  
20 adopted by the Regional Transportation Authority in the  
21 Strategic Plan; and -

22 (viii) include specific line-items for revenues and  
23 expenses, and be divided into detailed categories, as  
24 determined by rule by the Board of the Regional  
25 Transportation Authority.

26 The Board shall establish a fiscal operating year. At least

1 thirty days prior to the beginning of the first full fiscal  
2 year after the creation of the Authority, and annually  
3 thereafter, the Board shall cause to be prepared a tentative  
4 budget which shall include all operation and maintenance  
5 expense for the ensuing fiscal year. The tentative budget shall  
6 be considered by the Board and, subject to any revision and  
7 amendments as may be determined, shall be adopted prior to the  
8 first day of the ensuing fiscal year as the budget for that  
9 year. No expenditures for operations and maintenance in excess  
10 of the budget shall be made during any fiscal year except by  
11 the affirmative vote of at least five members of the Board. It  
12 shall not be necessary to include in the annual budget any  
13 statement of necessary expenditures for pensions or retirement  
14 annuities, or for interest or principal payments on bonds or  
15 certificates, or for capital outlays, but it shall be the duty  
16 of the Board to make provision for payment of same from  
17 appropriate funds. The Board may not alter its fiscal year  
18 without the prior approval of the Board of the Regional  
19 Transportation Authority.

20 (Source: P.A. 95-708, eff. 1-18-08.)

21 Section 10. The Regional Transportation Authority Act is  
22 amended by changing Sections 2.04, 3A.10, 3B.10, and 4.11 as  
23 follows:

24 (70 ILCS 3615/3A.10) (from Ch. 111 2/3, par. 703A.10)

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

1 public hearing thereon in each of the counties in the  
2 metropolitan region in which the Division provides service. The  
3 Suburban Bus Board shall hold at least one meeting for  
4 consideration of the proposed budget, financial plan, and  
5 five-year capital program with the county board of each of the  
6 several counties in the metropolitan region in which the  
7 Division provides service. After conducting such hearings and  
8 holding such meetings and after making such changes in the  
9 proposed budget, financial plan, and five-year capital program  
10 as the Suburban Bus Board deems appropriate, it shall adopt an  
11 annual budget ordinance at least by November 15 next preceding  
12 the beginning of each fiscal year. The budget, financial plan,  
13 and five-year capital program shall then be submitted to the  
14 Authority as provided in Section 4.11. In the event that the  
15 Board of the Authority determines that the budget and financial  
16 plan do not meet the standards of Section 4.11, the Suburban  
17 Bus Board shall make such changes as are necessary to meet such  
18 requirements and adopt an amended budget ordinance. The amended  
19 budget ordinance shall be resubmitted to the Authority pursuant  
20 to Section 4.11. The ordinance shall appropriate such sums of  
21 money as are deemed necessary to defray all necessary expenses  
22 and obligations of the Division, specifying purposes and the  
23 objects or programs for which appropriations are made and the  
24 amount appropriated for each object or program. Additional  
25 appropriations, transfers between items and other changes in  
26 such ordinance which do not alter the basis upon which the



1 balanced budget determination was made by the Board of the  
2 Authority may be made from time to time by the Suburban Bus  
3 Board.

4 The budget shall:

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

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

14 (iii) provide for a level of fares or charges and  
15 operating or administrative costs for the public  
16 transportation provided by or subject to the jurisdiction  
17 of the Suburban Bus Board sufficient to allow the Suburban  
18 Bus Board to meet its required system generated revenues  
19 recovery ratio and, beginning with the 2007 fiscal year,  
20 its system generated ADA paratransit services revenue  
21 recovery ratio;

22 (iv) be based upon and employ assumptions and  
23 projections which are reasonable and prudent;

24 (v) have been prepared in accordance with sound  
25 financial practices as determined by the Board of the  
26 Authority;

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

4 (vii) be consistent with the goals and objectives  
5 adopted by the Regional Transportation Authority in the  
6 Strategic Plan; and -

7 (viii) include specific line-items for revenues and  
8 expenses, and be divided into detailed categories, as  
9 determined by rule by the Board of the Regional  
10 Transportation Authority.

11 (Source: P.A. 94-370, eff. 7-29-05; 95-708, eff. 1-18-08.)

12 (70 ILCS 3615/3B.10) (from Ch. 111 2/3, par. 703B.10)

13 Sec. 3B.10. Budget and Program. The Commuter Rail Board,  
14 subject to the powers of the Authority in Section 4.11, shall  
15 control the finances of the Division. It shall by ordinance  
16 appropriate money to perform the Division's purposes and  
17 provide for payment of debts and expenses of the Division. Each  
18 year the Commuter Rail Board shall prepare and publish a  
19 comprehensive annual budget and proposed five-year capital  
20 program document, and a financial plan for the two years  
21 thereafter describing the state of the Division and presenting  
22 for the forthcoming fiscal year and the two following years the  
23 Commuter Rail Board's plans for such operations and capital  
24 expenditures as the Commuter Rail Board intends to undertake  
25 and the means by which it intends to finance them. The proposed

1 budget, financial plan, and five-year capital program shall be  
2 based on the Authority's estimate of funds to be made available  
3 to the Commuter Rail Board by or through the Authority and  
4 shall conform in all respects to the requirements established  
5 by the Authority. The proposed budget, financial plan, and  
6 five-year capital program shall contain a statement of the  
7 funds estimated to be on hand at the beginning of the fiscal  
8 year, the funds estimated to be received from all sources for  
9 such year and the funds estimated to be on hand at the end of  
10 such year. The fiscal year of the Division shall be the same as  
11 the fiscal year of the Authority. Before the proposed budget,  
12 financial plan, and five-year capital program are submitted to  
13 the Authority, the Commuter Rail Board shall hold at least one  
14 public hearing thereon in each of the counties in the  
15 metropolitan region in which the Division provides service. The  
16 Commuter Rail Board shall hold at least one meeting for  
17 consideration of the proposed budget, financial plan, and  
18 five-year capital plan with the county board of each of the  
19 several counties in the metropolitan region in which the  
20 Division provides service. After conducting such hearings and  
21 holding such meetings and after making such changes in the  
22 proposed budget, financial plan, and five-year capital plan as  
23 the Commuter Rail Board deems appropriate, the board shall  
24 adopt its annual budget ordinance at least by November 15 next  
25 preceding the beginning of each fiscal year. The budget,  
26 financial plan, and five-year capital program shall then be

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

18 The budget shall:

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

25 (ii) show cash balances including the proceeds of any  
26 anticipated cash flow borrowing sufficient to pay with

1 reasonable promptness all costs and expenses as incurred;

2 (iii) provide for a level of fares or charges for the  
3 public transportation provided by or subject to the  
4 jurisdiction of such Commuter Rail Board sufficient to  
5 allow the Commuter Rail Board to meet its required system  
6 generated revenue recovery ratio;

7 (iv) be based upon and employ assumptions and  
8 projections which the Board of the Authority finds to be  
9 reasonable and prudent;

10 (v) have been prepared in accordance with sound  
11 financial practices as determined by the Board of the  
12 Authority;

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

16 (vii) be consistent with the goals and objectives  
17 adopted by the Regional Transportation Authority in the  
18 Strategic Plan; and -

19 (viii) include specific line-items for revenues and  
20 expenses, and be divided into detailed categories, as  
21 determined by rule by the Board of the Regional  
22 Transportation Authority.

23 (Source: P.A. 95-708, eff. 1-18-08.)

24 (70 ILCS 3615/4.11) (from Ch. 111 2/3, par. 704.11)

25 Sec. 4.11. Budget Review Powers.

1           (a) Based upon estimates which shall be given to the  
2 Authority by the Director of the Governor's Office of  
3 Management and Budget (formerly Bureau of the Budget) of the  
4 receipts to be received by the Authority from the taxes imposed  
5 by the Authority and the authorized estimates of amounts to be  
6 available from State and other sources to the Service Boards,  
7 and the times at which such receipts and amounts will be  
8 available, the Board shall, not later than the next preceding  
9 September 15th prior to the beginning of the Authority's next  
10 fiscal year, advise each Service Board of the amounts estimated  
11 by the Board to be available for such Service Board during such  
12 fiscal year and the two following fiscal years and the times at  
13 which such amounts will be available. The Board shall, at the  
14 same time, also advise each Service Board of its required  
15 system generated revenues recovery ratio for the next fiscal  
16 year which shall be the percentage of the aggregate costs of  
17 providing public transportation by or under jurisdiction of  
18 that Service Board which must be recovered from system  
19 generated revenues. The Board shall, at the same time, consider  
20 the written determination of the Executive Director, made  
21 pursuant to Section 2.01d, of the costs of ADA paratransit  
22 services that are required to be provided under the federal  
23 Americans with Disabilities Act of 1990 and its implementing  
24 regulations, and shall amend the current year budgets of the  
25 Authority and the Service Boards to provide for additional  
26 funding for the provision of ADA paratransit services, if

1 needed. The Board shall, at the same time, beginning with the  
2 2007 fiscal year, also advise each Service Board that provides  
3 ADA paratransit services of its required system generated ADA  
4 paratransit services revenue recovery ratio for the next fiscal  
5 year which shall be the percentage of the aggregate costs of  
6 providing ADA paratransit services by or under jurisdiction of  
7 that Service Board which must be recovered from fares charged  
8 for such services, except that such required system generated  
9 ADA paratransit services revenue recovery ratio shall not  
10 exceed the minimum percentage established pursuant to Section  
11 4.01(b)(ii) of this Act. In determining a Service Board's  
12 system generated revenue recovery ratio, the Board shall  
13 consider the historical system generated revenues recovery  
14 ratio for the services subject to the jurisdiction of that  
15 Service Board. The Board shall not increase a Service Board's  
16 system generated revenues recovery ratio for the next fiscal  
17 year over such ratio for the current fiscal year  
18 disproportionately or prejudicially to increases in such  
19 ratios for other Service Boards. The Board may, by ordinance,  
20 provide that (i) the cost of research and development projects  
21 in the fiscal year beginning January 1, 1986 and ending  
22 December 31, 1986 conducted pursuant to Section 2.09 of this  
23 Act, (ii) the costs for passenger security, and (iii)  
24 expenditures of amounts granted to a Service Board from the  
25 Innovation, Coordination, and Enhancement Fund for operating  
26 purposes may be exempted from the farebox recovery ratio or the

1 system generated revenues recovery ratio of the Chicago Transit  
2 Authority, the Suburban Bus Board, and the Commuter Rail Board,  
3 or any of them. During fiscal years 2008 through 2012, the  
4 Board may also allocate the exemption of \$200,000,000 and the  
5 reducing amounts of costs provided by this amendatory Act of  
6 the 95th General Assembly from the farebox recovery ratio or  
7 system generated revenues recovery ratio of each Service Board.

8 (b) (1) Not later than the next preceding November 15 prior  
9 to the commencement of such fiscal year, each Service Board  
10 shall submit to the Authority its proposed budget for such  
11 fiscal year and its proposed financial plan for the two  
12 following fiscal years. Such budget and financial plan shall  
13 (i) be prepared in the format, follow the financial and  
14 budgetary practices, and be based on any assumptions and  
15 projections required by the Authority and (ii) not project or  
16 assume a receipt of revenues from the Authority in amounts  
17 greater than those set forth in the estimates provided by the  
18 Authority pursuant to subsection (a) of this Section.

19 (2) The Board shall review and approve or disapprove the  
20 proposed budget and two-year financial plan submitted by each  
21 Service Board. The Board shall approve the budget and two-year  
22 financial plan of a Service Board if:

23 (i) such budget and plan show a balance between (A)  
24 anticipated revenues from all sources including operating  
25 subsidies and (B) the costs of providing the services  
26 specified and of funding any operating deficits or



1 encumbrances incurred in prior periods, including  
2 provision for payment when due of principal and interest on  
3 outstanding indebtedness;

4 (ii) such budget and plan show cash balances including  
5 the proceeds of any anticipated cash flow borrowing  
6 sufficient to pay with reasonable promptness all costs and  
7 expenses as incurred;

8 (iii) such budget and plan provide for a level of fares  
9 or charges and operating or administrative costs for the  
10 public transportation provided by or subject to the  
11 jurisdiction of such Service Board sufficient to allow the  
12 Service Board to meet its required system generated revenue  
13 recovery ratio and, beginning with the 2007 fiscal year,  
14 system generated ADA paratransit services revenue recovery  
15 ratio;

16 (iv) such budget and plan are based upon and employ  
17 assumptions and projections which are reasonable and  
18 prudent;

19 (v) such budget and plan have been prepared in  
20 accordance with sound financial practices as determined by  
21 the Board;

22 (vi) such budget and plan meet such other financial,  
23 budgetary, or fiscal requirements that the Board may by  
24 rule or regulation establish; ~~and~~

25 (vii) such budget and plan are consistent with the  
26 goals and objectives adopted by the Authority in the

1 Strategic Plan; and -

2 (viii) include specific line-items for revenues and  
3 expenses, and be divided into detailed categories, as  
4 determined by rule by the Board.

5 (3) (Blank).

6 (4) For any budget and plan approved under paragraph (2) of  
7 this subsection (b), the Board may, by an affirmative vote of  
8 12 of the then Directors, reduce or veto any item of  
9 appropriations in the budget or plan and a copy of the veto  
10 with the Board's objections shall be delivered to the Service  
11 Board that submitted the budget or plan for approval. Portions  
12 of the budget or plan not reduced or vetoed shall be considered  
13 approved. If, within 30 calendar days after the veto has been  
14 delivered the appropriate Service Board, the Board votes to  
15 restore an item that has been reduced, the item shall be  
16 considered approved in the restored amount. If a reduced item  
17 is not restored, then it shall be considered approved in the  
18 reduced amount.

19 Unless the Board by an affirmative vote of 12 of the then  
20 Directors determines that the budget and financial plan of a  
21 Service Board meets the criteria specified in clauses (i)  
22 through (vii) of subparagraph (2) of this paragraph (b), the  
23 Board shall withhold from that Service Board 25% of the cash  
24 proceeds of taxes imposed by the Authority under Section 4.03  
25 and Section 4.03.1 and received after February 1 and 25% of the  
26 amounts transferred to the Authority from the Public

1 Transportation Fund under Section 4.09(a) (but not including  
2 Section 4.09(a)(3)(iv)) after February 1 that the Board has  
3 estimated to be available to that Service Board under Section  
4 4.11(a). Such funding shall be released to the Service Board  
5 only upon approval of a budget and financial plan under this  
6 Section or adoption of a budget and financial plan on behalf of  
7 the Service Board by the Authority.

8 (5) If the Board has not found that the budget and  
9 financial plan of a Service Board meets the criteria specified  
10 in clauses (i) through (vii) of subparagraph (2) of this  
11 paragraph (b), the Board, by the affirmative vote of at least  
12 12 of its then Directors, shall adopt a budget and financial  
13 plan meeting such criteria for that Service Board.

14 (c)(1) If the Board shall at any time have received a  
15 revised estimate, or revises any estimate the Board has made,  
16 pursuant to this Section of the receipts to be collected by the  
17 Authority which, in the judgment of the Board, requires a  
18 change in the estimates on which the budget of any Service  
19 Board is based, the Board shall advise the affected Service  
20 Board of such revised estimates, and such Service Board shall  
21 within 30 days after receipt of such advice submit a revised  
22 budget incorporating such revised estimates. If the revised  
23 estimates require, in the judgment of the Board, that the  
24 system generated revenues recovery ratio of one or more Service  
25 Boards be revised in order to allow the Authority to meet its  
26 required ratio, the Board shall advise any such Service Board

1 of its revised ratio and such Service Board shall within 30  
2 days after receipt of such advice submit a revised budget  
3 incorporating such revised estimates or ratio.

4 (2) Each Service Board shall, within such period after the  
5 end of each fiscal quarter as shall be specified by the Board,  
6 report to the Authority its financial condition and results of  
7 operations and the financial condition and results of  
8 operations of the public transportation services subject to its  
9 jurisdiction, as at the end of and for such quarter. If in the  
10 judgment of the Board such condition and results are not  
11 substantially in accordance with such Service Board's budget  
12 for such period, the Board shall so advise such Service Board  
13 and such Service Board shall within the period specified by the  
14 Board submit a revised budget incorporating such results.

15 (2.5) For any revised budget submitted under this  
16 subsection (c), the Board may, by a vote of 12 of the then  
17 Directors, reduce or veto any item of appropriations in the  
18 revised budget and shall return a copy of the item vetoed or  
19 reduced with the Board's objections to the Service Board that  
20 submitted the revised budget for approval. Portions of the  
21 revised budget not reduced or vetoed shall be considered  
22 approved. If, within 30 calendar days after the veto has been  
23 delivered to the appropriate Service Board, the Board restores  
24 an item that has been reduced, the item shall be considered  
25 approved in the restored amount. If a reduced item is not  
26 restored, then it shall be considered approved in the reduced

1 amount.

2 (3) If the Board shall determine that a revised budget  
3 submitted by a Service Board pursuant to subparagraph (1) or  
4 (2) of this paragraph (c) does not meet the criteria specified  
5 in clauses (i) through (vii) of subparagraph (2) of paragraph  
6 (b) of this Section, the Board shall withhold from that Service  
7 Board 25% of the cash proceeds of taxes imposed by the  
8 Authority under Section 4.03 or 4.03.1 and received by the  
9 Authority after February 1 and 25% of the amounts transferred  
10 to the Authority from the Public Transportation Fund under  
11 Section 4.09(a) (but not including Section 4.09(a)(3)(iv))  
12 after February 1 that the Board has estimated to be available  
13 to that Service Board under Section 4.11(a). If the Service  
14 Board submits a revised financial plan and budget which plan  
15 and budget shows that the criteria will be met within a four  
16 quarter period, the Board shall release any such withheld funds  
17 to the Service Board. The Board by the affirmative vote of at  
18 least 12 of its then Directors may require a Service Board to  
19 submit a revised financial plan and budget which shows that the  
20 criteria will be met in a time period less than four quarters.

21 (d) All budgets and financial plans, financial statements,  
22 audits and other information presented to the Authority  
23 pursuant to this Section or which may be required by the Board  
24 to permit it to monitor compliance with the provisions of this  
25 Section shall be prepared and presented in such manner and  
26 frequency and in such detail as shall have been prescribed by

1 the Board, shall be prepared on both an accrual and cash flow  
2 basis as specified by the Board, shall present such information  
3 as the Authority shall prescribe that fairly presents the  
4 condition of any pension plan or trust for health care benefits  
5 with respect to retirees established by the Service Board and  
6 describes the plans of the Service Board to meet the  
7 requirements of Sections 4.02a and 4.02b, and shall identify  
8 and describe the assumptions and projections employed in the  
9 preparation thereof to the extent required by the Board. If the  
10 Executive Director certifies that a Service Board has not  
11 presented its budget and two-year financial plan in conformity  
12 with the rules adopted by the Authority under the provisions of  
13 Section 4.01(f) and this subsection (d), and such certification  
14 is accepted by the affirmative vote of at least 12 of the then  
15 Directors of the Authority, the Authority shall not distribute  
16 to that Service Board any funds for operating purposes in  
17 excess of the amounts distributed for such purposes to the  
18 Service Board in the previous fiscal year. Except when the  
19 Board adopts a budget and a financial plan for a Service Board  
20 under paragraph (b) (5), a Service Board shall provide for such  
21 levels of transportation services and fares or charges therefor  
22 as it deems appropriate and necessary in the preparation of a  
23 budget and financial plan meeting the criteria set forth in  
24 clauses (i) through (vii) of subparagraph (2) of paragraph (b)  
25 of this Section. The Authority shall have access to and the  
26 right to examine and copy all books, documents, papers,

1 records, or other source data of a Service Board relevant to  
2 any information submitted pursuant to this Section.

3 (e) Whenever this Section requires the Board to make  
4 determinations with respect to estimates, budgets or financial  
5 plans, or rules or regulations with respect thereto such  
6 determinations shall be made upon the affirmative vote of at  
7 least 12 of the then Directors and shall be incorporated in a  
8 written report of the Board and such report shall be submitted  
9 within 10 days after such determinations are made to the  
10 Governor, the Mayor of Chicago (if such determinations relate  
11 to the Chicago Transit Authority), and the Auditor General of  
12 Illinois.

13 (Source: P.A. 97-399, eff. 8-16-11.)