

AN ACT concerning local government.

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

Section 5. The Regional Transportation Authority Act is amended by changing Sections 2.01c, 2.01d, 2.01e, 4.03.3, and 4.11 as follows:

(70 ILCS 3615/2.01c)

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

(a) The Authority shall establish an Innovation, Coordination, and Enhancement Fund and ~~each year~~ deposit into the Fund an amount equal to \$10,000,000 in 2008, and, each year thereafter, an amount equal to the amount deposited in the previous year increased or decreased by the percentage growth or decline in revenues received by the Authority from taxes imposed under Section 4.03 in the previous year ~~the amounts directed by Section 4.03.3 of this Act~~. Amounts on deposit in such Fund and interest and other earnings on those amounts may be used by the Authority, upon the affirmative vote of 12 of its then Directors, and after a public participation process, for operating or capital grants or loans to Service Boards, transportation agencies, or units of local government that advance the goals and objectives identified by the Authority in

its Strategic Plan, provided that no improvement that has been included in a Five-Year Capital Program as of the effective date of this amendatory Act of the 95th General Assembly may receive any funding from the Innovation, Coordination, and Enhancement Fund. Unless the Board has determined by a vote of 12 of its then Directors that an emergency exists requiring the use of some or all of the funds then in the Innovation, Coordination, and Enhancement Fund, such funds may only be used to enhance the coordination and integration of public transportation and develop and implement innovations to improve the quality and delivery of public transportation.

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

program require a subsequent vote of the Board.

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

(70 ILCS 3615/2.01d)

Sec. 2.01d. ADA Paratransit Fund. The Authority shall establish an ADA Paratransit Fund and, each year, deposit into that Fund the following amounts: (i) a base amount equal to \$115,000,000 in 2012, and, each year thereafter, an amount equal to the final budgeted funding for ADA paratransit services for the current year, (ii) ~~the amounts directed by Section 4.03.3 of this Act and~~ any funds received from the State pursuant to appropriations for the purpose of funding ADA paratransit services, and (iii) any additional funds necessary to fund the budget or amended budget for ADA paratransit services adopted or approved by the Board for the current year.

The amounts on deposit in the Fund and interest and other earnings on those amounts shall be used by the Authority to make grants to the Suburban Bus Board for ADA paratransit services provided pursuant to plans approved by the Authority under Section 2.30 of this Act. Funds received by the Suburban Bus Board from the Authority's ADA Paratransit Fund shall be used only to provide ADA paratransit services to individuals who are determined to be eligible for such services by the Authority under the Americans with Disabilities Act of 1990 and its implementing regulations. Revenues from and costs of services provided by the Suburban Bus Board with grants made

under this Section shall be included in the Annual Budget and Two-Year Financial Program of the Suburban Bus Board and shall be subject to all budgetary and financial requirements under this Act that apply to ADA paratransit services. Beginning in 2008, the Executive Director shall, no later than August 15 of each year, provide to the Board a written determination of the projected annual costs of ADA paratransit services that are required to be provided pursuant to the Americans with Disabilities Act of 1990 and its implementing regulations for the current year. The Authority shall conduct triennial financial, compliance, and performance audits of ADA paratransit services to assist in this determination.

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

(70 ILCS 3615/2.01e)

Sec. 2.01e. Suburban Community Mobility Fund. The Authority shall establish a Suburban Community Mobility Fund and, ~~each year,~~ deposit into that Fund an amount equal to \$20,000,000 in 2008, and, each year thereafter, an amount equal to the amount deposited in the previous year increased or decreased by the percentage growth or decline in revenues received by the Authority from taxes imposed under Section 4.03 in the previous year ~~the amounts directed by Section 4.03.3 of this Act~~. The amounts on deposit in the Fund and interest and other earnings on those amounts shall be used by the Authority to make grants to the Suburban Bus Board for the purpose of

operating transit services, other than traditional fixed-route services, that enhance suburban mobility, including, but not limited to, demand-responsive transit services, ride sharing, van pooling, service coordination, centralized dispatching and call taking, reverse commuting, service restructuring, and bus rapid transit. Revenues from and costs of services provided by the Suburban Bus Board with moneys from the Suburban Community Mobility Fund shall be included in the Annual Budget and Two-Year Financial Program of the Suburban Bus Board and shall be subject to all budgetary and financial requirements under this Act.

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

(70 ILCS 3615/4.03.3)

Sec. 4.03.3. Distribution of Revenues. This Section applies only after the Department begins administering and enforcing an increased tax under Section 4.03(m) as authorized by this amendatory Act of the 95th General Assembly. After providing for payment of its obligations with respect to bonds and notes issued under the provisions of Section 4.04 and obligations related to those bonds and notes, the Authority shall disburse the remaining proceeds from taxes it has received from the Department of Revenue under this Article IV and the remaining proceeds it has received from the State under Section 4.09(a) as follows:

(a) With respect to taxes imposed by the Authority under

Section 4.03, after withholding 15% of 80% of the receipts from those taxes collected in Cook County at a rate of 1.25%, 15% of 75% of the receipts from those taxes collected in Cook County at the rate of 1%, 15% of one-half of the receipts from those taxes collected in DuPage, Kane, Lake, McHenry, and Will Counties, and 15% of money received by the Authority from the Regional Transportation Authority Occupation and Use Tax Replacement Fund or from the Regional Transportation Authority tax fund created in Section 4.03(n), the Board shall allocate the proceeds and money remaining to the Service Boards as follows:

(1) an amount equal to (i) 85% of 80% of the receipts from those taxes collected within the City of Chicago at a rate of 1.25%, (ii) 85% of 75% of the receipts from those taxes collected in the City of Chicago at the rate of 1%, and (iii) 85% of the money received by the Authority on account of transfers to the Regional Transportation Authority Occupation and Use Tax Replacement Fund or to the Regional Transportation Authority tax fund created in Section 4.03(n) from the County and Mass Transit District Fund attributable to retail sales within the City of Chicago shall be allocated to the Chicago Transit Authority;

(2) an amount equal to (i) 85% of 80% of the receipts from those taxes collected within Cook County outside of the City of Chicago at a rate of 1.25%, (ii) 85% of 75% of

the receipts from those taxes collected within Cook County outside the City of Chicago at a rate of 1%, and (iii) 85% of the money received by the Authority on account of transfers to the Regional Transportation Authority Occupation and Use Tax Replacement Fund or to the Regional Transportation Authority tax fund created in Section 4.03(n) from the County and Mass Transit District Fund attributable to retail sales within Cook County outside of the City of Chicago shall be allocated 30% to the Chicago Transit Authority, 55% to the Commuter Rail Board, and 15% to the Suburban Bus Board; and

(3) an amount equal to 85% of one-half of the receipts from the taxes collected within the Counties of DuPage, Kane, Lake, McHenry, and Will shall be allocated 70% to the Commuter Rail Board and 30% to the Suburban Bus Board.

(b) Moneys received by the Authority on account of transfers to the Regional Transportation Authority Occupation and Use Tax Replacement Fund from the State and Local Sales Tax Reform Fund shall be allocated among the Authority and the Service Boards as follows: 15% of such moneys shall be retained by the Authority and the remaining 85% shall be transferred to the Service Boards as soon as may be practicable after the Authority receives payment. Moneys which are distributable to the Service Boards pursuant to the preceding sentence shall be allocated among the Service Boards on the basis of each Service Board's distribution ratio. The term "distribution ratio"

means, for purposes of this subsection (b), the ratio of the total amount distributed to a Service Board pursuant to subsection (a) of Section 4.03.3 for the immediately preceding calendar year to the total amount distributed to all of the Service Boards pursuant to subsection (a) of Section 4.03.3 for the immediately preceding calendar year.

(c) (i) 20% of the receipts from those taxes collected in Cook County under Section 4.03 at the rate of 1.25%, (ii) 25% of the receipts from those taxes collected in Cook County under Section 4.03 at the rate of 1%, (iii) 50% of the receipts from those taxes collected in DuPage, Kane, Lake, McHenry, and Will Counties under Section 4.03, and (iv) amounts received from the State under Section 4.09 (a) (2) and items (i), (ii), and (iii) of Section 4.09 (a) (3) shall be allocated as follows: the amount required to be deposited into ~~in 2008, \$100,000,000 shall be deposited in~~ the ADA Paratransit Fund described in Section 2.01d, the amount required to be deposited into ~~\$20,000,000 shall be deposited in~~ the Suburban Community Mobility Fund described in Section 2.01e, and the amount required to be deposited into ~~\$10,000,000 shall be deposited in~~ the Innovation, Coordination and Enhancement Fund described in Section 2.01c, and the balance shall be allocated 48% to the Chicago Transit Authority, 39% to the Commuter Rail Board, and 13% to the Suburban Bus Board; ~~and in 2009 and each year thereafter, the amounts deposited in the ADA Paratransit Fund, the Suburban Community Mobility Fund and the Innovation,~~

~~Coordination and Enhancement Fund respectively shall equal the amount deposited in the previous year increased or decreased by the percentage growth or decline in revenues received by the Authority from taxes imposed under Section 4.03 in the previous year, and the balance shall be allocated 48% to the Chicago Transit Authority, 39% to the Commuter Rail Board and 13% to the Suburban Bus Board.~~

(d) Amounts received from the State under Section 4.09 (a) (3) (iv) shall be distributed 100% to the Chicago Transit Authority.

(e) With respect to those taxes collected in DuPage, Kane, Lake, McHenry, and Will Counties and paid directly to the counties under Section 4.03, the County Board of each county shall use those amounts to fund operating and capital costs of public safety and public transportation services or facilities or to fund operating, capital, right-of-way, construction, and maintenance costs of other transportation purposes, including road, bridge, public safety, and transit purposes intended to improve mobility or reduce congestion in the county. The receipt of funding by such counties pursuant to this paragraph shall not be used as the basis for reducing any funds that such counties would otherwise have received from the State of Illinois, any agency or instrumentality thereof, the Authority, or the Service Boards.

(f) The Authority by ordinance adopted by 12 of its then Directors shall apportion to the Service Boards funds provided

by the State of Illinois under Section 4.09(a)(1) as it shall determine and shall make payment of the amounts to each Service Board as soon as may be practicable upon their receipt provided the Authority has adopted a balanced budget as required by Section 4.01 and further provided the Service Board is in compliance with the requirements in Section 4.11.

(g) Beginning January 1, 2009, before making any payments, transfers, or expenditures under this Section to a Service Board, the Authority must first comply with Section 4.02a or 4.02b of this Act, whichever may be applicable.

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

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

Sec. 4.11. Budget Review Powers.

(a) Based upon estimates which shall be given to the Authority by the Director of the Governor's Office of Management and Budget (formerly Bureau of the Budget) of the receipts to be received by the Authority from the taxes imposed by the Authority and the authorized estimates of amounts to be available from State and other sources to the Service Boards, and the times at which such receipts and amounts will be available, the Board shall, not later than the next preceding September 15th prior to the beginning of the Authority's next fiscal year, advise each Service Board of the amounts estimated by the Board to be available for such Service Board during such fiscal year and the two following fiscal years and the times at

which such amounts will be available. The Board shall, at the same time, also advise each Service Board of its required system generated revenues recovery ratio for the next fiscal year which shall be the percentage of the aggregate costs of providing public transportation by or under jurisdiction of that Service Board which must be recovered from system generated revenues. The Board shall, at the same time, consider the written determination of the Executive Director, made pursuant to Section 2.01d, of the costs of ADA paratransit services that are required to be provided under the federal Americans with Disabilities Act of 1990 and its implementing regulations, and shall amend the current year budgets of the Authority and the Service Boards to provide for additional funding for the provision of ADA paratransit services, if needed. The Board shall, at the same time, beginning with the 2007 fiscal year, also advise each Service Board that provides ADA paratransit services of its required system generated ADA paratransit services revenue recovery ratio for the next fiscal year which shall be the percentage of the aggregate costs of providing ADA paratransit services by or under jurisdiction of that Service Board which must be recovered from fares charged for such services, except that such required system generated ADA paratransit services revenue recovery ratio shall not exceed the minimum percentage established pursuant to Section 4.01(b)(ii) of this Act. In determining a Service Board's system generated revenue recovery ratio, the Board shall

consider the historical system generated revenues recovery ratio for the services subject to the jurisdiction of that Service Board. The Board shall not increase a Service Board's system generated revenues recovery ratio for the next fiscal year over such ratio for the current fiscal year disproportionately or prejudicially to increases in such ratios for other Service Boards. The Board may, by ordinance, provide that (i) the cost of research and development projects in the fiscal year beginning January 1, 1986 and ending December 31, 1986 conducted pursuant to Section 2.09 of this Act, (ii) the costs for passenger security, and (iii) expenditures of amounts granted to a Service Board from the Innovation, Coordination, and Enhancement Fund for operating purposes may be exempted from the farebox recovery ratio or the system generated revenues recovery ratio of the Chicago Transit Authority, the Suburban Bus Board, and the Commuter Rail Board, or any of them. During fiscal years 2008 through 2012, the Board may also allocate the exemption of \$200,000,000 and the reducing amounts of costs provided by this amendatory Act of the 95th General Assembly from the farebox recovery ratio or system generated revenues recovery ratio of each Service Board.

(b) (1) Not later than the next preceding November 15 prior to the commencement of such fiscal year, each Service Board shall submit to the Authority its proposed budget for such fiscal year and its proposed financial plan for the two following fiscal years. Such budget and financial plan shall

(i) be prepared in the format, follow the financial and budgetary practices, and be based on any assumptions and projections required by the Authority and (ii) not project or assume a receipt of revenues from the Authority in amounts greater than those set forth in the estimates provided by the Authority pursuant to subsection (a) of this Section.

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

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

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

(iii) such budget and plan provide for a level of fares or charges and operating or administrative costs for the public transportation provided by or subject to the jurisdiction of such Service Board sufficient to allow the Service Board to meet its required system generated revenue

recovery ratio and, beginning with the 2007 fiscal year, system generated ADA paratransit services revenue recovery ratio;

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

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

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

(vii) such budget and plan are consistent with the goals and objectives adopted by the Authority in the Strategic Plan.

(3) (Blank).

(4) Unless the Board by an affirmative vote of 12 of the then Directors determines that the budget and financial plan of a Service Board meets the criteria specified in clauses (i) through (vii) of subparagraph (2) of this paragraph (b), the Board shall withhold from that Service Board 25% of the cash proceeds of taxes imposed by the Authority under Section 4.03 and Section 4.03.1 and received after February 1 and 25% of the amounts transferred to the Authority from the Public Transportation Fund under Section 4.09(a) (but not including Section 4.09(a) (3) (iv)) after February 1 that the Board has

estimated to be available to that Service Board under Section 4.11(a). Such funding shall be released to the Service Board only upon approval of a budget and financial plan under this Section or adoption of a budget and financial plan on behalf of the Service Board by the Authority.

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

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

incorporating such revised estimates or ratio.

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

(3) If the Board shall determine that a revised budget submitted by a Service Board pursuant to subparagraph (1) or (2) of this paragraph (c) does not meet the criteria specified in clauses (i) through (vii) of subparagraph (2) of paragraph (b) of this Section, the Board shall withhold from that Service Board 25% of the cash proceeds of taxes imposed by the Authority under Section 4.03 or 4.03.1 and received by the Authority after February 1 and 25% of the amounts transferred to the Authority from the Public Transportation Fund under Section 4.09(a) (but not including Section 4.09(a)(3)(iv)) after February 1 that the Board has estimated to be available to that Service Board under Section 4.11(a). If the Service Board submits a revised financial plan and budget which plan and budget shows that the criteria will be met within a four

quarter period, the Board shall release any such withheld funds to the Service Board. The Board by the affirmative vote of at least 12 of its then Directors may require a Service Board to submit a revised financial plan and budget which shows that the criteria will be met in a time period less than four quarters.

(d) All budgets and financial plans, financial statements, audits and other information presented to the Authority pursuant to this Section or which may be required by the Board to permit it to monitor compliance with the provisions of this Section shall be prepared and presented in such manner and frequency and in such detail as shall have been prescribed by the Board, shall be prepared on both an accrual and cash flow basis as specified by the Board, shall present such information as the Authority shall prescribe that fairly presents the condition of any pension plan or trust for health care benefits with respect to retirees established by the Service Board and describes the plans of the Service Board to meet the requirements of Sections 4.02a and 4.02b, and shall identify and describe the assumptions and projections employed in the preparation thereof to the extent required by the Board. If the Executive Director certifies that a Service Board has not presented its budget and two-year financial plan in conformity with the rules adopted by the Authority under the provisions of Section 4.01(f) and this subsection (d), and such certification is accepted by the affirmative vote of at least 12 of the then Directors of the Authority, the Authority shall not distribute

to that Service Board any funds for operating purposes in excess of the amounts distributed for such purposes to the Service Board in the previous fiscal year. Except when the Board adopts a budget and a financial plan for a Service Board under paragraph (b) (5), a Service Board shall provide for such levels of transportation services and fares or charges therefor as it deems appropriate and necessary in the preparation of a budget and financial plan meeting the criteria set forth in clauses (i) through (vii) of subparagraph (2) of paragraph (b) of this Section. The Authority shall have access to and the right to examine and copy all books, documents, papers, records, or other source data of a Service Board relevant to any information submitted pursuant to this Section.

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

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

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