



# **SENATE JOURNAL**

**STATE OF ILLINOIS**

**ONE HUNDREDTH GENERAL ASSEMBLY**

**135TH LEGISLATIVE DAY**

**THURSDAY, MAY 31, 2018**

**9:34 O'CLOCK A.M.**

**SENATE**  
**Daily Journal Index**  
**135th Legislative Day**

<b>Action</b>	<b>Page(s)</b>
Committee Meeting Announcement(s).....	12
Communication.....	230
Deadline Established.....	14, 16
Introduction of Senate Bill No. 3618.....	18
Joint Action Motion(s) Filed.....	5, 60, 210, 230, 331
Legislative Measure(s) Filed.....	15, 269
Message from the House.....	35, 42, 44, 51, 65, 206, 214, 228, 297, 301
Message from the President.....	14, 15, 270, 343, 346
Presentation of Senate Joint Resolution No. 79.....	343
Presentation of Senate Resolution No. 1822.....	6
Presentation of Senate Resolution No. 1823.....	16
Presentation of Senate Resolution No. 1824.....	343
Report from Assignments Committee.....	10, 14, 15, 270, 335
Report from Standing Committee(s).....	16
Resolutions Consent Calendar.....	344
Vote Recorded.....	336

<b>Bill Number</b>	<b>Legislative Action</b>	<b>Page(s)</b>
SB 0034	Concur in House Amendment(s).....	34
SB 0035	Concur in House Amendment(s).....	25
SB 0275	Recalled - Amendment(s).....	12
SB 0275	Third Reading.....	13
SB 0336	Concur in House Amendment(s).....	331
SB 0452	Concur in House Amendment(s).....	331
SB 0454	Concur in House Amendment(s).....	335
SB 0486	Concur in House Amendment(s).....	25
SB 0514	Recalled - Amendment(s).....	237
SB 0514	Third Reading.....	263
SB 0585	Concur in House Amendment(s).....	211
SB 0682	Concur in House Amendment(s).....	211
SB 0904	Concur in House Amendment(s).....	336
SB 1707	Concur in House Amendment(s).....	212
SB 1737	Concur in House Amendment(s).....	336
SB 1758	Concur in House Amendment(s).....	212
SB 1851	Concur in House Amendment(s).....	213
SB 1979	Concur in House Amendment(s).....	213
SB 2344	Concur in House Amendment(s).....	33
SB 2350	Concur in House Amendment(s).....	231
SB 2354	Concur in House Amendment(s).....	231
SB 2362	Concur in House Amendment(s).....	26
SB 2407	Concur in House Amendment(s).....	33
SB 2421	Concur in House Amendment(s).....	232
SB 2447	Concur in House Amendment(s).....	232
SB 2481	Concur in House Amendment(s).....	233
SB 2540	Concur in House Amendment(s).....	233
SB 2544	Concur in House Amendment(s).....	27
SB 2579	Concur in House Amendment(s).....	234
SB 2589	Concur in House Amendment(s).....	332
SB 2617	Concur in House Amendment(s).....	234
SB 2641	Concur in House Amendment(s).....	235
SB 2651	Concur in House Amendment(s).....	296

SB 2655	Concur in House Amendment(s)	332
SB 2667	Concur in House Amendment(s)	235
SB 2804	Concur in House Amendment(s)	236
SB 2838	Concur in House Amendment(s)	263
SB 2844	Concur in House Amendment(s)	264
SB 2858	Concur in House Amendment(s)	34
SB 2864	Concur in House Amendment(s)	265
SB 2904	Concur in House Amendment(s)	265
SB 2913	Concur in House Amendment(s)	266
SB 2921	Concur in House Amendment(s)	333
SB 2927	Concur in House Amendment(s)	266
SB 2952	Concur in House Amendment(s)	63
SB 2999	Concur in House Amendment(s)	267
SB 3023	Concur in House Amendment(s)	64
SB 3085	Concur in House Amendment(s)	267
SB 3103	Concur in House Amendment(s)	268
SB 3109	Concur in House Amendment(s)	268
SB 3128	Concur in House Amendment(s)	333
SB 3134	Concur in House Amendment(s)	64
SB 3139	Concur in House Amendment(s)	269
SB 3141	Concur in House Amendment(s)	294
SB 3220	Concur in House Amendment(s)	60
SB 3256	Concur in House Amendment(s)	295
SB 3404	Concur in House Amendment(s)	61
SB 3411	Concur in House Amendment(s)	61
SB 3452	Concur in House Amendment(s)	296
SB 3491	Concur in House Amendment(s)	62
SB 3527	Concur in House Amendment(s)	334
SB 3532	Concur in House Amendment(s)	62
SB 3536	Concur in House Amendment(s)	295
SB 3547	Concur in House Amendment(s)	27
SB 3560	Concur in House Amendment(s)	63
SJR 0023	Adopted	8
SJR 0074	Adopted	9
SJR 0075	Adopted	7
SJR 0076	Adopted	8
SJR 0077	Adopted	337
SJR 0077	Posting Notice Waived	15
SJR 0079	Adopted	344
SR 1308	Adopted	338
SR 1394	Adopted	7
SR 1397	Adopted, as amended	338
SR 1516	Adopted	339
SR 1534	Adopted, as amended	339
SR 1561	Adopted	340
SR 1587	Adopted	340
SR 1592	Adopted	6
SR 1598	Adopted	340
SR 1600	Adopted, as amended	7
SR 1638	Adopted	340
SR 1647	Adopted	340
SR 1766	Adopted	341
SR 1767	Adopted	7
SR 1778	Adopted	337
SR 1778	Posting Notice Waived	14
SR 1780	Adopted	7
SR 1786	Adopted	341
SR 1797	Adopted	341

HB 0138	Recalled – Amendment(s) .....	271
HB 0138	Third Reading .....	294
HB 1620	Posting Notice Waived.....	15
HB 2477	Third Reading .....	18
HB 3806	Recalled – Amendment(s) .....	18
HB 3806	Third Reading .....	24
HB 4165	Third Reading .....	28
HB 4208	Third Reading .....	28
HB 4702	Third Reading .....	9
HB 4765	Third Reading .....	9
HB 5166	Recalled – Amendment(s) .....	29
HB 5166	Third Reading .....	31
HB 5721	Recalled – Amendment(s) .....	32
HB 5721	Third Reading .....	32
HB 5750	Third Reading .....	334
HJR 0058	Adopted .....	338
HJR 0059	Adopted.....	342
HJR 0074	Adopted.....	342
HJR 0115	Adopted.....	343

The Senate met pursuant to adjournment.  
 Senator Terry Link, Waukegan, Illinois, presiding.  
 Prayer by Pastor Shea Hughes, Bethalto Church of God, Bethalto, Illinois.  
 Senator Cunningham led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Wednesday, May 30, 2018, be postponed, pending arrival of the printed Journal.  
 The motion prevailed.

### JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendment 1 to Senate Bill 2421  
 Motion to Concur in House Amendment 1 to Senate Bill 2667  
 Motion to Concur in House Amendment 2 to Senate Bill 2667  
 Motion to Concur in House Amendment 1 to Senate Bill 3109  
 Motion to Concur in House Amendment 1 to Senate Bill 3115

### MESSAGES FROM THE HOUSE

A message from the House by  
 Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution constitutional amendment, to-wit:

#### SENATE JOINT RESOLUTION CONSTITUTIONAL AMENDMENT 4

10000SC0004 Engrossed

WHEREAS, The Ninety-second Congress of the United States of America, at its Second Session, in both houses, by a constitutional majority of two-thirds, adopted the following proposition to amend the Constitution of the United States of America:

#### "JOINT RESOLUTION

RESOLVED BY THE HOUSE OF REPRESENTATIVES AND SENATE OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED (TWO-THIRDS OF EACH HOUSE CONCURRING THEREIN), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

#### "ARTICLE \_\_\_\_\_

Section 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

Section 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

Section 3. This amendment shall take effect two years after the date of ratification.""; and

WHEREAS, A Joint Resolution is a resolution adopted by both houses of the General Assembly and does not require the signature of the Governor; a Joint Resolution is sufficient for Illinois' ratification of an amendment to the United States Constitution; and

WHEREAS, The United States Congress has recently adopted the 27th Amendment to the Constitution of the United States, the so-called Madison Amendment, relating to Compensation of Members of Congress; this amendment was proposed 203 years earlier by our First Congress and only recently ratified

[May 31, 2018]

by three-fourths of the States; the United States Archivist certified the 27th Amendment on May 18, 1992; and

WHEREAS, The founders of our nation, James Madison included, did not favor further restrictions to Article V of the Constitution of the United States, the amending procedure; the United States Constitution is harder to amend than any other constitution in history; and

WHEREAS, The restricting time limit for the Equal Rights Amendment ratification is in the resolving clause and is not a part of the amendment proposed by Congress and already ratified by 35 states; and

WHEREAS, Having passed a time extension for the Equal Rights Amendment on October 20, 1978, Congress has demonstrated that a time limit in a resolving clause can be disregarded if it is not a part of the proposed amendment; and

WHEREAS, The United States Supreme Court in *Coleman v. Miller*, 307 U.S. 433, at 456 (1939), recognized that Congress is in a unique position to judge the tenor of the nation, to be aware of the political, social, and economic factors affecting the nation, and to be aware of the importance to the nation of the proposed amendment; and

WHEREAS, If an amendment to the Constitution of the United States has been proposed by two-thirds of both houses of Congress and ratified by three-fourths of the state legislatures, it is for Congress under the principles of *Coleman v. Miller* to determine the validity of the state ratifications occurring after a time limit in the resolving clause, but not in the amendment itself; and

WHEREAS, Constitutional equality for women and men continues to be timely in the United States and worldwide, and a number of other nations have achieved constitutional equality for their women and men; therefore, be it

RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, that the proposed amendment to the Constitution of the United States of America set forth in this resolution is ratified; and be it further

RESOLVED, That a certified copy of this resolution be forwarded to the Archivist of the United States, the President pro tempore of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and each member of the Illinois congressional delegation.

Concurred in by the House, May 30, 2018.

TIMOTHY D. MAPES, Clerk of the House

## PRESENTATION OF RESOLUTION

### SENATE RESOLUTION NO. 1822

Offered by Senator Hunter and all Senators:  
Mourns the death of Bertha Andrews of Chicago.

By unanimous consent, the foregoing resolution was referred to the Resolutions Consent Calendar.

## CONSIDERATION OF RESOLUTIONS ON SECRETARY'S DESK

Senator T. Cullerton moved that **Senate Resolution No. 1592**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator T. Cullerton moved that Senate Resolution No. 1592 be adopted.

The motion prevailed.

And the resolution was adopted.

[May 31, 2018]

Senator Morrison moved that **Senate Resolution No. 1780**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Morrison moved that Senate Resolution No. 1780 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Anderson moved that **Senate Resolution No. 1767**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Anderson moved that Senate Resolution No. 1767 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Bush moved that **Senate Resolution No. 1600**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

The following amendment was offered in the Committee on Environment and Conservation, adopted and ordered printed:

#### **AMENDMENT NO. 1 TO SENATE RESOLUTION 1600**

AMENDMENT NO. 1. Amend Senate Resolution 1600 as follows:

on page 2, line 15, by replacing "." with "; and be it further"; and

on page 2, after line 15, by inserting "RESOLVED, That suitable copies of this resolution be presented to Wisconsin Governor Scott Walker and the Secretary of the Department of Natural Resources, Daniel Meyer."

Senator Bush moved that Senate Resolution No. 1600, as amended, be adopted.

The motion prevailed.

And the resolution, as amended, was adopted.

Senator Tracy moved that **Senate Resolution No. 1394**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Tracy moved that Senate Resolution No. 1394 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Manar moved that **Senate Joint Resolution No. 75**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Manar moved that Senate Joint Resolution No. 75 be adopted.

And on that motion, a call of the roll was had resulting as follows:

YEAS 51; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rooney
Anderson	Curran	McCann	Rose
Aquino	Fowler	McCarter	Sandoval
Barickman	Haine	McConnaughay	Schimpf
Bennett	Harmon	McGuire	Silverstein
Bertino-Tarrant	Hastings	Morrison	Stadelman
Brady	Hunter	Mulroe	Steans

[May 31, 2018]

Bush	Hutchinson	Muñoz	Syverson
Castro	Koehler	Murphy	Tracy
Clayborne	Landek	Nybo	Van Pelt
Collins	Lightford	Oberweis	Weaver
Connelly	Link	Raoul	Mr. President
Cullerton, T.	Manar	Rezin	

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Senator Rezin moved that **Senate Joint Resolution No. 23**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Rezin moved that Senate Joint Resolution No. 23 be adopted.

And on that motion, a call of the roll was had resulting as follows:

YEAS 50; NAYS None.

The following voted in the affirmative:

Althoff	Curran	McCann	Rose
Aquino	Fowler	McCarter	Sandoval
Barickman	Haine	McConnaughay	Schimpf
Bennett	Harmon	McGuire	Silverstein
Bertino-Tarrant	Hastings	Morrison	Stadelman
Brady	Hunter	Mulroe	Steans
Bush	Hutchinson	Muñoz	Syverson
Castro	Koehler	Murphy	Tracy
Clayborne	Landek	Nybo	Van Pelt
Collins	Lightford	Oberweis	Weaver
Connelly	Link	Raoul	Mr. President
Cullerton, T.	Manar	Rezin	
Cunningham	Martinez	Rooney	

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Senator Rooney moved that **Senate Joint Resolution No. 76**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Rooney moved that Senate Joint Resolution No. 76 be adopted.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Sandoval
Anderson	Curran	McCarter	Schimpf
Aquino	Haine	McConnaughay	Silverstein
Barickman	Harmon	McGuire	Stadelman
Bennett	Hastings	Morrison	Steans
Bertino-Tarrant	Holmes	Mulroe	Syverson
Bivins	Hunter	Muñoz	Tracy
Brady	Hutchinson	Murphy	Van Pelt



Bush	Koehler	Nybo	Weaver
Castro	Landek	Oberweis	Mr. President
Clayborne	Lightford	Raoul	
Collins	Link	Rezin	
Connelly	Manar	Rooney	
Cullerton, T.	Martinez	Rose	

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Senator Clayborne moved that **Senate Joint Resolution No. 74**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Clayborne moved that Senate Joint Resolution No. 74 be adopted.

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

### READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Mulroe, **House Bill No. 4702** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Curran	McCann	Rose
Anderson	Fowler	McCarter	Sandoval
Aquino	Haine	McConnaughay	Schimpf
Barickman	Harmon	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Bivins	Hunter	Muñoz	Steans
Brady	Hutchinson	Murphy	Syverson
Bush	Koehler	Nybo	Tracy
Castro	Landek	Oberweis	Van Pelt
Clayborne	Lightford	Raoul	Weaver
Connelly	Link	Rezin	Mr. President
Cullerton, T.	Manar	Righter	
Cunningham	Martinez	Rooney	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Aquino, **House Bill No. 4765** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Curran	McCann	Sandoval
Anderson	Fowler	McCarter	Schimpf
Aquino	Haine	McConnaughay	Silverstein
Barickman	Harmon	McGuire	Sims
Bennett	Hastings	Morrison	Stadelman
Bertino-Tarrant	Holmes	Mulroe	Stears
Bivins	Hunter	Muñoz	Syverson
Brady	Hutchinson	Murphy	Tracy
Bush	Jones, E.	Nybo	Van Pelt
Castro	Koehler	Oberweis	Weaver
Clayborne	Landek	Raoul	Mr. President
Collins	Lightford	Rezin	
Connelly	Link	Righter	
Cullerton, T.	Manar	Rooney	
Cunningham	Martinez	Rose	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof.

#### REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Executive: **Motion to Concur in House Amendment 1 to Senate Bill 34**  
**Motion to Concur in House Amendment 1 to Senate Bill 35**  
**Motion to Concur in House Amendment 3 to Senate Bill 486**  
**Motion to Concur in House Amendment 4 to Senate Bill 486**  
**Motion to Concur in House Amendment 1 to Senate Bill 682**  
**Motion to Concur in House Amendment 3 to Senate Bill 1707**  
**Motion to Concur in House Amendment 1 to Senate Bill 1851**  
**Motion to Concur in House Amendment 2 to Senate Bill 1851**  
**Motion to Concur in House Amendment 3 to Senate Bill 1851**  
**Motion to Concur in House Amendment 2 to Senate Bill 2362**  
**Motion to Concur in House Amendment 1 to Senate Bill 2421**  
**Motion to Concur in House Amendment 2 to Senate Bill 2481**  
**Motion to Concur in House Amendment 1 to Senate Bill 2651**  
**Motion to Concur in House Amendment 1 to Senate Bill 2913**  
**Motion to Concur in House Amendment 2 to Senate Bill 2913**  
**Motion to Concur in House Amendment 4 to Senate Bill 2913**  
**Motion to Concur in House Amendment 1 to Senate Bill 3115**  
**Motion to Concur in House Amendment 1 to Senate Bill 3256**  
**Motion to Concur in House Amendment 1 to Senate Bill 3452**  
**Motion to Concur in House Amendment 2 to Senate Bill 3452**

Licensed Activities and Pensions:

**Motion to Concur in House Amendment 1 to Senate Bill 2617**  
**Motion to Concur in House Amendment 2 to Senate Bill 2617**  
**Motion to Concur in House Amendment 1 to Senate Bill 2864**  
**Motion to Concur in House Amendment 1 to Senate Bill 2904**  
**Motion to Concur in House Amendment 1 to Senate Bill 3109**

[May 31, 2018]

State Government: **Motion to Concur in House Amendment 2 to Senate Bill 585**  
**Motion to Concur in House Amendment 2 to Senate Bill 904**  
**Motion to Concur in House Amendment 3 to Senate Bill 904**  
**Motion to Concur in House Amendment 2 to Senate Bill 1758**  
**Motion to Concur in House Amendment 1 to Senate Bill 1979**  
**Motion to Concur in House Amendment 2 to Senate Bill 1979**  
**Motion to Concur in House Amendment 1 to Senate Bill 2350**  
**Motion to Concur in House Amendment 1 to Senate Bill 2354**  
**Motion to Concur in House Amendment 1 to Senate Bill 2447**  
**Motion to Concur in House Amendment 1 to Senate Bill 2540**  
**Motion to Concur in House Amendment 2 to Senate Bill 2540**  
**Motion to Concur in House Amendment 3 to Senate Bill 2579**  
**Motion to Concur in House Amendment 1 to Senate Bill 2667**  
**Motion to Concur in House Amendment 2 to Senate Bill 2667**  
**Motion to Concur in House Amendment 2 to Senate Bill 2838**  
**Motion to Concur in House Amendment 1 to Senate Bill 2844**  
**Motion to Concur in House Amendment 2 to Senate Bill 2927**  
**Motion to Concur in House Amendment 3 to Senate Bill 2927**  
**Motion to Concur in House Amendment 2 to Senate Bill 2999**  
**Motion to Concur in House Amendment 1 to Senate Bill 3085**  
**Motion to Concur in House Amendment 1 to Senate Bill 3139**  
**Motion to Concur in House Amendment 3 to Senate Bill 3139**  
**Motion to Concur in House Amendment 1 to Senate Bill 3141**  
**Motion to Concur in House Amendment 2 to Senate Bill 3536**

Transportation: **Motion to Concur in House Amendment 1 to Senate Bill 2804**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Executive: **Floor Amendment No. 2 to House Bill 4331; Floor Amendment No. 3 to House Bill 4331.**

State Government: **Floor Amendment No. 1 to Senate Bill 212; Senate Resolution No. 1778.**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported that the following Legislative Measures have been approved for consideration:

**Floor Amendment No. 3 to Senate Bill 275**  
**Floor Amendment No. 1 to House Bill 5166**  
**Floor Amendment No. 2 to House Bill 5721**

The foregoing floor amendments were placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported that the following Legislative Measure has been approved for consideration:

**Motion to Concur with House Amendment 1 to Senate Bill 3103.**

The foregoing concurrence was placed on the Secretary's Desk.

Pursuant to Senate Rule 3-8 (b-1), the following amendment will remain in the Committee on Assignments: **Floor Amendment No. 2 to House Bill 3806**

[May 31, 2018]

**COMMITTEE MEETING ANNOUNCEMENTS**

The Chair announced the following committee to meet at 10:35 o'clock a.m.:

Executive in Room 212

The Chair announced the following committees to meet at 11:15 o'clock a.m.:

Licensed Activities and Pensions in Room 400  
State Government in Room 409

The Chair announced the following committee to meet at 11:45 o'clock a.m.:

Transportation in Room 212

**SENATE BILL RECALLED**

On motion of Senator Van Pelt, **Senate Bill No. 275** was recalled from the order of third reading to the order of second reading.

Floor Amendment No. 1 was withdrawn by the sponsor.

Senator Van Pelt offered the following amendment and moved its adoption:

**AMENDMENT NO. 2 TO SENATE BILL 275**

AMENDMENT NO. 2. Amend Senate Bill 275 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Law Enforcement Gang Database Information Act.

Section 5. Definitions. In this Act:

"Gang" has the same meaning ascribed to the term in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act.

"Gang database" means any database, or data maintained in multiple databases accessed by a law enforcement agency with the primary purpose to designate a person as an associate or alleged member of a gang, streetgang, or organization defined in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act, or includes or points to information, including, but not limited to, fact-based or uncorroborated information, that reflects a designation of that person as a gang member, not including law enforcement agency case reports, dispatching notes, or dispatch system records.

"Gang member" has the same meaning ascribed to the term in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act.

"Law enforcement agency" means an agency of this State or unit of local government who is primarily responsible for the detection, investigation, or prevention of crime and the enforcement of the criminal laws of this State.

"Shared gang database" means a gang database that is accessed by an agency or person outside of the agency that created the records that populate the database.

Section 10. Requirements for use of gang databases and shared gang databases. Each law enforcement agency who maintains a gang database or has access to a shared gang database shall have a policy regarding those databases. Each policy shall be implemented on or before July 1, 2019, except the requirements in paragraph (1) of this Section shall be implemented as soon as practicable after the effective date of this Act. The policy shall include, but not be limited to:

(1) that personnel authorized to access a gang database or shared gang database are limited to sworn law enforcement personnel, non-sworn law enforcement support personnel, criminal justice entities, or non-criminal justice technical or maintenance personnel, including information technology and information security staff and contract employees, who have been subject to character or security clearance and who have received approved training;

(2) any records contained in a gang database, shared gang database, gang-related information in a law enforcement agency case report, gang-related information in a law enforcement agency dispatch note, or

[May 31, 2018]

gang-related information in a law enforcement agency dispatch system record shall not be disclosed, including, but not limited to, for the following purposes: employment, education, licensing, or housing, except that law enforcement and criminal justice entities may use information contained in a gang database or shared gang database for employment purposes, and records contained in a gang database or shared gang database may be disclosed to comply with federal law, for national security or homeland security purposes, for military screening purposes, or for other appropriate law enforcement purpose;

(3) security procedures; and

(4) the review and purge process from gang databases and shared gang databases.

Section 105. The Code of Criminal Procedure of 1963 is amended by adding Section 115-10.5a as follows:

(725 ILCS 5/115-10.5a new)

Sec. 115-10.5a. Admissibility of evidence concerning gang databases.

(a) In this Section, "gang database", "gang member", and "shared gang database" have the same meanings ascribed to those terms as in Section 5 of the Law Enforcement Gang Database Information Act.

(b) In all criminal cases, evidence which indicates the mere presence that the person was or is on a gang database or a shared gang database is not admissible.

Section 999. Effective date. This Act takes effect upon becoming law.".

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Van Pelt offered the following amendment and moved its adoption:

#### **AMENDMENT NO. 3 TO SENATE BILL 275**

AMENDMENT NO. 3. Amend Senate Bill 275, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 2, on page 3, by replacing line 9 with "disclosed for the following".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 2 and 3 were ordered engrossed, and the bill, as amended, was ordered to a third reading.

#### **READING BILL OF THE SENATE A THIRD TIME**

On motion of Senator Van Pelt, **Senate Bill No. 275** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 30; NAYS 19; Present 1.

The following voted in the affirmative:

Aquino	Holmes	McCann	Silverstein
Biss	Hunter	McGuire	Sims
Bush	Hutchinson	Morrison	Stadelman
Castro	Jones, E.	Mulroe	Steans
Clayborne	Koehler	Muñoz	Van Pelt
Collins	Lightford	Murphy	Mr. President
Harmon	Link	Nybo	
Hastings	Martinez	Sandoval	

The following voted in the negative:

Anderson	Curran	Oberweis	Schimpf
Barickman	Fowler	Rezin	Syverson
Bivins	Haine	Righter	Tracy

[May 31, 2018]

Brady  
Connelly

McCarter  
McConnaughay

Rooney  
Rose

Weaver

The following voted present:

Landek

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

**MESSAGE FROM THE PRESIDENT**

**OFFICE OF THE SENATE PRESIDENT  
STATE OF ILLINOIS**

JOHN J. CULLERTON  
SENATE PRESIDENT

327 STATE CAPITOL  
SPRINGFIELD, IL 62706  
217-782-2728

May 31, 2018

Mr. Tim Anderson  
Secretary of the Senate  
Room 403 State House  
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to the provisions of Senate Rule 2-10, I hereby extend the Committee and 3<sup>rd</sup> Reading deadline to May 31, 2018, for the following House bills:

138, 1620

Sincerely,  
s/John J. Cullerton  
John J. Cullerton  
Senate President

cc: Senate Republican Leader Bill Brady

**POSTING NOTICE WAIVED**

Senator McConnaughay moved to waive the six-day posting requirement on **Senate Resolution No. 1778** so that the measure may be heard in the Committee on State Government that is scheduled to meet today.

The motion prevailed.

**REPORT FROM COMMITTEE ON ASSIGNMENTS**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committee of the Senate:

State Government: **Senate Joint Resolution No. 77.**

[May 31, 2018]

Transportation: **House Bill No. 1620.**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, to which was referred **House Bill No. 138** on August 4, 2017, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **House Bill No. 138** was returned to the order of third reading.

#### **LEGISLATIVE MEASURE FILED**

The following Floor amendment to the House Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Amendment No. 1 to House Bill 138

#### **REPORT FROM COMMITTEE ON ASSIGNMENTS**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported the following Legislative Measure has been assigned to the indicated Standing Committee of the Senate:

Executive: **Floor Amendment No. 1 to House Bill 138.**

#### **POSTING NOTICES WAIVED**

Senator Castro moved to waive the six-day posting requirement on **Senate Joint Resolution No. 77** so that the measure may be heard in the Committee on State Government that is scheduled to meet today.

The motion prevailed.

Senator Murphy moved to waive the six-day posting requirement on **House Bill No. 1620** so that the measure may be heard in the Committee on Transportation that is scheduled to meet today.

The motion prevailed.

#### **MESSAGE FROM THE PRESIDENT.**

#### **OFFICE OF THE SENATE PRESIDENT STATE OF ILLINOIS**

JOHN J. CULLERTON  
SENATE PRESIDENT

327 STATE CAPITOL  
SPRINGFIELD, IL 62706  
217-782-2728

May 31, 2018

Mr. Tim Anderson  
Secretary of the Senate  
Room 403 State House  
Springfield, IL 62706

Dear Mr. Secretary:

[May 31, 2018]

Pursuant to the provisions of Senate Rule 2-10, I hereby extend the Committee and 3<sup>rd</sup> Reading deadline to December 31, 2018, for the following House bills:

1620

Sincerely,  
s/John J. Cullerton  
John J. Cullerton  
Senate President

cc: Senate Republican Leader Bill Brady

At the hour of 11:01 o'clock a.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

#### **AFTER RECESS**

At the hour of 1:35 o'clock p.m., the Senate resumed consideration of business.  
Senator Link, presiding.

#### **PRESENTATION OF RESOLUTION**

##### **SENATE RESOLUTION NO. 1823**

Offered by Senator Rose and all Senators:  
Mourns the death of Gary Stewart Shae of Indianapolis, Indiana.

By unanimous consent, the foregoing resolution was referred to the Resolutions Consent Calendar.

#### **REPORTS FROM STANDING COMMITTEES**

Senator E. Jones III, Chairperson of the Committee on Licensed Activities and Pensions, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 2617; Motion to Concur in House Amendment 2 to Senate Bill 2617; Motion to Concur in House Amendment 1 to Senate Bill 2864; Motion to Concur in House Amendment 1 to Senate Bill 2904; Motion to Concur in House Amendment 1 to Senate Bill 3109

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Landek, Chairperson of the Committee on State Government, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 2 to Senate Bill 585; Motion to Concur in House Amendment 2 to Senate Bill 1758; Motion to Concur in House Amendment 1 to Senate Bill 1979; Motion to Concur in House Amendment 2 to Senate Bill 1979; Motion to Concur in House Amendment 1 to Senate Bill 2350; Motion to Concur in House Amendment 1 to Senate Bill 2354; Motion to Concur in House Amendment 1 to Senate Bill 2447; Motion to Concur in House Amendment 1 to Senate Bill 2540; Motion to Concur in House Amendment 2 to Senate Bill 2540; Motion to Concur in House Amendment 3 to Senate Bill 2579; Motion to Concur in House Amendment 1 to Senate Bill 2667; Motion to Concur in House Amendment 2 to Senate Bill 2667; Motion to Concur in House Amendment 2 to Senate Bill 2838; Motion to Concur in House Amendment 1 to Senate Bill 2844; Motion to Concur in House Amendment 2 to Senate Bill 2927; Motion to Concur in House Amendment 3 to Senate Bill 2927; Motion to Concur in House Amendment 2 to Senate Bill 2999; Motion to Concur in House Amendment 1 to Senate Bill 3085; Motion

[May 31, 2018]



to Concur in House Amendment 1 to Senate Bill 3139; Motion to Concur in House Amendment 3 to Senate Bill 3139; Motion to Concur in House Amendment 1 to Senate Bill 3141; Motion to Concur in House Amendment 2 to Senate Bill 3536

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Landek, Chairperson of the Committee on State Government, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 212

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Landek, Chairperson of the Committee on State Government, to which was referred **Senate Resolution No. 1778**, reported the same back with the recommendation that the resolution be adopted.

Under the rules, **Senate Resolution No. 1778** was placed on the Secretary's Desk.

Senator Landek, Chairperson of the Committee on State Government, to which was referred **Senate Joint Resolution No. 77**, reported the same back with the recommendation that the resolution be adopted.

Under the rules, **Senate Joint Resolution No. 77** was placed on the Secretary's Desk.

Senator Harmon, Chairperson of the Committee on Executive, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 34; Motion to Concur in House Amendment 1 to Senate Bill 35; Motion to Concur in House Amendment 3 to Senate Bill 486; Motion to Concur in House Amendment 4 to Senate Bill 486; Motion to Concur in House Amendment 1 to Senate Bill 682; Motion to Concur in House Amendment 3 to Senate Bill 1707; Motion to Concur in House Amendment 1 to Senate Bill 1851; Motion to Concur in House Amendment 2 to Senate Bill 1851; Motion to Concur in House Amendment 3 to Senate Bill 1851; Motion to Concur in House Amendment 2 to Senate Bill 2362; Motion to Concur in House Amendment 1 to Senate Bill 2421; Motion to Concur in House Amendment 2 to Senate Bill 2481; Motion to Concur in House Amendment 1 to Senate Bill 2651; Motion to Concur in House Amendment 1 to Senate Bill 2913; Motion to Concur in House Amendment 2 to Senate Bill 2913; Motion to Concur in House Amendment 4 to Senate Bill 2913; Motion to Concur in House Amendment 1 to Senate Bill 3115; Motion to Concur in House Amendment 1 to Senate Bill 3256; Motion to Concur in House Amendment 1 to Senate Bill 3452; Motion to Concur in House Amendment 2 to Senate Bill 3452

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Harmon, Chairperson of the Committee on Executive, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to House Bill 138  
Senate Amendment No. 3 to House Bill 3806

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Sandoval, Chairperson of the Committee on Transportation, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 2 to Senate Bill 514

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Sandoval, Chairperson of the Committee on Transportation, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 2 to Senate Bill 2641; Motion to Concur in House Amendment 3 to Senate Bill 2641; Motion to Concur in House Amendment 4 to Senate Bill 2641; Motion to Concur in House Amendment 1 to Senate Bill 2804

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Sandoval, Chairperson of the Committee on Transportation, to which was referred **House Bill No. 1620**, reported the same back with the recommendation that the bill do pass.

Under the rules, the bill was ordered to a second reading.

### INTRODUCTION OF BILL

**SENATE BILL NO. 3618.** Introduced by Senator Steans, a bill for AN ACT concerning elections. The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

### READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Harmon, **House Bill No. 2477** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 47; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Link	Righter
Aquino	Cunningham	Manar	Rooney
Barickman	Fowler	Martinez	Sandoval
Bennett	Haine	McCann	Schimpf
Bertino-Tarrant	Harmon	McConnaughay	Silverstein
Biss	Hastings	McGuire	Sims
Bivins	Holmes	Morrison	Stadelman
Brady	Hunter	Mulroe	Steans
Bush	Jones, E.	Muñoz	Tracy
Castro	Koehler	Murphy	Van Pelt
Clayborne	Landek	Nybo	Mr. President
Collins	Lightford	Raoul	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof.

### HOUSE BILL RECALLED

On motion of Senator Harmon, **House Bill No. 3806** was recalled from the order of third reading to the order of second reading.

Floor Amendment Nos. 1 and 2 were held in the Committee on Assignments.

Senator Harmon offered the following amendment and moved its adoption:

[May 31, 2018]

**AMENDMENT NO. 3 TO HOUSE BILL 3806**

AMENDMENT NO. 3. Amend House Bill 3806 by replacing everything after the enacting clause with the following:

"Section 5. The Revised Uniform Unclaimed Property Act is amended by changing Sections 15-201, 15-210, 15-503, 15-603, 15-1002.1, 15-1004, 15-1401, and 15-1402 as follows:

(765 ILCS 1026/15-201)

Sec. 15-201. When property presumed abandoned. Subject to Section 15-210, the following property is presumed abandoned if it is unclaimed by the apparent owner during the period specified below:

- (1) a traveler's check, 15 years after issuance;
- (2) a money order, ~~3~~ 7 years after issuance;
- (3) any instrument on which a financial organization or business association is directly liable, 3 years after issuance;
- (4) a state or municipal bond, bearer bond, or original-issue-discount bond, 3 years after the earliest of the date the bond matures or is called or the obligation to pay the principal of the bond arises;
- (5) a debt of a business association, 3 years after the obligation to pay arises;
- (6) financial organization deposits as follows:
  - (i) a demand deposit, 3 years after the date of the last indication of interest in the property by the apparent owner;
  - (ii) a savings deposit, 3 years after the date of last indication of interest in the property by the apparent owner;
  - (iii) a time deposit for which the owner has not consented to automatic renewal of the time deposit, 5 years after the date of last indication of interest in the property by the apparent owner;
  - (iv) an automatically renewable time deposit for which the owner consented to the automatic renewal in a record on file with the holder, 5 years after the date of last indication of interest in the property by the apparent owner, following the completion of the initial term of the time deposit and one automatic renewal term of the time deposit a demand, savings, or time deposit, 3 years after the later of maturity or the date of the last indication of interest in the property by the apparent owner, except for a deposit that is automatically renewable, 3 years after its initial date of maturity unless the apparent owner consented in a record on file with the holder to renew at or about the time of the renewal;
- (7) money or a credit owed to a customer as a result of a retail business transaction, other than in-store credit for returned merchandise, 3 years after the obligation arose;
- (8) an amount owed by an insurance company on a life or endowment insurance policy or an annuity contract that has matured or terminated, 3 years after the obligation to pay arose under the terms of the policy or contract or, if a policy or contract for which an amount is owed on proof of death has not matured by proof of the death of the insured or annuitant, as follows:
  - (A) with respect to an amount owed on a life or endowment insurance policy, the earlier of:
    - (i) 3 years after the death of the insured; or
    - (ii) 2 years after the insured has attained, or would have attained if living, the limiting age under the mortality table on which the reserve for the policy is based; and
  - (B) with respect to an amount owed on an annuity contract, 3 years after the death of the annuitant.
- (9) funds on deposit or held in trust pursuant to the Illinois Funeral or Burial Funds Act, the earliest of:
  - (A) 2 years after the date of death of the beneficiary;
  - (B) one year after the date the beneficiary has attained, or would have attained if living, the age of 105 where the holder does not know whether the beneficiary is deceased;
  - (C) 40 years after the contract for prepayment was executed;
- (10) property distributable by a business association in the course of dissolution or distributions from the termination of a retirement plan, one year after the property becomes distributable;
- (11) property held by a court, including property received as proceeds of a class action, 3 years after the property becomes distributable;
- (12) property held by a government or governmental subdivision, agency, or instrumentality, including municipal bond interest and unredeemed principal under the administration of a paying agent or indenture trustee, 3 years after the property becomes distributable;
- (13) wages, commissions, bonuses, or reimbursements to which an employee is entitled, or

other compensation for personal services, including amounts held on a payroll card, one year after the amount becomes payable;

(14) a deposit or refund owed to a subscriber by a utility, one year after the deposit or refund becomes payable, except that any capital credits or patronage capital retired, returned, refunded or tendered to a member of an electric cooperative, as defined in Section 3.4 of the Electric Supplier Act, or a telephone or telecommunications cooperative, as defined in Section 13-212 of the Public Utilities Act, that has remained unclaimed by the person appearing on the records of the entitled cooperative for more than 2 years, shall not be subject to, or governed by, any other provisions of this Act, but rather shall be used by the cooperative for the benefit of the general membership of the cooperative; and

(15) property not specified in this Section or Sections 15-202 through 15-208, the earlier of 3 years after the owner first has a right to demand the property or the obligation to pay or distribute the property arises.

Notwithstanding anything to the contrary in this Section 15-201, and subject to Section 15-210, a deceased owner cannot indicate interest in his or her property. If the owner is deceased and the abandonment period for the owner's property specified in this Section 15-201 is greater than 2 years, then the property, other than an amount owed by an insurance company on a life or endowment insurance policy or an annuity contract that has matured or terminated, shall instead be presumed abandoned 2 years from the date of the owner's last indication of interest in the property.

(Source: P.A. 100-22, eff. 1-1-18; 100-566, eff. 1-1-18.)

(765 ILCS 1026/15-210)

Sec. 15-210. Indication of apparent owner interest in property.

(a) The period after which property is presumed abandoned is measured from the later of:

(1) the date the property is presumed abandoned under this Article; or

(2) the latest indication of interest by the apparent owner in the property.

(b) Under this Act, an indication of an apparent owner's interest in property includes:

(1) a record communicated by the apparent owner to the holder or agent of the holder concerning the property or the account in which the property is held;

(2) an oral communication by the apparent owner to the holder or agent of the holder concerning the property or the account in which the property is held, if the holder or its agent contemporaneously makes and preserves a record of the fact of the apparent owner's communication;

(3) presentment of a check or other instrument of payment of a dividend, interest payment, or other distribution, or evidence of receipt of a distribution made by electronic or similar means, with respect to an account, underlying security, or interest in a business association;

(4) activity directed by an apparent owner in the account in which the property is held, including accessing the account or information concerning the account, or a direction by the apparent owner to increase, decrease, or otherwise change the amount or type of property held in the account;

(5) a deposit into or withdrawal from an account at a financial organization, except for a recurring Automated Clearing House (ACH) debit or credit previously authorized by the apparent owner or an automatic reinvestment of dividends or interest; and

(6) subject to subsection (e), payment of a premium on an insurance policy.

(c) An action by an agent or other representative of an apparent owner, other than the holder acting as the apparent owner's agent, is presumed to be an action on behalf of the apparent owner.

(d) A communication with an apparent owner by a person other than the holder or the holder's representative is not an indication of interest in the property by the apparent owner unless a record of the communication evidences the apparent owner's knowledge of a right to the property.

(e) If the insured dies or the insured or beneficiary of an insurance policy otherwise becomes entitled to the proceeds before depletion of the cash surrender value of the policy by operation of an automatic-premium-loan provision or other nonforfeiture provision contained in the policy, the operation does not prevent the policy from maturing or terminating.

(f) If the apparent owner has another property with the holder to which Section 201(6) applies, then activity directed by an apparent owner in any other accounts, including loan accounts, at a financial organization holding an inactive account of the apparent owner shall be an indication of interest in all such accounts if:

(A) the apparent owner engages in one or more of the following activities:

(i) the apparent owner undertakes one or more of the actions described in

subsection (b) of this Section regarding any of the other accounts the apparent owner has with the financial organization account that appears on a consolidated statement with the inactive account;

(ii) the apparent owner increases or decreases the amount of funds in any

other account the apparent owner has with the financial organization; or

(iii) the apparent owner engages in any other relationship with the financial organization, including payment of any amounts due on a loan; and

(B) the foregoing apply so long as the mailing address for the apparent owner in the financial organization's books and records is the same for both the inactive account and the active account.

(Source: P.A. 100-22, eff. 1-1-18.)

(765 ILCS 1026/15-503)

Sec. 15-503. Notice by administrator.

(a) The administrator shall give notice to an apparent owner that property presumed abandoned and appears to be owned by the apparent owner is held by the administrator under this Act.

(b) In providing notice under subsection (a), the administrator shall:

(1) except as otherwise provided in paragraph (2), send written notice by first-class United States mail to each apparent owner of property valued at \$100 or more held by the administrator, unless the administrator determines that a mailing by first-class United States mail would not be received by the apparent owner, and, in the case of a security held in an account for which the apparent owner had consented to receiving electronic mail from the holder, send notice by electronic mail if the electronic-mail address of the apparent owner is known to the administrator instead of by first-class United States mail; or

(2) send the notice to the apparent owner's electronic-mail address if the administrator does not have a valid United States mail address for an apparent owner, but has an electronic-mail address that the administrator does not know to be invalid.

(c) In addition to the notice under subsection (b), the administrator shall:

(1) publish every 6 months in at least one English language newspaper of general circulation in each county in this State notice of property held by the administrator which must include:

(A) the total value of property received by the administrator during the preceding 6-month period, taken from the reports under Section 15-401;

(B) the total value of claims paid by the administrator during the preceding 6-month period;

(C) the Internet web address of the unclaimed property website maintained by the administrator;

(D) ~~an a-telephone number and~~ electronic-mail address to contact the administrator to inquire about or claim property; and

(E) a statement that a person may access the Internet by a computer to search for unclaimed property and a computer may be available as a service to the public at a local public library.

(2) The administrator shall maintain a website accessible by the public and electronically searchable which contains the names reported to the administrator of apparent owners for whom property is being held by the administrator. The administrator need not list property on such website when: no owner name was reported, a claim has been initiated or is pending for the property, the administrator has made direct contact with the apparent owner of the property, and in other instances where the administrator reasonably believes exclusion of the property is in the best interests of both the State and the owner of the property.

(d) The website or database maintained under subsection (c)(2) must include instructions for filing with the administrator a claim to property and an online claim form with instructions. The website may also provide a printable claim form with instructions for its use.

(e) Tax return identification of apparent owners of abandoned property.

(1) At least annually the administrator shall notify the Department of Revenue of the names of persons appearing to be owners of abandoned property under this Section. The administrator shall also provide to the Department of Revenue the social security numbers of the persons, if available. The administrator does not need to notify the Department of Revenue of the names or social security numbers of apparent owners of abandoned property if he or she reasonably believes that the Department of Revenue will be unable to provide information that would provide sufficient evidence to establish that the person in the Department of Revenue's records is the apparent owner of unclaimed property in the custody of the administrator.

(2) The Department of Revenue shall notify the administrator if any person under subsection (e)(1) has filed an Illinois income tax return and shall provide the administrator with the last known address of the person as it appears in Department of Revenue records, except as prohibited by

federal law. The Department of Revenue may also provide additional addresses for the same taxpayer from the records of the Department, except as prohibited by federal law.

(3) In order to facilitate the return of property under this subsection, the administrator and the Department of Revenue may enter into an interagency agreement concerning protection of confidential information, data match rules, and other issues.

(4) The administrator may deliver, as provided under Section 15-904 of this Act, property or pay the amount owing to a person matched under this Section without the person filing a claim under Section 15-903 of this Act if the following conditions are met:

(A) the value of the property that is owed the person is \$2,000 or less;

(B) the property is not either tangible property or securities;

(C) the last known address for the person according to the Department of Revenue records is less than 12 months old; and

(D) the administrator has evidence sufficient to establish that the person who appears in Department of Revenue records is the owner of the property and the owner currently resides at the last known address from the Department of Revenue.

(5) If the value of the property that is owed the person is greater than \$2,000, or is tangible property or securities the administrator shall provide notice to the person, informing the person that he or she is the owner of abandoned property held by the State and may file a claim with the administrator for return of the property.

(f) The administrator may use additional databases to verify the identity of the person and that the person currently resides at the last known address. The administrator may utilize publicly and commercially available databases to find and update or add information for apparent owners of property held by the administrator.

(g) In addition to giving notice under subsection (b), publishing the information under subsection (c)(1) and maintaining the website or database under subsection (c)(2), the administrator may use other printed publication, telecommunication, the Internet, or other media to inform the public of the existence of unclaimed property held by the administrator.

(Source: P.A. 100-22, eff. 1-1-18; 100-566, eff. 1-1-18.)

(765 ILCS 1026/15-603)

Sec. 15-603. Payment or delivery of property to administrator.

(a) Except as otherwise provided in this Section, on filing a report under Section 15-401, the holder shall pay or deliver to the administrator the property described in the report.

(b) If property in a report under Section 15-401 is an automatically renewable time deposit and the holder determines that a penalty or forfeiture in the payment of interest would result from paying the deposit to the administrator at the time of the report, the date for reporting and delivering payment of the property to the administrator is extended until a penalty or forfeiture no longer would result from delivery of the property to the administrator. The holder shall report and deliver the property on the next regular date prescribed for reporting by the holder under this Act after this extended date, and the holder shall indicate in its report to the administrator that the property is being reported on an extended date pursuant to this subsection (b). payment, if the holder informs the administrator of the extended date.

(c) Tangible property in a safe-deposit box may not be delivered to the administrator until a mutually agreed upon date that is no sooner than 60 days after filing the report under Section 15-401.

(d) If property reported to the administrator under Section 15-401 is a security, the administrator may:

(1) make an endorsement, instruction, or entitlement order on behalf of the apparent owner to invoke the duty of the issuer, its transfer agent, or the securities intermediary to transfer the security; or

(2) dispose of the security under Section 15-702.

(e) If the holder of property reported to the administrator under Section 15-401 is the issuer of a certificated security, the administrator may obtain a replacement certificate in physical or book-entry form under Section 8-405 of the Uniform Commercial Code. An indemnity bond is not required.

(f) The administrator shall establish procedures for the registration, issuance, method of delivery, transfer, and maintenance of securities delivered to the administrator by a holder.

(g) An issuer, holder, and transfer agent or other person acting in good faith under this Section under instructions of and on behalf of the issuer or holder is not liable to the apparent owner for a claim arising with respect to property after the property has been delivered to the administrator.

(h) A holder is not required to deliver to the administrator a security identified by the holder as a non-freely transferable security in a report filed under Section 15-401. If the administrator or holder determines that a security is no longer a non-freely transferable security, the holder shall report and deliver the security on the next regular date prescribed for delivery of securities by the holder under this Act. The holder shall

make a determination annually whether a security identified in a report filed under Section 15-401 as a non-freely transferable security is no longer a non-freely transferable security.

(Source: P.A. 100-22, eff. 1-1-18.)

(765 ILCS 1026/15-1002.1)

Sec. 15-1002.1. Examination of ~~State-regulated~~ financial organizations.

(a) Notwithstanding Section 15-1002 of this Act, for any financial organization for which the Department of Financial and Professional Regulation is the primary prudential regulator, the administrator shall not examine such financial institution unless the administrator has consulted with the Secretary of Financial and Professional Regulation and the Department of Financial and Professional Regulation has not examined such financial organization for compliance with this Act within the past 5 years. The Secretary of Financial and Professional Regulation may waive in writing the provisions of this subsection (a) in order to permit the administrator to examine a financial organization or group of financial organizations for compliance with this Act.

(b) Nothing in this Section shall be construed to prohibit the administrator from examining a financial organization for which the Department of Financial and Professional Regulation is not the primary prudential regulator. Further, nothing in this Act shall be construed to limit the authority of the Department of Financial and Professional Regulation to examine financial organizations.

(c) Notwithstanding Section 15-1002, the administrator may, at reasonable times and upon reasonable notice:

(1) examine the records of a financial organization that is a federally chartered bank, savings bank, or credit union if the administrator has reason to believe that the financial organization has failed to comply with this Act;

(2) issue an administrative subpoena requiring the financial organization or an agent of the financial organization to make records available for examination; and

(3) bring an action seeking judicial enforcement of the subpoena.

The administrator may adopt administrative rules that specify conditions under which the administrator has a reason to believe that a financial organization is not in compliance with this Act.

(Source: P.A. 100-22, eff. 1-1-18; 100-566, eff. 1-1-18.)

(765 ILCS 1026/15-1004)

Sec. 15-1004. Records obtained in examination. Records obtained and records, including work papers, compiled by the administrator or administrator's agent in the course of conducting an examination under Section 15-1002 or Section 15-1002.1:

(1) are subject to the confidentiality and security provisions of Article 14 and are exempt from disclosure under the Freedom of Information Act;

(2) may be used by the administrator in an action to collect property or otherwise enforce this Act;

(3) may be used in a joint examination conducted with another state, the United States, a foreign country or subordinate unit of a foreign country, or any other governmental entity if the governmental entity conducting the examination is legally bound to maintain the confidentiality and security of information obtained from a person subject to examination in a manner substantially equivalent to Article 14;

(4) may be disclosed, on request, to the person that administers the unclaimed property law of another state for that state's use in circumstances equivalent to circumstances described in this Article, if the other state is required to maintain the confidentiality and security of information obtained in a manner substantially equivalent to Article 14;

(5) must be produced by the administrator under an administrative or judicial subpoena or administrative or court order; and

(6) must be produced by the administrator on request of the person subject to the examination in an administrative or judicial proceeding relating to the property.

(Source: P.A. 100-22, eff. 1-1-18.)

(765 ILCS 1026/15-1401)

Sec. 15-1401. Confidential information.

(a) Except as otherwise provided in this Section, information that is confidential under law of this State other than this Act, another state, or the United States, including "private information" as defined in the Freedom of Information Act and "personal information" as defined in the Personal Information Protection Act, continues to be confidential when disclosed or delivered under this Act to the administrator or administrator's agent.

(b) Information provided in reports filed pursuant to Section 15-401, information obtained in the course of an examination pursuant to Section 15-1002 or Section 15-1002.1, and the database required by Section 15-503 is exempt from disclosure under the Freedom of Information Act.

(c) If reasonably necessary to enforce or implement this Act, the administrator or the administrator's agent may disclose confidential information concerning property held by the administrator or the administrator's agent to:

(1) an apparent owner or the apparent owner's representative under the Probate Act of 1975, attorney, other legal representative, or relative;

(2) the representative under the Probate Act of 1975, other legal representative, relative of a deceased apparent owner, or a person entitled to inherit from the deceased apparent owner;

(3) another department or agency of this State or the United States;

(4) the person that administers the unclaimed property law of another state, if the other state accords substantially reciprocal privileges to the administrator of this State if the other state is required to maintain the confidentiality and security of information obtained in a manner substantially equivalent to Article 14;

(5) a person subject to an examination as required by Section 15-1004; and

(6) an agent of the administrator.

(d) The administrator may include on the website or in the database the names and addresses of apparent owners of property held by the administrator as provided in Section 15-503. The administrator may include in published notices, printed publications, telecommunications, the Internet, or other media and on the website or in the database additional information concerning the apparent owner's property if the administrator believes the information will assist in identifying and returning property to the owner and does not disclose personal information as defined in the Personal Information Protection Act.

(e) The administrator and the administrator's agent may not use confidential information provided to them or in their possession except as expressly authorized by this Act or required by law other than this Act.

(Source: P.A. 100-22, eff. 1-1-18; 100-566, eff. 1-1-18.)

(765 ILCS 1026/15-1402)

Sec. 15-1402. Confidentiality agreement. A person to be examined under Section 15-1002 or Section 15-1002.1 may require, as a condition of disclosure of the records of the person to be examined, that the administrator or the administrator's agent execute and deliver to the person to be examined a confidentiality agreement that:

(1) is in a form that is reasonably satisfactory to the administrator; and

(2) requires the person having access to the records to comply with the provisions of this Article applicable to the person.

(Source: P.A. 100-22, eff. 1-1-18.)

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

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

### **READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME**

On motion of Senator Harmon, **House Bill No. 3806** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 55; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Link	Rooney
Anderson	Cunningham	Manar	Rose
Aquino	Curran	Martinez	Sandoval

[May 31, 2018]



Barickman	Fowler	McCann	Schimpf
Bennett	Haine	McConnaughay	Silverstein
Bertino-Tarrant	Harmon	McGuire	Sims
Biss	Hastings	Morrison	Stadelman
Bivins	Holmes	Mulroe	Steans
Brady	Hunter	Muñoz	Syverson
Bush	Hutchinson	Murphy	Tracy
Castro	Jones, E.	Nybo	Van Pelt
Clayborne	Koehler	Raoul	Weaver
Collins	Landek	Rezin	Mr. President
Connelly	Lightford	Righter	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

#### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Harmon, **Senate Bill No. 35**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 35; NAYS 16.

The following voted in the affirmative:

Aquino	Cunningham	Landek	Raoul
Bennett	Haine	Lightford	Rooney
Bertino-Tarrant	Harmon	Link	Sandoval
Biss	Hastings	Martinez	Silverstein
Bush	Holmes	McGuire	Sims
Castro	Hunter	Morrison	Steans
Clayborne	Hutchinson	Mulroe	Van Pelt
Collins	Jones, E.	Muñoz	Mr. President
Cullerton, T.	Koehler	Nybo	

The following voted in the negative:

Anderson	Fowler	Righter	Weaver
Barickman	Manar	Rose	
Bivins	McCann	Schimpf	
Brady	McConnaughay	Syverson	
Connelly	Rezin	Tracy	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 35**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Murphy asked and obtained unanimous consent for the Journal to reflect her intention to have voted in the affirmative on **Senate Bill No. 35**.

On motion of Senator Harmon, **Senate Bill No. 486**, with House Amendments numbered 3 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 55; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Link	Rooney
Anderson	Cunningham	Manar	Rose
Aquino	Curran	Martinez	Sandoval
Barickman	Fowler	McCann	Schimpf
Bennett	Haine	McConnaughay	Silverstein
Bertino-Tarrant	Harmon	McGuire	Sims
Biss	Hastings	Morrison	Stadelman
Bivins	Holmes	Mulroe	Steans
Brady	Hunter	Muñoz	Syverson
Bush	Hutchinson	Murphy	Tracy
Castro	Jones, E.	Nybo	Van Pelt
Clayborne	Koehler	Raoul	Weaver
Collins	Landek	Rezin	Mr. President
Connelly	Lightford	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 3 and 4 to **Senate Bill No. 486**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Harmon, **Senate Bill No. 2362**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None; Present 1.

The following voted in the affirmative:

Althoff	Cullerton, T.	Link	Rose
Anderson	Cunningham	Manar	Sandoval
Aquino	Curran	Martinez	Schimpf
Barickman	Fowler	McCann	Silverstein
Bennett	Haine	McConnaughay	Sims
Bertino-Tarrant	Harmon	McGuire	Stadelman
Biss	Hastings	Morrison	Steans
Bivins	Holmes	Mulroe	Syverson
Brady	Hunter	Muñoz	Tracy
Bush	Hutchinson	Murphy	Van Pelt
Castro	Jones, E.	Nybo	Weaver
Clayborne	Koehler	Raoul	Mr. President
Collins	Landek	Righter	
Connelly	Lightford	Rooney	

The following voted present:

Rezin

The motion prevailed.

[May 31, 2018]

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 2362**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator T. Cullerton, **Senate Bill No. 3547**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator T. Cullerton moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Sandoval
Anderson	Curran	McCann	Schimpf
Aquino	Fowler	McConnaughay	Silverstein
Barickman	Haine	McGuire	Sims
Bennett	Harmon	Morrison	Stadelman
Bertino-Tarrant	Hastings	Mulroe	Steans
Biss	Holmes	Muñoz	Syverson
Bivins	Hunter	Murphy	Tracy
Brady	Hutchinson	Nybo	Van Pelt
Bush	Jones, E.	Oberweis	Weaver
Castro	Koehler	Raoul	Mr. President
Clayborne	Landek	Rezin	
Collins	Lightford	Righter	
Connelly	Link	Rooney	
Cullerton, T.	Manar	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3547**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 1:54 o'clock p.m., Senator Haine, presiding.

On motion of Senator Link, **Senate Bill No. 2544**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 45; NAYS 5; Present 1.

The following voted in the affirmative:

Althoff	Hastings	McConnaughay	Sandoval
Aquino	Holmes	McGuire	Schimpf
Bennett	Hunter	Morrison	Silverstein
Bertino-Tarrant	Hutchinson	Mulroe	Sims
Biss	Jones, E.	Muñoz	Stadelman
Castro	Koehler	Murphy	Steans
Clayborne	Landek	Nybo	Tracy
Collins	Lightford	Oberweis	Van Pelt
Cullerton, T.	Link	Raoul	Weaver
Cunningham	Manar	Rezin	

[May 31, 2018]

Haine	Martinez	Righter
Harmon	McCann	Rose

The following voted in the negative:

Barickman	Brady	Syversen
Bivins	Rooney	

The following voted present:

Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2544**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 2:01 o'clock p.m., Senator Link, presiding.

### READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Koehler, **House Bill No. 4165** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 35; NAYS 20.

The following voted in the affirmative:

Aquino	Cunningham	Lightford	Raoul
Bennett	Haine	Link	Sandoval
Bertino-Tarrant	Harmon	Manar	Silverstein
Biss	Hastings	Martinez	Sims
Bush	Holmes	McGuire	Stadelman
Castro	Hunter	Morrison	Steans
Clayborne	Hutchinson	Mulroe	Van Pelt
Collins	Jones, E.	Muñoz	Mr. President
Cullerton, T.	Koehler	Murphy	

The following voted in the negative:

Althoff	Curran	Rezin	Tracy
Anderson	Fowler	Righter	Weaver
Barickman	McCann	Rooney	
Bivins	McConaughay	Rose	
Brady	Nybo	Schimpf	
Connelly	Oberweis	Syversen	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Lightford, **House Bill No. 4208** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

[May 31, 2018]

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 35; NAYS 16.

The following voted in the affirmative:

Aquino	Cunningham	Lightford	Raoul
Bennett	Haine	Link	Sandoval
Bertino-Tarrant	Harmon	Manar	Silverstein
Biss	Hastings	Martinez	Sims
Bush	Holmes	McGuire	Stadelman
Castro	Hunter	Morrison	Steans
Clayborne	Hutchinson	Mulroe	Van Pelt
Collins	Jones, E.	Muñoz	Mr. President
Cullerton, T.	Koehler	Murphy	

The following voted in the negative:

Althoff	Fowler	Righter	Weaver
Anderson	McCann	Rose	
Barickman	McConnaughay	Schimpf	
Bivins	Oberweis	Syverson	
Brady	Rezin	Tracy	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

### HOUSE BILL RECALLED

On motion of Senator Lightford, **House Bill No. 5166** was recalled from the order of third reading to the order of second reading.

Senator Lightford offered the following amendment and moved its adoption:

#### AMENDMENT NO. 1 TO HOUSE BILL 5166

AMENDMENT NO. 1. Amend House Bill 5166 by replacing everything after the enacting clause with the following:

"Section 5. The Prevailing Wage Act is amended by changing Sections 5 and 5.1 and by adding Sections 3.1 and 3.2 as follows:

(820 ILCS 130/3.1 new)

Sec. 3.1. Employment of local laborers; report. The Department of Labor shall report annually, no later than February 1, to the General Assembly and the Governor the number of people employed on public works in the State during the preceding calendar year. This report shall include the total number of people employed and the total number of hours worked on public works both statewide and by county. Additionally, the report shall include the total number of people employed and the hours worked on public works by the 5-digit zip code, as collected on certified payroll, of the individual's residence during employment on public works. The report to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the clerk and Secretary shall direct.

(820 ILCS 130/3.2 new)

Sec. 3.2. Employment of females and minorities on public works.

(a) The Department of Labor shall study and report on the participation of females and minorities on public works in Illinois. The Department of Labor shall use certified payrolls collected under Section 5.1 to obtain this information. The Department of Labor shall use the same categories for gender, race, and ethnicity as the U.S. Census Bureau for data collected under Section 5.

[May 31, 2018]

(b) No later than December 31, 2020, the Department of Labor shall create recommendations for female and minority participation on public works projects by county. The Department of Labor shall use its own study, data from the U.S. Department of Labor's goals for Davis-Bacon Act covered projects, and any available data from the State or federal governments.

(c) The Department of Labor shall adopt rules to implement this Section.

(820 ILCS 130/5) (from Ch. 48, par. 39s-5)

Sec. 5. Certified payroll.

(a) Any contractor and each subcontractor who participates in public works shall:

(1) make and keep, for a period of not less than 3 years from the date of the last payment made before January 1, 2014 (the effective date of Public Act 98-328) and for a period of 5 years from the date of the last payment made on or after January 1, 2014 (the effective date of Public Act 98-328) on a contract or subcontract for public works, records of all laborers, mechanics, and other workers employed by them on the project; the records shall include (i) the worker's name, (ii) the worker's address, (iii) the worker's telephone number when available, (iv) the last 4 digits of the worker's social security number, (v) the worker's gender, (vi) the worker's race, (vii) the worker's ethnicity, (viii) veteran status, (ix) the worker's classification or classifications, (x) ~~(vi)~~ the worker's gross and net wages paid in each pay period, (xi) ~~(vii)~~ the worker's number of hours worked each day, (xii) ~~(viii)~~ the worker's starting and ending times of work each day, (xiii) ~~(ix)~~ the worker's hourly wage rate, (xiv) ~~(x)~~ the worker's hourly overtime wage rate, (xv) ~~(xi)~~ the worker's hourly fringe benefit rates, (xvi) ~~(xii)~~ the name and address of each fringe benefit fund, (xvii) ~~(xiii)~~ the plan sponsor of each fringe benefit, if applicable, and (xviii) ~~(xiv)~~ the plan administrator of each fringe benefit, if applicable; and

(2) no later than the 15th day of each calendar month file a certified payroll for the immediately preceding month with the public body in charge of the project until the Department of Labor activates the database created under Section 5.1 at which time certified payroll shall only be submitted to that database, except for projects done by State agencies that opt to have contractors submit certified payrolls directly to that State agency. A State agency that opts to directly receive certified payrolls must submit the required information in a specified electronic format to the Department of Labor no later than 10 days after the certified payroll was filed with the State agency. A certified payroll must be filed for only those calendar months during which construction on a public works project has occurred. The certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (a), but may exclude the starting and ending times of work each day. The certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that: (i) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; (ii) the hourly rate paid to each worker is not less than the general prevailing rate of hourly wages required by this Act; and (iii) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor. A general contractor is not prohibited from relying on the certification of a lower tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification. Any contractor or subcontractor subject to this Act and any officer, employee, or agent of such contractor or subcontractor whose duty as such officer, employee, or agent it is to file such certified payroll who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor. The public body in charge of the project shall keep the records submitted in accordance with this paragraph (2) of subsection (a) before January 1, 2014 (the effective date of Public Act 98-328) for a period of not less than 3 years, and the records submitted in accordance with this paragraph (2) of subsection (a) on or after January 1, 2014 (the effective date of Public Act 98-328) for a period of 5 years, from the date of the last payment for work on a contract or subcontract for public works or until the Department of Labor activates the database created under Section 5.1, whichever is less. After the activation of the database created under Section 5.1, the Department of Labor rather than the public body in charge of the project shall keep the records and maintain the database. The records submitted in accordance with this paragraph (2) of subsection (a) shall be considered public records, except an employee's address, telephone number, ~~and~~ social security number, race, ethnicity, and gender, and made available in accordance with the Freedom of Information Act. The public body shall accept any reasonable submissions by the contractor that meet the requirements of this Section.

A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

(b) Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in

[May 31, 2018]

paragraph (1) of subsection (a) of this Section to the public body in charge of the project, its officers and agents, the Director of Labor and his deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

(c) A contractor or subcontractor who remits contributions to fringe benefit funds that are jointly maintained and jointly governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act shall make and keep certified payroll records that include the information required under items (i) through (viii) of paragraph (1) of subsection (a) only. However, the information required under items (ix) through (xiv) of paragraph (1) of subsection (a) shall be required for any contractor or subcontractor who remits contributions to a fringe benefit fund that is not jointly maintained and jointly governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act.

(d) The Department of Labor shall adopt rules to implement this Section.

(Source: P.A. 97-571, eff. 1-1-12; 98-328, eff. 1-1-14; 98-482, eff. 1-1-14; 98-756, eff. 7-16-14.)  
(820 ILCS 130/5.1)

Sec. 5.1. Electronic database. ~~The Subject to appropriation,~~ the Department shall develop and maintain an electronic database capable of accepting and retaining certified payrolls submitted under this Act no later than April 1, 2019. The database shall accept certified payroll forms provided by the Department that are fillable and designed to accept electronic signatures. The Department of Labor shall adopt rules to implement this Section.

(Source: P.A. 98-482, eff. 1-1-14.)

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

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

### **READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME**

On motion of Senator Lightford, **House Bill No. 5166** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 53; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McConnaughay	Silverstein
Bennett	Haine	McGuire	Sims
Bertino-Tarrant	Harmon	Morrison	Stadelman
Biss	Hastings	Mulroe	Stears
Bivins	Holmes	Muñoz	Syverson
Brady	Hunter	Murphy	Tracy
Bush	Hutchinson	Nybo	Van Pelt
Castro	Jones, E.	Raoul	Mr. President
Clayborne	Koehler	Rezin	
Collins	Landek	Righter	
Connelly	Lightford	Rooney	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

[May 31, 2018]

### HOUSE BILL RECALLED

On motion of Senator Hunter, **House Bill No. 5721** was recalled from the order of third reading to the order of second reading.

Senator Hunter offered the following amendment and moved its adoption:

#### AMENDMENT NO. 2 TO HOUSE BILL 5721

AMENDMENT NO. 2. Amend House Bill 5721, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, as follows:

on page 5, by replacing lines 22 and 23 with the following:

"(k) On or before December 1, 2018, the Board shall adopt a policy to address under-enrolled schools. The policy must contain a list of potential interventions to address schools with declining enrollment, including, but not limited to, action by the district to:"; and

on page 6, line 2, by replacing "redo" with "redraft"; and

on page 13, line 18, after "11-30-12.)", by inserting the following:

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

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

### READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Hunter, **House Bill No. 5721** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 46; NAYS None.

The following voted in the affirmative:

Althoff	Curran	Martinez	Sandoval
Anderson	Fowler	McCann	Schimpf
Aquino	Haine	McConaughay	Silverstein
Barickman	Hastings	McGuire	Sims
Bennett	Holmes	Morrison	Stadelman
Biss	Hunter	Mulroe	Steans
Brady	Jones, E.	Murphy	Syverson
Bush	Koehler	Nybo	Tracy
Castro	Landek	Raoul	Van Pelt
Clayborne	Lightford	Rezin	Mr. President
Connelly	Link	Righter	
Cunningham	Manar	Rose	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

Senator Hutchinson asked and obtained unanimous consent for the Journal to reflect her intention to have voted in the affirmative on **House Bill No. 5721**.

[May 31, 2018]



**CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON  
SECRETARY'S DESK**

On motion of Senator Mulroe, **Senate Bill No. 2344**, with House Amendment No. 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Mulroe moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS None; Present 1.

The following voted in the affirmative:

Althoff	Cullerton, T.	Martinez	Sandoval
Anderson	Curran	McCann	Schimpf
Aquino	Fowler	McConaughay	Silverstein
Barickman	Haine	McGuire	Sims
Bennett	Hastings	Morrison	Stadelman
Bertino-Tarrant	Holmes	Mulroe	Steans
Biss	Hunter	Muñoz	Syverson
Bivins	Hutchinson	Murphy	Tracy
Brady	Jones, E.	Nybo	Van Pelt
Bush	Koehler	Oberweis	Weaver
Castro	Landek	Raoul	Mr. President
Clayborne	Lightford	Rezin	
Collins	Link	Righter	
Connelly	Manar	Rose	

The following voted present:

Rooney

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 3 to **Senate Bill No. 2344**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Clayborne, **Senate Bill No. 2407**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Clayborne moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Curran	McCann	Sandoval
Anderson	Fowler	McConaughay	Silverstein
Aquino	Haine	McGuire	Sims
Barickman	Hastings	Morrison	Stadelman
Bennett	Holmes	Mulroe	Steans
Bertino-Tarrant	Hunter	Muñoz	Syverson
Biss	Hutchinson	Murphy	Tracy
Brady	Jones, E.	Nybo	Van Pelt
Bush	Koehler	Oberweis	Weaver
Castro	Landek	Raoul	Mr. President

[May 31, 2018]

Clayborne	Lightford	Rezin
Collins	Link	Righter
Cullerton, T.	Manar	Rooney
Cunningham	Martinez	Rose

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 2407**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 2858**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Stadelman moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 49; NAY 1.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Sandoval
Anderson	Curran	McConnaughay	Schimpf
Aquino	Haine	McGuire	Silverstein
Barickman	Hastings	Morrison	Sims
Bennett	Holmes	Mulroe	Stadelman
Bertino-Tarrant	Hunter	Muñoz	Steans
Biss	Jones, E.	Murphy	Syverson
Bivins	Koehler	Nybo	Van Pelt
Bush	Landek	Oberweis	Weaver
Castro	Lightford	Raoul	Mr. President
Clayborne	Link	Rezin	
Collins	Manar	Righter	
Connelly	Martinez	Rose	

The following voted in the negative:

Fowler

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2858**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Hutchinson asked and obtained unanimous consent for the Journal to reflect her intention to have voted in the affirmative on **Senate Bill No. 2858**.

On motion of Senator J. Cullerton, **Senate Bill No. 34**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator J. Cullerton moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 37; NAYS 12.

The following voted in the affirmative:

Aquino	Haine	Manar	Sandoval
Bennett	Hastings	Martinez	Silverstein
Bertino-Tarrant	Holmes	McGuire	Sims
Biss	Hunter	Morrison	Stadelman

[May 31, 2018]

Bush	Hutchinson	Mulroe	Stears
Castro	Jones, E.	Muñoz	Van Pelt
Clayborne	Koehler	Murphy	Mr. President
Collins	Landek	Nybo	
Cullerton, T.	Lightford	Raoul	
Cunningham	Link	Rooney	

The following voted in the negative:

Barickman	Oberweis	Schimpf
Bivins	Rezin	Syversen
Fowler	Righter	Tracy
McCann	Rose	Weaver

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 34**.

Ordered that the Secretary inform the House of Representatives thereof.

### MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

#### SENATE BILL NO. 452

A bill for AN ACT concerning education.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 452

Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

### AMENDMENT NO. 1 TO SENATE BILL 452

AMENDMENT NO. 1. Amend Senate Bill 452 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 5-1 as follows:

(105 ILCS 5/5-1) (from Ch. 122, par. 5-1)

Sec. 5-1. County school units.

(a) The territory in each county, exclusive of any school district governed by any special act which requires the district to appoint its own school treasurer, shall constitute a county school unit. County school units of less than 2,000,000 inhabitants shall be known as Class I county school units and the office of township trustees, where existing on July 1, 1962, in such units shall be abolished on that date and all books and records of such former township trustees shall be forthwith thereafter transferred to the county board of school trustees. County school units of 2,000,000 or more inhabitants shall be known as Class II county school units and shall retain the office of township trustees unless otherwise provided in subsection (b) or (c).

(b) Notwithstanding subsections (a) and (c), the school board of any elementary school district having a fall, 1989 aggregate enrollment of at least 2,500 but less than 6,500 pupils and having boundaries that are coterminous with the boundaries of a high school district, and the school board of any high school district having a fall, 1989 aggregate enrollment of at least 2,500 but less than 6,500 pupils and having boundaries that are coterminous with the boundaries of an elementary school district, may, whenever the territory of such school district forms a part of a Class II county school unit, by proper resolution withdraw such school district from the jurisdiction and authority of the trustees of schools of the township in which such school district is located and from the jurisdiction and authority of the township treasurer in such Class II county school unit; provided that the school board of any such school district shall, upon the

[May 31, 2018]

adoption and passage of such resolution, thereupon elect or appoint its own school treasurer as provided in Section 8-1. Upon the adoption and passage of such resolution and the election or appointment by the school board of its own school treasurer: (1) the trustees of schools in such township shall no longer have or exercise any powers and duties with respect to the school district governed by such school board or with respect to the school business, operations or assets of such school district; and (2) all books and records of the township trustees relating to the school business and affairs of such school district shall be transferred and delivered to the school board of such school district. Upon the effective date of this amendatory Act of 1993, the legal title to, and all right, title and interest formerly held by the township trustees in any school buildings and school sites used and occupied by the school board of such school district for school purposes, that legal title, right, title and interest thereafter having been transferred to and vested in the regional board of school trustees under P.A. 87-473 until the abolition of that regional board of school trustees by P.A. 87-969, shall be deemed transferred by operation of law to and shall vest in the school board of that school district.

Notwithstanding subsections (a) and (c), the school boards of Oak Park & River Forest District 200, Oak Park Elementary School District 97, and River Forest School District 90 may, by proper resolution, withdraw from the jurisdiction and authority of the trustees of schools of Proviso and Cicero Townships and the township treasurer, provided that the school board shall, upon the adoption and passage of the resolution, elect or appoint its own school treasurer as provided in Section 8-1 of this Code. Upon the adoption and passage of the resolution and the election or appointment by the school board of its own school treasurer: (1) the trustees of schools in the township or townships shall no longer have or exercise any powers or duties with respect to the school district or with respect to the school business, operations, or assets of the school district; (2) all books and records of the trustees of schools and all moneys, securities, loanable funds, and other assets relating to the school business and affairs of the school district shall be transferred and delivered to the school board; and (3) all legal title to and all right, title, and interest formerly held by the trustees of schools in any common school lands, school buildings, or school sites used and occupied by the school board and all rights of property and causes of action pertaining to or constituting a part of the common school lands, buildings, or sites shall be deemed transferred by operation of law to and shall vest in the school board.

Notwithstanding subsections (a) and (c), the respective school boards of Berwyn North School District 98, Berwyn South School District 100, Cicero School District 99, and J.S. Morton High School District 201 may, by proper resolution, withdraw from the jurisdiction and authority of the trustees of schools of Cicero Township and the township treasurer, provided that the school board shall, upon the adoption and passage of the resolution, elect or appoint its own school treasurer as provided in Section 8-1 of this Code. Upon the adoption and passage of the resolution and the election or appointment by the school board of its own school treasurer: (1) the trustees of schools in the township shall no longer have or exercise any powers or duties with respect to the school district or with respect to the school business, operations, or assets of the school district; (2) all books and records of the trustees of schools and all moneys, securities, loanable funds, and other assets relating to the school business and affairs of the school district shall be transferred and delivered to the school board; and (3) all legal title to and all right, title, and interest formerly held by the trustees of schools in any common school lands, school buildings, or school sites used and occupied by the school board and all rights of property and causes of action pertaining to or constituting a part of the common school lands, buildings, or sites shall be deemed transferred by operation of law to and shall vest in the school board.

Notwithstanding subsections (a) and (c) of this Section and upon final judgment, including the exhaustion of all appeals or a settlement between all parties, regarding claims set forth in the case of Township Trustees of Schools Township 38 North, Range 12 East v. Lyons Township High School District No. 204 case N. 13 CH 23386 pending in 2018 in the Circuit Court of Cook County, Illinois, County Department, Chancery Division, and all related pending claims, the school board of Lyons Township High School District 204 may commerce, by proper resolution, to withdraw from the jurisdiction and authority of the trustees of schools of Lyons Township and the township treasurer, provided that the school board shall, upon the adoption and passage of the resolution, elect or appoint its own school treasurer as provided in Section 8-1 of this Code. Upon the adoption and passage of the resolution and the election or appointment by the school board of its own school treasurer commencing with the first day of the succeeding fiscal year, but not prior to July 1, 2019: (1) the trustees of schools in the township shall no longer have or exercise any powers or duties with respect to the school district or with respect to the school business, operations, or assets of the school district; (2) all books and records of the trustees of schools and all moneys, securities, loanable funds, and other assets relating to the school business and affairs of the school district shall be transferred and delivered to the school board, allowing for a reasonable period of time not-to-exceed 90 days to liquidate any pooled investments; and (3) all legal title to and all right,

[May 31, 2018]

title, and interest formerly held by the trustees of schools in any common school lands, school buildings, or school sites used and occupied by the school board and all rights of property and causes of action pertaining to or constituting a part of the common school lands, buildings, or sites shall be deemed transferred by operation of law to and shall vest in the school board. The changes made to this Section by this amendatory Act of the 100th General Assembly are prospective only, starting from the effective date of this amendatory Act of the 100th General Assembly, and shall not affect any legal action pending on the effective date of this amendatory Act of the 100th General Assembly in the Illinois courts in which Lyons Township High School District 204 is a listed party.

(c) Notwithstanding the provisions of subsection (a), the offices of township treasurer and trustee of schools of any township located in a Class II county school unit shall be abolished as provided in this subsection if all of the following conditions are met:

(1) During the same 30 day period, each school board of each elementary and unit school district that is subject to the jurisdiction and authority of the township treasurer and trustees of schools of the township in which those offices are sought to be abolished gives written notice by certified mail, return receipt requested to the township treasurer and trustees of schools of that township of the date of a meeting of the school board, to be held not more than 90 nor less than 60 days after the date when the notice is given, at which meeting the school board is to consider and vote upon the question of whether there shall be submitted to the electors of the school district a proposition to abolish the offices of township treasurer and trustee of schools of that township. None of the notices given under this paragraph to the township treasurer and trustees of schools of a township shall be deemed sufficient or in compliance with the requirements of this paragraph unless all of those notices are given within the same 30 day period.

(2) Each school board of each elementary and unit school district that is subject to the jurisdiction and authority of the township treasurer and trustees of schools of the township in which those offices are sought to be abolished, by the affirmative vote of at least 5 members of the school board at a school board meeting of which notice is given as required by paragraph (1) of this subsection, adopts a resolution requiring the secretary of the school board to certify to the proper election authorities for submission to the electors of the school district at the next consolidated election in accordance with the general election law a proposition to abolish the offices of township treasurer and trustee of schools of that township. None of the resolutions adopted under this paragraph by any elementary or unit school districts that are subject to the jurisdiction and authority of the township treasurer and trustees of schools of the township in which those offices are sought to be abolished shall be deemed in compliance with the requirements of this paragraph or sufficient to authorize submission of the proposition to abolish those offices to a referendum of the electors in any such school district unless all of the school boards of all of the elementary and unit school districts that are subject to the jurisdiction and authority of the township treasurer and trustees of schools of that township adopt such a resolution in accordance with the provisions of this paragraph.

(3) The school boards of all of the elementary and unit school districts that are subject to the jurisdiction and authority of the township treasurer and trustees of schools of the township in which those offices are sought to be abolished submit a proposition to abolish the offices of township treasurer and trustee of schools of that township to the electors of their respective school districts at the same consolidated election in accordance with the general election law, the ballot in each such district to be in substantially the following form:

-----  
OFFICIAL BALLOT

Shall the offices of township  
treasurer and                    YES  
trustee of                    -----  
schools of Township .....    NO  
Range ..... be abolished?

-----  
(4) At the consolidated election at which the proposition to abolish the offices of township treasurer and trustee of schools of a township is submitted to the electors of each elementary and unit school district that is subject to the jurisdiction and authority of the township treasurer and trustee of schools of that township, a majority of the electors voting on the proposition in each such elementary and unit school district votes in favor of the proposition as submitted to them.

If in each elementary and unit school district that is subject to the jurisdiction and authority of the township treasurer and trustees of schools of the township in which those offices are sought to be abolished a majority of the electors in each such district voting at the consolidated election on the proposition to

[May 31, 2018]

abolish the offices of township treasurer and trustee of schools of that township votes in favor of the proposition as submitted to them, the proposition shall be deemed to have passed; but if in any such elementary or unit school district a majority of the electors voting on that proposition in that district fails to vote in favor of the proposition as submitted to them, then notwithstanding the vote of the electors in any other such elementary or unit school district on that proposition the proposition shall not be deemed to have passed in any of those elementary or unit school districts, and the offices of township treasurer and trustee of schools of the township in which those offices were sought to be abolished shall not be abolished, unless in each of those elementary and unit school districts remaining subject to the jurisdiction and authority of the township treasurer and trustees of schools of that township proceedings are again initiated to abolish those offices and all of the proceedings and conditions prescribed in paragraphs (1) through (4) of this subsection are repeated and met in each of those elementary and unit school districts.

Notwithstanding the foregoing provisions of this Section or any other provision of the School Code, the offices of township treasurer and trustee of schools of a township that has a population of less than 200,000 and that contains a unit school district and is located in a Class II county school unit shall also be abolished as provided in this subsection if all of the conditions set forth in paragraphs (1), (2), and (3) of this subsection are met and if the following additional condition is met:

The electors in all of the school districts subject to the jurisdiction and authority of the township treasurer and trustees of schools of the township in which those offices are sought to be abolished shall vote at the consolidated election on the proposition to abolish the offices of township treasurer and trustee of schools of that township. If a majority of the electors in all of the school districts combined voting on the proposition vote in favor of the proposition, then the proposition shall be deemed to have passed; but if a majority of the electors voting on the proposition in all of the school district fails to vote in favor of the proposition as submitted to them, then the proposition shall not be deemed to have passed and the offices of township treasurer and trustee of schools of the township in which those offices were sought to be abolished shall not be abolished, unless and until the proceedings detailed in paragraphs (1) through (3) of this subsection and the conditions set forth in this paragraph are met.

If the proposition to abolish the offices of township treasurer and trustee of schools of a township is deemed to have passed at the consolidated election as provided in this subsection, those offices shall be deemed abolished by operation of law effective on January 1 of the calendar year immediately following the calendar year in which that consolidated election is held, provided that if after the election, the trustees of schools by resolution elect to abolish the offices of township treasurer and trustee of schools effective on July 1 immediately following the election, then the offices shall be abolished on July 1 immediately following the election. On the date that the offices of township treasurer and trustee of schools of a township are deemed abolished by operation of law, the school board of each elementary and unit school district and the school board of each high school district that is subject to the jurisdiction and authority of the township treasurer and trustees of schools of that township at the time those offices are abolished: (i) shall appoint its own school treasurer as provided in Section 8-1; and (ii) unless the term of the contract of a township treasurer expires on the date that the office of township treasurer is abolished, shall pay to the former township treasurer its proportionate share of any aggregate compensation that, were the office of township treasurer not abolished at that time, would have been payable to the former township treasurer after that date over the remainder of the term of the contract of the former township treasurer that began prior to but ends after that date. In addition, on the date that the offices of township treasurer and trustee of schools of a township are deemed abolished as provided in this subsection, the school board of each elementary school, high school and unit school district that until that date is subject to the jurisdiction and authority of the township treasurer and trustees of schools of that township shall be deemed by operation of law to have agreed and assumed to pay and, when determined, shall pay to the Illinois Municipal Retirement Fund a proportionate share of the unfunded liability existing in that Fund at the time these offices are abolished in that calendar year for all annuities or other benefits then or thereafter to become payable from that Fund with respect to all periods of service performed prior to that date as a participating employee in that Fund by persons serving during those periods of service as a trustee of schools, township treasurer or regular employee in the office of the township treasurer of that township. That unfunded liability shall be actuarially determined by the board of trustees of the Illinois Municipal Retirement Fund, and the board of trustees shall thereupon notify each school board required to pay a proportionate share of that unfunded liability of the aggregate amount of the unfunded liability so determined. The amount so paid to the Illinois Municipal Retirement Fund by each of those school districts shall be credited to the account of the township in that Fund. For each elementary school, high school and unit school district under the jurisdiction and authority of a township treasurer and trustees of schools of a township in which those offices are abolished as provided in this subsection, each such district's proportionate share of the

aggregate compensation payable to the former township treasurer as provided in this paragraph and each such district's proportionate share of the aggregate amount of the unfunded liability payable to the Illinois Municipal Retirement Fund as provided in this paragraph shall be computed in accordance with the ratio that the number of pupils in average daily attendance in each such district for the school year last ending prior to the date on which the offices of township treasurer and trustee of schools of that township are abolished bears to the aggregate number of pupils in average daily attendance in all of those districts as so reported for that school year.

Upon abolition of the offices of township treasurer and trustee of schools of a township as provided in this subsection: (i) the regional board of school trustees, in its corporate capacity, shall be deemed the successor in interest to the former trustees of schools of that township with respect to the common school lands and township loanable funds of the township; (ii) all right, title and interest existing or vested in the former trustees of schools of that township in the common school lands and township loanable funds of the township, and all records, moneys, securities and other assets, rights of property and causes of action pertaining to or constituting a part of those common school lands or township loanable funds, shall be transferred to and deemed vested by operation of law in the regional board of school trustees, which shall hold legal title to, manage and operate all common school lands and township loanable funds of the township, receive the rents, issues and profits therefrom, and have and exercise with respect thereto the same powers and duties as are provided by this Code to be exercised by regional boards of school trustees when acting as township land commissioners in counties having at least 220,000 but fewer than 2,000,000 inhabitants; (iii) the regional board of school trustees shall select to serve as its treasurer with respect to the common school lands and township loanable funds of the township a person from time to time also serving as the appointed school treasurer of any school district that was subject to the jurisdiction and authority of the township treasurer and trustees of schools of that township at the time those offices were abolished, and the person selected to also serve as treasurer of the regional board of school trustees shall have his compensation for services in that capacity fixed by the regional board of school trustees, to be paid from the township loanable funds, and shall make to the regional board of school trustees the reports required to be made by treasurers of township land commissioners, give bond as required by treasurers of township land commissioners, and perform the duties and exercise the powers of treasurers of township land commissioners; (iv) the regional board of school trustees shall designate in the manner provided by Section 8-7, insofar as applicable, a depository for its treasurer, and the proceeds of all rents, issues and profits from the common school lands and township loanable funds of that township shall be deposited and held in the account maintained for those purposes with that depository and shall be expended and distributed therefrom as provided in Section 15-24 and other applicable provisions of this Code; and (v) whenever there is vested in the trustees of schools of a township at the time that office is abolished under this subsection the legal title to any school buildings or school sites used or occupied for school purposes by any elementary school, high school or unit school district subject to the jurisdiction and authority of those trustees of school at the time that office is abolished, the legal title to those school buildings and school sites shall be deemed transferred by operation of law to and invested in the school board of that school district, in its corporate capacity under Section 10-22.35B of this Code, the same to be held, sold, exchanged leased or otherwise transferred in accordance with applicable provisions of this Code.

Notwithstanding Section 2-3.25g of this Code, a waiver of a mandate established under this Section may not be requested.

(Source: P.A. 100-374, eff. 8-25-17.)

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

Under the rules, the foregoing **Senate Bill No. 452**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2589

A bill for AN ACT concerning local government.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2589

House Amendment No. 2 to SENATE BILL NO. 2589

[May 31, 2018]

Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 2589**

AMENDMENT NO. 1. Amend Senate Bill 2589 on page 7, line 19, by replacing "security" with "security. A local government security purchased or otherwise acquired by the Authority is not a moral obligation of the State or any State agency or political subdivision of the State"; and

on page 23, line 21, by replacing "security" with "security. A local government security purchased or otherwise acquired by the Authority is not a moral obligation of the State or any State agency or political subdivision of the State"; and

on page 48, line 6, after the period, by inserting "A local government security purchased or otherwise acquired by the Authority is not a moral obligation of the State or any State agency or political subdivision of the State."; and

on page 61, line 2, by replacing "security" with "security. A local government security purchased or otherwise acquired by the Authority is not a moral obligation of the State or any State agency or political subdivision of the State"; and

on page 75, line 18, by replacing "security" with "security. A local government security purchased or otherwise acquired by the Authority is not a moral obligation of the State or any State agency or political subdivision of the State"; and

on page 81, line 4, after "5," by inserting "7,"; and

on page 85, immediately below line 18, by inserting the following:

"(70 ILCS 520/7) (from Ch. 85, par. 6157)

Sec. 7. (a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, notes, or other evidences of indebtedness for the purpose of developing, constructing, acquiring or improving projects, including without limitation those established by business entities locating or expanding property within the territorial jurisdiction of the Authority, for entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority, for acquiring and improving any property necessary and useful in connection therewith, for the purposes of the Employee Ownership Assistance Act, and any local government projects. With respect to any local government project, the Authority is authorized to purchase from time to time pursuant to negotiated sale or to otherwise acquire from time to time any local government security upon terms and conditions as the Authority may prescribe in connection therewith. A local government security purchased or otherwise acquired by the Authority on or after the effective date of this amendatory Act of the 100th General Assembly is not a moral obligation of the State or any State agency or political subdivision of the State. For the purpose of evidencing the obligations of the Authority to repay any money borrowed for any project, the Authority may, pursuant to resolution, from time to time issue and dispose of its interest bearing revenue bonds, notes or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any bonds, notes or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such bonds, notes or other evidences of indebtedness shall be payable solely and only from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects or from any other funds available to the Authority for such purposes. The bonds, notes or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, notwithstanding any other law to the contrary may bear interest at such rate or rates payable annually, semi-annually, quarterly or monthly, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided by an applicable resolution.

(b)(1) The holder or holders of any bonds, notes or other evidences of indebtedness issued

by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any corporation or person or by the Authority or any of its agents or employees of any

[May 31, 2018]



contract or covenant made with the holders of such bonds, notes or other evidences of indebtedness, to compel such corporation, person, the Authority and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of any such bonds, notes or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to enjoy such corporation, person, the Authority and any of its agents or employees from taking any action in conflict with any such contract or covenant.

(2) If the Authority fails to pay the principal of or interest on any of the bonds or premium, if any, as the same become due, a civil action to compel payment may be instituted in the appropriate circuit court by the holder or holders of the bonds on which such default of payment exists or by an indenture trustee acting on behalf of such holders. Delivery of a summons and a copy of the complaint to the Chairman of the Board shall constitute sufficient service to give the circuit court jurisdiction of the subject matter of such a suit and jurisdiction over the Authority and its officers named as defendants for the purpose of compelling such payment. Any case, controversy or cause of action concerning the validity of this Act relates to the revenue of the State of Illinois.

(c) Notwithstanding the form and tenor of any such bonds, notes or other evidences of indebtedness and in the absence of any express recital on the face thereof that it is non-negotiable, all such bonds, notes and other evidences of indebtedness shall be negotiable instruments. Pending the preparation and execution of any such bonds, notes or other evidences of indebtedness, temporary bonds, notes or evidences of indebtedness may be issued as provided by ordinance.

(d) To secure the payment of any or all of such bonds, notes or other evidences of indebtedness, the revenues to be received by the Authority from a lease agreement or loan agreement shall be pledged, and, for the purpose of setting forth the covenants and undertakings of the Authority in connection with the issuance thereof and the issuance of any additional bonds, notes or other evidences of indebtedness payable from such revenues, income or other funds to be derived from projects, the Authority may execute and deliver a mortgage or trust agreement. A remedy for any breach or default of the terms of any such mortgage or trust agreement by the Authority may be by mandamus proceedings in the appropriate circuit court to compel the performance and compliance therewith, but the trust agreement may prescribe by whom or on whose behalf such action may be instituted.

(e) Such bonds or notes shall be secured as provided in the authorizing ordinance which may, notwithstanding any other provision of this Act, include in addition to any other security a specific pledge or assignment of and lien on or security interest in any or all revenues or money of the Authority from whatever source which may by law be used for debt service purposes and a specific pledge or assignment of and lien on or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of such bonds or notes and, with respect to any local government project, may include without limitation a pledge of any local government securities, including any payments thereon.

(f) In the event that the Authority determines that monies of the Authority will not be sufficient for the payment of the principal of and interest on its bonds during the next State fiscal year, the Chairman, as soon as practicable, shall certify to the Governor the amount required by the Authority to enable it to pay such principal of and interest on the bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This subsection shall not apply to any bonds or notes as to which the Authority shall have determined, in the resolution authorizing the issuance of the bonds or notes, that this subsection shall not apply. Whenever the Authority makes such a determination, that fact shall be plainly stated on the face of the bonds or notes, and that fact shall also be reported to the Governor.

In the event of a withdrawal of moneys from a reserve fund established with respect to any issue or issues of bonds of the Authority to pay principal or interest on those bonds, the Chairman of the Authority, as soon as practicable, shall certify to the Governor the amount required to restore the reserve fund to the level required in the resolution or indenture securing those bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year.

(g) The State of Illinois pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the rights and powers vested in the Authority by this Act so as to impair the terms of any contract made by the Authority with such holders or in any way impair the rights and remedies of such holders until such bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. In addition, the State pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the basis on which State funds are to be paid to the Authority

as provided in this Act, or the use of such funds, so as to impair the terms of any such contract. The Authority is authorized to include these pledges and agreements of the State in any contract with the holders of bonds or notes issued under this Section.  
(Source: P.A. 86-1455; 87-778.); and

on page 95, line 15, by replacing "security" with "security. A local government security purchased or otherwise acquired by the Authority is not a moral obligation of the State or any State agency or political subdivision of the State"; and

on page 114, line 15, by replacing "security" with "security. A local government security purchased or otherwise acquired by the Authority is not a moral obligation of the State or any State agency or political subdivision of the State"; and

on page 128, line 6, by replacing "security" with "security. A local government security purchased or otherwise acquired by the Authority is not a moral obligation of the State or any State agency or political subdivision of the State"; and

on page 142, line 8, by replacing "security" with "security. A local government security purchased or otherwise acquired by the Authority is not a moral obligation of the State or any State agency or political subdivision of the State".

#### **AMENDMENT NO. 2 TO SENATE BILL 2589**

AMENDMENT NO. 2. Amend Senate Bill 2589, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Park District Code is amended by changing Section 6-2 as follows:  
(70 ILCS 1205/6-2) (from Ch. 105, par. 6-2)

Sec. 6-2. For the payment of land condemned or purchased for parks or boulevards, for the building, maintaining, improving and protecting of the same and for the payment of the expenses incident thereto, or for the acquisition of real estate and lands to be used as a site for an armory, or for the refunding of its bonds which are payable solely from the revenues derived from the operation of any of its facilities, any park district is authorized to issue the bonds or notes of such park district and pledge its property and credit therefor to an amount including existing principal indebtedness of such district so that the aggregate principal indebtedness of such district does not exceed 2.875% of the value of the taxable property therein, to be ascertained by the last assessment for state and county taxes previous to the issue from time to time of such bonds or notes, unless a petition, signed by voters in number equal to not less than 2% of the voters of the district, who voted at the last general election in the district, asking that the authorized aggregate principal indebtedness of the district be increased to not more than 5.75% of the value of the taxable property therein, is presented to the board and such increase is approved by the voters of the district at a referendum held on the question, in which case such aggregate principal indebtedness may not exceed 5.75% of the value of the taxable property in the district. Notice of the referendum shall be given and the referendum conducted in the manner provided by the general election law. Bonds for airport purposes issued by a park district under Section 9-2b, and up to \$15,000,000 in bonds issued by the Carol Stream Park District approved by referendum at the February 2, 2010 general primary election and up to \$13,000,000 in bonds issued by the Midlothian Park District approved by referendum at the March 20, 2018 general primary election are not subject to the percentage limitations imposed by, and shall not be considered as part of the existing principal indebtedness of that district for the purposes of, this Section or any other applicable statutory debt limitation.  
(Source: P.A. 97-1103, eff. 8-27-12.)

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

Under the rules, the foregoing **Senate Bill No. 2589**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

[May 31, 2018]

## SENATE BILL NO. 2921

A bill for AN ACT concerning State government.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2921

Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 2921**

AMENDMENT NO. 1. Amend Senate Bill 2921 by replacing everything after the enacting clause with the following:

"Section 5. The State Treasurer Act is amended by adding Section 30 as follows:

(15 ILCS 505/30 new)

Sec. 30. Purchase of real property.

(a) Subject to the provisions of the Public Contract Fraud Act, the State Treasurer, on behalf of the State of Illinois, is authorized during State fiscal year 2019 to purchase real property located at 300 West Jefferson Street in Springfield, Illinois, known as Jefferson Terrace (Parcel ID numbers: 14-28.0-457-008, -009, -010; 14-28.0-484-034, -035, -036, -037, -038, -052, -055; 14-33.0-203-015) which the State Treasurer deems necessary to properly carry out the powers and duties vested in him or her.

(b) Subject to the provisions of the Treasurer's Procurement Rules, which shall be substantially in accordance with the requirements of Illinois Procurement Code, the State Treasurer may:

(1) enter into contracts relating to construction, reconstruction, or renovation projects for any such buildings or lands acquired under subsection (a); and

(2) equip, lease, operate, and maintain those grounds, buildings, and facilities as may be appropriate to carry out his or her statutory purposes and duties.

(c) The State Treasurer may enter into agreements with any person with respect to the use and occupancy of the grounds, buildings, and facilities of the State Treasurer, including concession, license, and lease agreements on terms and conditions as the State Treasurer determines and in accordance with the procurement processes for the Office of the State Treasurer, which shall be substantially in accordance with the requirements of Illinois Procurement Code.

(d) The exercise of the authority vested in the State Treasurer by this Section is subject to the appropriation of the necessary funds.

Section 10. The State Finance Act is amended by changing Section 8.12 as follows:

(30 ILCS 105/8.12) (from Ch. 127, par. 144.12)

Sec. 8.12. State Pensions Fund.

(a) The moneys in the State Pensions Fund shall be used exclusively for the administration of the Revised Uniform Unclaimed Property Act and for the expenses incurred by the Auditor General for administering the provisions of Section 2-8.1 of the Illinois State Auditing Act and for operational expenses of the Office of the State Treasurer, including the acquisition of land and buildings for use by the Office of the State Treasurer, as well as construction, reconstruction, improvement, repair, and maintenance, in accordance with the provisions of laws relating thereto, of such lands and buildings beginning in State fiscal year 2019 and for each fiscal year thereafter, and for the funding of the unfunded liabilities of the designated retirement systems. Beginning in State fiscal year 2019, payments to the designated retirement systems under this Section shall be in addition to, and not in lieu of, any State contributions required under the Illinois Pension Code.

"Designated retirement systems" means:

- (1) the State Employees' Retirement System of Illinois;
- (2) the Teachers' Retirement System of the State of Illinois;
- (3) the State Universities Retirement System;
- (4) the Judges Retirement System of Illinois; and
- (5) the General Assembly Retirement System.

(b) Each year the General Assembly may make appropriations from the State Pensions Fund for the administration of the Revised Uniform Unclaimed Property Act.

(c) As soon as possible after July 30, 2004 (the effective date of Public Act 93-839) this amendatory Act of the 93rd General Assembly, the General Assembly shall appropriate from the State Pensions Fund (1) to the State Universities Retirement System the amount certified under Section 15-165 during the prior

[May 31, 2018]

year, (2) to the Judges Retirement System of Illinois the amount certified under Section 18-140 during the prior year, and (3) to the General Assembly Retirement System the amount certified under Section 2-134 during the prior year as part of the required State contributions to each of those designated retirement systems; except that amounts appropriated under this subsection (c) in State fiscal year 2005 shall not reduce the amount in the State Pensions Fund below \$5,000,000. If the amount in the State Pensions Fund does not exceed the sum of the amounts certified in Sections 15-165, 18-140, and 2-134 by at least \$5,000,000, the amount paid to each designated retirement system under this subsection shall be reduced in proportion to the amount certified by each of those designated retirement systems.

(c-5) For fiscal years 2006 through 2018, the General Assembly shall appropriate from the State Pensions Fund to the State Universities Retirement System the amount estimated to be available during the fiscal year in the State Pensions Fund; provided, however, that the amounts appropriated under this subsection (c-5) shall not reduce the amount in the State Pensions Fund below \$5,000,000.

(c-6) For fiscal year 2019 and each fiscal year thereafter, as soon as may be practical after any money is deposited into the State Pensions Fund from the Unclaimed Property Trust Fund, the State Treasurer shall apportion the deposited amount among the designated retirement systems as defined in subsection (a) to reduce their actuarial reserve deficiencies. The State Comptroller and State Treasurer shall pay the apportioned amounts to the designated retirement systems to fund the unfunded liabilities of the designated retirement systems. The amount apportioned to each designated retirement system shall constitute a portion of the amount estimated to be available for appropriation from the State Pensions Fund that is the same as that retirement system's portion of the total actual reserve deficiency of the systems, as determined annually by the Governor's Office of Management and Budget at the request of the State Treasurer. The amounts apportioned under this subsection shall not reduce the amount in the State Pensions Fund below \$5,000,000.

(d) The Governor's Office of Management and Budget shall determine the individual and total reserve deficiencies of the designated retirement systems. For this purpose, the Governor's Office of Management and Budget shall utilize the latest available audit and actuarial reports of each of the retirement systems and the relevant reports and statistics of the Public Employee Pension Fund Division of the Department of Insurance.

(d-1) As soon as practicable after March 5, 2004 (the effective date of Public Act 93-665) ~~this amendatory Act of the 93rd General Assembly~~, the Comptroller shall direct and the Treasurer shall transfer from the State Pensions Fund to the General Revenue Fund, as funds become available, a sum equal to the amounts that would have been paid from the State Pensions Fund to the Teachers' Retirement System of the State of Illinois, the State Universities Retirement System, the Judges Retirement System of Illinois, the General Assembly Retirement System, and the State Employees' Retirement System of Illinois after March 5, 2004 (the effective date of Public Act 93-665) ~~this amendatory Act~~ during the remainder of fiscal year 2004 to the designated retirement systems from the appropriations provided for in this Section if the transfers provided in Section 6z-61 had not occurred. The transfers described in this subsection (d-1) are to partially repay the General Revenue Fund for the costs associated with the bonds used to fund the moneys transferred to the designated retirement systems under Section 6z-61.

(e) The changes to this Section made by Public Act 88-593 ~~this amendatory Act of 1994~~ shall first apply to distributions from the Fund for State fiscal year 1996.

(Source: P.A. 99-8, eff. 7-9-15; 99-78, eff. 7-20-15; 99-523, eff. 6-30-16; 100-22, eff. 1-1-18; 100-23, eff. 7-6-17; revised 8-8-17)."

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

Under the rules, the foregoing **Senate Bill No. 2921**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 3128

A bill for AN ACT concerning finance.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 3128

House Amendment No. 2 to SENATE BILL NO. 3128

[May 31, 2018]

House Amendment No. 3 to SENATE BILL NO. 3128  
Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 3128**

AMENDMENT NO. 1. Amend Senate Bill 3128 on page 1, line 8, by replacing "2021" with "2022".

**AMENDMENT NO. 2 TO SENATE BILL 3128**

AMENDMENT NO. 2. Amend Senate Bill 3128 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Quincy Veterans' Home Rehabilitation and Rebuilding Act.

Section 5. Legislative policy. It is the intent of the General Assembly that the Capital Development Board or the Department of Veterans' Affairs be allowed to use the design-build delivery method for public projects to renovate, restore, rehabilitate, or rebuild the Quincy Veterans' Home, if it is shown to be in the State's best interests for that particular project. It shall be the policy of the Capital Development Board and the Department of Veterans' Affairs in the procurement of design-build services to publicly announce all requirements for design-build services for the Quincy Veterans' Home and to procure these services on the basis of demonstrated competence and qualifications and with due regard for the principles of competitive selection.

The Capital Development Board and the Department of Veterans' Affairs shall, prior to issuing requests for proposals, promulgate and publish procedures for the solicitation and award of contracts pursuant to this Act.

The Capital Development Board and the Department of Veterans' Affairs shall, for each public project or projects permitted under this Act, make a written determination, including a description as to the particular advantages of the design-build procurement method, that it is in the best interests of this State to enter into a design-build contract for the project or projects. In making that determination, the following factors shall be considered:

- (1) The probability that the design-build procurement method will be in the best interests of the State by providing a material savings of time or cost over the design-bid-build or other delivery system.
- (2) The type and size of the project and its suitability to the design-build procurement method.
- (3) The ability of the State construction agency to define and provide comprehensive scope and performance criteria for the project.

No State construction agency may use a design-build procurement method unless the agency determines in writing that the project will comply with the disadvantaged business and equal employment practices of the State as established in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act and Section 2-105 of the Illinois Human Rights Act.

The Capital Development Board or the Department of Veterans' Affairs shall, within 15 days after the initial determination, provide an advisory copy to the Procurement Policy Board and maintain the full record of determination for 5 years.

Section 10. Definitions. As used in this Act:

"State construction agency" means the Capital Development Board or the Department of Veterans' Affairs.

"Delivery system" means the design and construction approach used to develop and construct a project.

"Design-bid-build" means the traditional delivery system used on public projects in this State that incorporates the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act and the principles of competitive selection in the Illinois Procurement Code, subject to the provisions of Section 1-35 of the Code.

"Design-build" means a delivery system that provides responsibility within a single contract for the furnishing of architecture, engineering, land surveying and related services as required, and the labor, materials, equipment, and other construction services for the project.

"Design-build contract" means a contract for a public project under this Act between the State construction agency and a design-build entity to furnish architecture, engineering, land surveying, and

[May 31, 2018]

related services as required, and to furnish the labor, materials, equipment, and other construction services for the project. The design-build contract may be conditioned upon subsequent refinements in scope and price and may allow the State construction agency to make modifications in the project scope without invalidating the design-build contract.

"Design-build entity" means any individual, sole proprietorship, firm, partnership, joint venture, corporation, professional corporation, or other entity that proposes to design and construct any public project under this Act. A design-build entity and associated design-build professionals shall conduct themselves in accordance with the laws of this State and the related provisions of the Illinois Administrative Code, as referenced by the licensed design professional Acts of this State.

"Design professional" means any individual, sole proprietorship, firm, partnership, joint venture, corporation, professional corporation, or other entity that offers services under the Illinois Architecture Practice Act of 1989, the Professional Engineering Practice Act of 1989, the Structural Engineering Licensing Act of 1989, or the Illinois Professional Land Surveyor Act of 1989.

"Evaluation criteria" means the requirements for the separate phases of the selection process as defined in this Act and includes the specialized experience, technical qualifications and competence, capacity to perform, past performance, experience with similar projects, assignment of personnel to the project, and other appropriate factors. Price may not be used as a factor in the evaluation of Phase I proposals.

"Proposal" means the offer to enter into a design-build contract as submitted by a design-build entity in accordance with this Act.

"Request for proposal" means the document used by the State construction agency to solicit proposals for a design-build contract.

"Scope and performance criteria" means the requirements for the public project, including, but not limited to, the intended usage, capacity, size, scope, quality and performance standards, life-cycle costs, and other programmatic criteria that are expressed in performance-oriented and quantifiable specifications and drawings that can be reasonably inferred and are suited to allow a design-build entity to develop a proposal.

Section 12. Scope of authority. The authority granted under this Act may only be used for services and public projects directly related to the renovation, restoration, rehabilitation, or rebuilding of the Quincy Veterans' Home.

#### Section 15. Solicitation of proposals.

(a) When the State construction agency elects to use the design-build delivery method, it must issue a notice of intent to receive requests for proposals for the project at least 14 days before issuing the request for proposal. The State construction agency must publish the advance notice in the official procurement bulletin of the State or the professional services bulletin of the State construction agency, if any. The agency is encouraged to use publication of the notice in related construction industry service publications. A brief description of the proposed procurement must be included in the notice. The State construction agency must provide a copy of the request for proposal to any party requesting a copy.

(b) The request for proposal shall be prepared for each project and must contain, without limitation, the following information:

- (1) The name of the State construction agency.
- (2) A preliminary schedule for the completion of the contract.
- (3) The proposed budget for the project, the source of funds, and the currently available funds at the time the request for proposal is submitted.

(4) Prequalification criteria for design-build entities wishing to submit proposals. The State construction agency shall include, at a minimum, its normal prequalification, licensing, registration, and other requirements, but nothing contained herein precludes the use of additional prequalification criteria by the State construction agency.

(5) Material requirements of the contract, including, but not limited to, the proposed terms and conditions, required performance and payment bonds, insurance, and the entity's plan to comply with the utilization goals for business enterprises established in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, and with Section 2-105 of the Illinois Human Rights Act.

- (6) The performance criteria.
- (7) The evaluation criteria for each phase of the solicitation.
- (8) The number of entities that will be considered for the technical and cost evaluation phase.

(c) The State construction agency may include any other relevant information that it chooses to supply. The design-build entity shall be entitled to rely upon the accuracy of this documentation in the development of its proposal.

(d) The date that proposals are due must be at least 21 calendar days after the date of the issuance of the request for proposal. In the event the cost of the project is estimated to exceed \$10,000,000, then the proposal due date must be at least 28 calendar days after the date of the issuance of the request for proposal. The State construction agency shall include in the request for proposal a minimum of 30 days to develop the Phase II submissions after the selection of entities from the Phase I evaluation is completed.

#### Section 20. Development of scope and performance criteria.

(a) The State construction agency shall develop, with the assistance of a licensed design professional, a request for proposal, which shall include scope and performance criteria. The scope and performance criteria must be in sufficient detail and contain adequate information to reasonably apprise the qualified design-build entities of the State construction agency's overall programmatic needs and goals, including criteria and preliminary design plans, general budget parameters, schedule, and delivery requirements.

(b) Each request for proposal shall also include a description of the level of design to be provided in the proposals. This description must include the scope and type of renderings, drawings, and specifications that, at a minimum, will be required by the State construction agency to be produced by the design-build entities.

(c) The scope and performance criteria shall be prepared by a design professional who is an employee of the State construction agency, or the State construction agency may contract with an independent design professional selected under the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act to provide these services.

(d) The design professional that prepares the scope and performance criteria is prohibited from participating in any design-build entity proposal for the project.

#### Section 25. Selection committee.

(a) When the State construction agency elects to use the design-build delivery method, it shall establish a committee to evaluate and select the design-build entity. The committee, under the discretion of the State construction agency, shall consist of at least 5 but no more than 7 members and shall include at least one licensed design professional and 2 members of the public, one of whom shall be a resident of the Quincy Veterans' Home and one of whom shall be a resident of the City of Quincy. Public members may not be employed or associated with any firm holding a contract with the State construction agency.

(b) The members of the selection committee must certify for each request for proposal that no conflict of interest exists between the members and the design-build entities submitting proposals. If a conflict is discovered before proposals are reviewed, the member must be replaced before any review of proposals.

If a conflict is discovered after proposals are reviewed, the member with the conflict shall be removed and the committee may continue with only one public member.

If at least 5 members remain, the remaining committee members may complete the selection process.

#### Section 30. Procedures for selection.

(a) The State construction agency must use a two-phase procedure for the selection of the successful design-build entity. Phase I of the procedure will evaluate and shortlist the design-build entities based on qualifications, and Phase II will evaluate the technical and cost proposals.

(b) The State construction agency shall include in the request for proposal the evaluating factors to be used in Phase I. These factors are in addition to any prequalification requirements of design-build entities that the agency has set forth. Each request for proposal shall establish the relative importance assigned to each evaluation factor and subfactor, including any weighting of criteria to be employed by the State construction agency. The State construction agency must maintain a record of the evaluation scoring to be disclosed in the event of a protest regarding the solicitation.

The State construction agency shall include the following criteria in every Phase I evaluation of design-build entities: (1) experience of personnel; (2) successful experience with similar project types; (3) financial capability; (4) timeliness of past performance; (5) experience with similarly sized projects; (6) successful reference checks of the firm; (7) commitment to assign personnel for the duration of the project and qualifications of the entity's consultants; and (8) ability or past performance in meeting or exhausting good faith efforts to meet the utilization goals for business enterprises established in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act and with Section 2-105 of the Illinois Human Rights Act. The State construction agency may include any additional relevant criteria in Phase I that it deems necessary for a proper qualification review.

The State construction agency may not consider any design-build entity for evaluation or award if the entity has any pecuniary interest in the project or has other relationships or circumstances, including, but not limited to, long-term leasehold, mutual performance, or development contracts with the State construction agency, that may give the design-build entity a financial or tangible advantage over other design-build entities in the preparation, evaluation, or performance of the design-build contract or that create the appearance of impropriety. No proposal shall be considered that does not include an entity's plan to comply with the requirements established in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, for both the design and construction areas of performance, and with Section 2-105 of the Illinois Human Rights Act.

Upon completion of the qualifications evaluation, the State construction agency shall create a shortlist of the most highly qualified design-build entities. The State construction agency, in its discretion, is not required to shortlist the maximum number of entities as identified for Phase II evaluation, so long as no less than 2 design-build entities nor more than 6 design-build entities are selected to submit Phase II proposals.

The State construction agency shall notify the entities selected for the shortlist in writing. This notification shall commence the period for the preparation of the Phase II technical and cost evaluations. The State construction agency must allow sufficient time for the shortlist entities to prepare their Phase II submittals considering the scope and detail requested by the State agency.

(c) The State construction agency shall include in the request for proposal the evaluating factors to be used in the technical and cost submission components of Phase II. Each request for proposal shall establish, for both the technical and cost submission components of Phase II, the relative importance assigned to each evaluation factor and subfactor, including any weighting of criteria to be employed by the State construction agency. The State construction agency must maintain a record of the evaluation scoring to be disclosed in the event of a protest regarding the solicitation.

The State construction agency shall include the following criteria in every Phase II technical evaluation of design-build entities: (1) compliance with objectives of the project; (2) compliance of proposed services to the request for proposal requirements; (3) quality of products or materials proposed; (4) quality of design parameters; (5) design concepts; (6) innovation in meeting the scope and performance criteria; and (7) constructability of the proposed project. The State construction agency may include any additional relevant technical evaluation factors it deems necessary for proper selection.

The State construction agency shall include the following criteria in every Phase II cost evaluation: the total project cost, the construction costs, and the time of completion. The State construction agency may include any additional relevant technical evaluation factors it deems necessary for proper selection. The total project cost criteria weighing factor shall be 25%.

The State construction agency shall directly employ or retain a licensed design professional to evaluate the technical and cost submissions to determine if the technical submissions are in accordance with generally accepted industry standards.

Upon completion of the technical submissions and cost submissions evaluation, the State construction agency may award the design-build contract to the highest overall ranked entity.

Section 35. Small projects. In any case where the total overall cost of the project is estimated to be less than \$10,000,000, the State construction agency may combine the two-phase procedure for selection described in Section 30 into one combined step, if all the requirements of evaluation are performed in accordance with Section 30.

Section 40. Submission of proposals. Proposals must be properly identified and sealed. Proposals may not be reviewed until after the deadline for submission has passed as set forth in the request for proposal. All design-build entities submitting proposals shall be disclosed after the deadline for submission, and all design-build entities who are selected for Phase II evaluation shall also be disclosed at the time of that determination.

Proposals shall include a bid bond in the form and security as designated in the request for proposal. Proposals shall also contain a separate sealed envelope with the cost information within the overall proposal submission. Proposals shall include a list of all design professionals and other entities as defined in Section 30-30 of the Illinois Procurement Code to which any work may be subcontracted during the performance of the contract. Any entity that will perform any of the 5 subdivisions of work defined in Section 30-30 of the Illinois Procurement Code must meet prequalification standards of the State construction agency.

Proposals must meet all material requirements of the request for proposal or they may be rejected as non-responsive. The State construction agency shall have the right to reject any and all proposals.

[May 31, 2018]



The drawings and specifications of the proposal shall remain the property of the design-build entity.

The State construction agency shall review the proposals for compliance with the performance criteria and evaluation factors.

Proposals may be withdrawn prior to evaluation for any cause. After evaluation begins by the State construction agency, clear and convincing evidence of error is required for withdrawal.

Section 45. Award. The State construction agency may award the contract to the highest overall ranked entity. Notice of award shall be made in writing. Unsuccessful entities shall also be notified in writing. The State construction agency may not request a best and final offer after the receipt of proposals. The State construction agency may negotiate with the selected design-build entity after award but prior to contract execution for the purpose of securing better terms than originally proposed, if the salient features of the request for proposal are not diminished.

Section 46. Reports and evaluation. At the end of every 6-month period following the contract award, and again prior to final contract payout and closure, a selected design-build entity shall detail, in a written report submitted to the State agency, its efforts and success in implementing the entity's plan to comply with the utilization goals for business enterprises established in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act and Section 2-105 of the Illinois Human Rights Act. If the entity's performance in implementing the plan falls short of the performance measures and outcomes set forth in the plans submitted by the entity during the proposal process, the entity shall, in a detailed written report, inform the General Assembly and the Governor whether and to what degree each design-build contract authorized under this Act promoted the utilization goals for business enterprises established in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act and Section 2-105 of the Illinois Human Rights Act.

Section 50. Administrative Procedure Act. The Illinois Administrative Procedure Act applies to all administrative rules and procedures of the State construction agency under this Act except that nothing herein shall be construed to render any prequalification or other responsibility criteria as a "license" or "licensing" under that Act.

Section 55. Federal requirements. In the procurement of design-build contracts, the State construction agency shall comply with federal law and regulations and take all necessary steps to adapt its rules, policies, and procedures to remain eligible for federal aid for the renovation, restoration, rehabilitation, or rebuilding of the Quincy Veterans' Home.

Section 60. Correspondence and communications. Notwithstanding any provision of law to the contrary, the Office of the Governor, the Capital Development Board, and the Illinois Department of Veterans' Affairs shall provide the General Assembly with unredacted copies of all correspondence and communications with the United States Department of Veterans Affairs related to securing funding for the renovation, restoration, rehabilitation, or rebuilding of the Quincy Veterans' Home within 10 days of receipt or within 5 business days upon request of the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, the Minority Leader of the Senate, or the chair of any committee of the House of Representatives or the Senate.

Section 65. Repealer. This Act is repealed 5 years after becoming law.

Section 100. The Capital Development Board Act is amended by changing Section 9.02a as follows:  
(20 ILCS 3105/9.02a) (from Ch. 127, par. 779.02a)

Sec. 9.02a. To charge contract administration fees used to administer and process the terms of contracts awarded by this State. Contract administration fees shall not exceed 3% of the contract amount. Contract administration fees used to administer contracts associated with the legislative complex, as defined in Section 8A-15 of the Legislative Commission Reorganization Act of 1984, shall be deposited into the Capitol Restoration Trust Fund for the use of the Architect of the Capitol in the performance of his or her powers or duties. Notwithstanding the provisions of this Section, or any other provision of law to the contrary, no administration or other fee may be charged for contracts awarded under the Quincy Veterans' Home Rehabilitation and Rebuilding Act.  
(Source: P.A. 99-523, eff. 6-30-16.)

Section 105. The General Obligation Bond Act is amended by changing Section 15 as follows:

[May 31, 2018]

(30 ILCS 330/15) (from Ch. 127, par. 665)

Sec. 15. Computation of Principal and Interest; transfers.

(a) Upon each delivery of Bonds authorized to be issued under this Act, the Comptroller shall compute and certify to the Treasurer the total amount of principal of, interest on, and premium, if any, on Bonds issued that will be payable in order to retire such Bonds, the amount of principal of, interest on and premium, if any, on such Bonds that will be payable on each payment date according to the tenor of such Bonds during the then current and each succeeding fiscal year, and the amount of sinking fund payments needed to be deposited in connection with Qualified School Construction Bonds authorized by subsection (e) of Section 9. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of Section 14 of this Act. With respect to the interest payable, such certifications shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act.

On or before the last day of each month the State Treasurer and Comptroller shall transfer from (1) the Road Fund with respect to Bonds issued under paragraph (a) of Section 4 of this Act, or Bonds issued under authorization in Public Act 98-781, or Bonds issued for the purpose of refunding such bonds, and from (2) the General Revenue Fund, with respect to all other Bonds issued under this Act, to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on Bonds payable, by their terms on the next payment date divided by the number of full calendar months between the date of such Bonds and the first such payment date, and thereafter, divided by the number of months between each succeeding payment date after the first. Such computations and transfers shall be made for each series of Bonds issued and delivered. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of Section 14 of this Act. Computations of interest shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act. Interest for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection. Notwithstanding any other provision in this Section, the transfer provisions provided in this paragraph shall not apply to transfers made in fiscal year 2010 or fiscal year 2011 with respect to Bonds issued in fiscal year 2010 or fiscal year 2011 pursuant to Section 7.2 of this Act. In the case of transfers made in fiscal year 2010 or fiscal year 2011 with respect to the Bonds issued in fiscal year 2010 or fiscal year 2011 pursuant to Section 7.2 of this Act, on or before the 15th day of the month prior to the required debt service payment, the State Treasurer and Comptroller shall transfer from the General Revenue Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the Bonds payable in that next month.

The transfer of monies herein and above directed is not required if monies in the General Obligation Bond Retirement and Interest Fund are more than the amount otherwise to be transferred as herein above provided, and if the Governor or his authorized representative notifies the State Treasurer and Comptroller of such fact in writing.

(b) After the effective date of this Act, the balance of, and monies directed to be included in the Capital Development Bond Retirement and Interest Fund, Anti-Pollution Bond Retirement and Interest Fund, Transportation Bond, Series A Retirement and Interest Fund, Transportation Bond, Series B Retirement and Interest Fund, and Coal Development Bond Retirement and Interest Fund shall be transferred to and deposited in the General Obligation Bond Retirement and Interest Fund. This Fund shall be used to make debt service payments on the State's general obligation Bonds heretofore issued which are now outstanding and payable from the Funds herein listed as well as on Bonds issued under this Act.

(c) The unused portion of federal funds received for or as reimbursement for a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall remain in the Capital Development Board Contributory Trust Fund and shall be used for capital projects and for no other purpose, subject to appropriation and as directed by the Capital Development Board. Any federal funds received as reimbursement for the completed construction of a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended may be used for any expense or project necessary for implementation of the Quincy Veterans' Home Rehabilitation and Rebuilding Act for a period of 5 years

from the effective date of this Amendatory Act of the 100th General Assembly, and any remaining funds shall be deposited in the General Obligation Bond Retirement and Interest Fund.  
(Source: P.A. 100-23, eff. 7-6-17.)

Section 110. The Capital Development Bond Act of 1972 is amended by changing Section 9a as follows:  
(30 ILCS 420/9a) (from Ch. 127, par. 759a)

Sec. 9a. The unused portion of federal funds received for or as reimbursement for a capital improvement project for which moneys from the Capital Development Fund have been expended shall remain in the Capital Development Board Contributory Trust Fund and shall be used for capital projects and for no other purpose, subject to appropriation and as directed by the Capital Development Board. Any federal funds received as reimbursement for the completed construction of a capital improvement project for which moneys from the Capital Development Fund have been expended may be used for any expense or project necessary for implementation of the Quincy Veterans' Home Rehabilitation and Rebuilding Act for a period of 5 years from the effective date of this Amendatory Act of the 100th General Assembly, and any remaining funds shall be deposited in the Capital Development Bond Retirement and Interest Fund.  
(Source: P.A. 98-245, eff. 1-1-14.)

Section 115. The Illinois Procurement Code is amended by adding Section 1-35 as follows:  
(30 ILCS 500/1-35 new)

Sec. 1-35. Application to Quincy Veterans' Home. This Code does not apply to any procurements related to the renovation, restoration, rehabilitation, or rebuilding of the Quincy Veterans' Home under the Quincy Veterans' Home Rehabilitation and Rebuilding Act, provided that the process shall be conducted in a manner substantially in accordance with the requirements of the following Sections of the Illinois Procurement Code: 20-160, 50-5, 50-10, 50-10.5, 50-12, 50-13, 50-15, 50-20, 50-21, 50-35, 50-36, 50-37, 50-38, and 50-50; however, for Section 50-35, compliance shall apply only to contracts or subcontracts over \$100,000.

This Section is repealed 3 years after becoming law.

Section 999. Effective date. This Act takes effect upon becoming law."

#### **AMENDMENT NO. 3 TO SENATE BILL 3128**

AMENDMENT NO. 3. Amend Senate Bill 3128, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, on page 23, line 22, after "20-160," by inserting "25-60, 30-22".

Under the rules, the foregoing **Senate Bill No. 3128**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 3527

A bill for AN ACT concerning revenue.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 3527

House Amendment No. 3 to SENATE BILL NO. 3527

Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

#### **AMENDMENT NO. 1 TO SENATE BILL 3527**

AMENDMENT NO. 1. Amend Senate Bill 3527 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Income Tax Act is amended by changing Section 221 as follows:  
(35 ILCS 5/221)

Sec. 221. Rehabilitation costs; qualified historic properties; River Edge Redevelopment Zone.

[May 31, 2018]

(a) For taxable years ~~that begin beginning~~ on or after January 1, 2012 and ~~begin ending~~ prior to ~~January 1, 2018~~ ~~January 1, 2022~~, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 of this Act in an amount equal to 25% of qualified expenditures incurred by a qualified taxpayer during the taxable year in the restoration and preservation of a qualified historic structure located in a River Edge Redevelopment Zone pursuant to a qualified rehabilitation plan, provided that the total amount of such expenditures (i) must equal \$5,000 or more and (ii) must exceed 50% of the purchase price of the property.

(a-1) For taxable years that begin on or after January 1, 2018 and end prior to January 1, 2022, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 of this Act in an aggregate amount equal to 25% of qualified expenditures incurred by a qualified taxpayer in the restoration and preservation of a qualified historic structure located in a River Edge Redevelopment Zone pursuant to a qualified rehabilitation plan, provided that the total amount of such expenditures must (i) equal \$5,000 or more and (ii) exceed the adjusted basis of the qualified historic structure on the first day the qualified rehabilitation plan begins. For any rehabilitation project, regardless of duration or number of phases, the project's compliance with the foregoing provisions (i) and (ii) shall be determined based on the aggregate amount of qualified expenditures for the entire project and may include expenditures incurred under subsection (a), this subsection, or both subsection (a) and this subsection. If the qualified rehabilitation plan spans multiple years, the aggregate credit for the entire project shall be allowed in the last taxable year, except for phased rehabilitation projects, which may receive credits upon completion of each phase. Before obtaining the first phased credit: (A) the total amount of such expenditures must meet the requirements of provisions (i) and (ii) of this subsection; (B) the rehabilitated portion of the qualified historic structure must be placed in service; and (C) the requirements of subsection (b) must be met.

(b) To obtain a tax credit pursuant to this Section, the taxpayer must apply with the Department of Natural Resources ~~Commerce and Economic Opportunity~~. The Department of Natural Resources ~~Commerce and Economic Opportunity~~, in consultation with the ~~Historic Preservation Agency~~, shall determine the amount of eligible rehabilitation costs and expenses within 45 days of receipt of a complete application. The taxpayer must submit a certification of costs prepared by an independent certified public accountant that certifies (i) the project expenses, (ii) whether those expenses are qualified expenditures, and (iii) that the qualified expenditures exceed the adjusted basis of the qualified historic structure on the first day the qualified rehabilitation plan commenced. The Department of Natural Resources is authorized, but not required, to accept this certification of costs to determine the amount of qualified expenditures and the amount of the credit. The Department of Natural Resources shall provide guidance as to the minimum standards to be followed in the preparation of such certification. The Department of Natural Resources and the National Park Service ~~Historic Preservation Agency~~ shall determine whether the rehabilitation is consistent with the United States Secretary of the Interior's Standards for Rehabilitation ~~the standards of the Secretary of the United States Department of the Interior for rehabilitation~~.

(b-1) Upon completion and review of the project and approval of the complete application, the Department of Natural Resources ~~Commerce and Economic Opportunity~~ shall issue a single certificate in the amount of the eligible credits equal to 25% of qualified expenditures incurred during the eligible taxable years, as defined in subsections (a) and (a-1), excepting any credits awarded under subsection (a) prior to the effective date of this amendatory Act of the 100th General Assembly and any phased credits issued prior to the eligible taxable year under subsection (a-1). At the time the certificate is issued, an issuance fee up to the maximum amount of 2% of the amount of the credits issued by the certificate may be collected from the applicant to administer the provisions of this Section. If collected, this issuance fee shall be deposited into the Historic Property Administrative Fund, a special fund created in the State treasury. Subject to appropriation, moneys in the Historic Property Administrative Fund shall be provided to the Department of Natural Resources as reimbursement evenly divided between the Department of Commerce and Economic Opportunity and the Historic Preservation Agency to reimburse the Department of Commerce and Economic Opportunity and the Historic Preservation Agency for the costs associated with administering this Section. The taxpayer must attach the certificate to the tax return on which the credits are to be claimed. The Department of Commerce and Economic Opportunity may adopt rules to implement this Section.

(c) The taxpayer must attach the certificate to the tax return on which the credits are to be claimed. The tax credit under this Section may not reduce the taxpayer's liability to less than zero. If the amount of the credit exceeds the tax liability for the year, the excess credit may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year.

(c-1) Subject to appropriation, moneys in the Historic Property Administrative Fund shall be used, on a biennial basis beginning at the end of the second fiscal year after the effective date of this amendatory Act of the 100th General Assembly, to hire a qualified third party to prepare a biennial report to assess the

overall economic impact to the State from the qualified rehabilitation projects under this Section completed in that year and in previous years. The overall economic impact shall include at least: (1) the direct and indirect or induced economic impacts of completed projects; (2) temporary, permanent, and construction jobs created; (3) sales, income, and property tax generation before, during construction, and after completion; and (4) indirect neighborhood impact after completion. The report shall be submitted to Governor and the General Assembly. The report to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(c-2) The Department of Natural Resources may adopt rules to implement this Section in addition to the rules expressly authorized in this Section.

(d) As used in this Section, the following terms have the following meanings.

"Phased rehabilitation" means a project that is completed in phases as defined under Section 47 of the federal Internal Revenue Code and pursuant to National Park Service regulations at 36 C.F.R. 67.

"Placed in service" means the date when the property is placed in a condition or state of readiness and availability for a specifically assigned function as defined under Section 47 of the federal Internal Revenue Code and federal Treasury Regulation Sections 1.46 and 1.48.

"Qualified expenditure" means all the costs and expenses defined as qualified rehabilitation expenditures under Section 47 of the federal Internal Revenue Code that were incurred in connection with a qualified historic structure.

"Qualified historic structure" means a certified historic structure as defined under Section 47(c)(3) of the federal Internal Revenue Code.

"Qualified rehabilitation plan" means a project that is approved by the Department of Natural Resources and the National Park Service Historic Preservation Agency as being consistent with the United States Secretary of the Interior's Standards for Rehabilitation standards in effect on the effective date of this amendatory Act of the 97th General Assembly for rehabilitation as adopted by the federal Secretary of the Interior.

"Qualified taxpayer" means the owner of the qualified historic structure or any other person who qualifies for the federal rehabilitation credit allowed by Section 47 of the federal Internal Revenue Code with respect to that qualified historic structure. Partners, shareholders of subchapter S corporations, and owners of limited liability companies (if the limited liability company is treated as a partnership for purposes of federal and State income taxation) are entitled to a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 703 and subchapter S of the Internal Revenue Code, provided that credits granted to a partnership, a limited liability company taxed as a partnership, or other multiple owners of property shall be passed through to the partners, members, or owners respectively on a pro rata basis or pursuant to an executed agreement among the partners, members, or owners documenting any alternate distribution method.

(Source: P.A. 99-914, eff. 12-20-16; 100-236, eff. 8-18-17)."

### **AMENDMENT NO. 3 TO SENATE BILL 3527**

AMENDMENT NO. 3. Amend Senate Bill 3527, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Historic Preservation Tax Credit Act.

Section 5. Definitions. As used in this Act, unless the context clearly indicates otherwise:

"Division" means the State Historic Preservation Office within the Department of Natural Resources.

"Phased rehabilitation" means a project that is completed in phases, as defined under Section 47 of the federal Internal Revenue Code and pursuant to National Park Service regulations at 36 C.F.R. 67.

"Placed in service" means the date when the property is placed in a condition or state of readiness and availability for a specifically assigned function as defined under Section 47 of the federal Internal Revenue Code and federal Treasury Regulation Sections 1.46 and 1.48.

"Qualified expenditures" means all the costs and expenses defined as qualified rehabilitation expenditures under Section 47 of the federal Internal Revenue Code that were incurred in connection with a qualified historic structure.

"Qualified historic structure" means any structure that is located in Illinois and is defined as a certified historic structure under Section 47 (c)(3) of the federal Internal Revenue Code.

"Qualified rehabilitation plan" means a project that is approved by the Department of Natural Resources and the National Park Service as being consistent with the United States Secretary of the Interior's Standards for Rehabilitation.

"Qualified taxpayer" means the owner of the qualified historic structure or any other person who may qualify for the federal rehabilitation credit allowed by Section 47 of the federal Internal Revenue Code.

"Recapture event" means any of the following events occurring during the recapture period:

(1) failure to place in service the rehabilitated portions of the qualified historic structure, or failure to maintain the rehabilitated portions of the qualified historic structure in service after they are placed in service; provided that a recapture event under this paragraph (1) shall not include a removal from service for a reasonable period of time to conduct maintenance and repairs that are reasonably necessary to protect the health and safety of the public or to protect the structural integrity of the qualified historic structure or a neighboring structure;

(2) demolition or other alteration of the qualified historic structure in a manner that is inconsistent with the qualified rehabilitation plan or the Secretary of the Interior's Standards for Rehabilitation;

(3) disposition of the rehabilitated qualified historic structure in whole or a proportional disposition of a partnership interest therein, except as otherwise permitted by this Section; or

(4) use of the qualified historic structure in a manner that is inconsistent with the qualified rehabilitation plan or that is otherwise inconsistent with the provisions and intent of this Section.

A recapture event occurring in one taxable year shall be deemed continuing to subsequent taxable years unless and until corrected.

The following dispositions of a qualified historic structure shall not be deemed to be a recapture event for purposes of this Section:

(1) a transfer by reason of death;

(2) a transfer between spouses incident to divorce;

(3) a sale by and leaseback to an entity that, when the rehabilitated portions of the qualified historic structure are placed in service, will be a lessee of the qualified historic structure, but only for so long as the entity continues to be a lessee; and

(4) a mere change in the form of conducting the trade or business by the owner (or, if applicable, the lessee) of the qualified historic structure, so long as the property interest in such qualified historic structure is retained in such trade or business and the owner or lessee retains a substantial interest in such trade or business.

"Recapture period" means the 5-year period beginning on the date that the qualified historic structure or rehabilitated portions of the qualified historic structure are placed in service.

"Substantial rehabilitation" means that the qualified rehabilitation expenditures during the 24-month period selected by the taxpayer at the time and in the manner prescribed by rule and ending with or within the taxable year exceed the greater of (i) the adjusted basis of the building and its structural components or (ii) \$5,000. The adjusted basis of the building and its structural components shall be determined as of the beginning of the first day of such 24-month period or as of the beginning of the first day of the holding period of the building, whichever is later. For purposes of determining the adjusted basis, the determination of the beginning of the holding period shall be made without regard to any reconstruction by the taxpayer in connection with the rehabilitation. In the case of any phased rehabilitation, with phases set forth in architectural plans and specifications completed before the rehabilitation begins, this definition shall be applied by substituting "60-month period" for "24-month period" wherever that term occurs in the definition.

#### Section 10. Allowable credit.

(a) To the extent authorized by this Act, for taxable years beginning on or after January 1, 2019 and ending on or before December 31, 2023, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an aggregate amount equal to 25% of qualified expenditures incurred by a qualified taxpayer undertaking a qualified rehabilitation plan of a qualified historic structure, provided that the total amount of such expenditures must (i) equal \$5,000 or more or (ii) exceed the adjusted basis of the qualified historic structure on the first day the qualified rehabilitation plan commenced. If the qualified rehabilitation plan spans multiple years, the aggregate credit for the entire project shall be allowed in the last taxable year.

(b) To obtain a tax credit pursuant to this Section, the taxpayer must apply with the Division. The Division shall determine the amount of eligible rehabilitation expenditures within 45 days after receipt of a complete application. The taxpayer must provide to the Division a third-party cost certification conducted by a certified public accountant verifying (i) the qualified and non-qualified rehabilitation expenses and (ii) that the qualified expenditures exceed the adjusted basis of the qualified historic structure

on the first day the qualified rehabilitation plan commenced. The accountant shall provide appropriate review and testing of invoices. The Division is authorized, but not required, to accept this third-party cost certification to determine the amount of qualified expenditures. The Division and the National Park Service shall determine whether the rehabilitation is consistent with the Standards of the Secretary of the United States Department of the Interior.

(c) If the amount of any tax credit awarded under this Act exceeds the qualified taxpayer's income tax liability for the year in which the qualified rehabilitation plan was placed in service, the excess amount may be carried forward for deduction from the taxpayer's income tax liability in the next succeeding year or years until the total amount of the credit has been used, except that a credit may not be carried forward for deduction after the tenth taxable year after the taxable year in which the qualified rehabilitation plan was placed in service. Upon completion and review of the project, the Division shall issue a single certificate in the amount of the eligible credits equal to 25% of the qualified expenditures incurred during the eligible taxable years. At the time the certificate is issued, an issuance fee up to the maximum amount of 2% of the amount of the credits issued by the certificate may be collected from the applicant to administer the Act. If collected, this issuance fee shall be directed to the Division Historic Property Administrative Fund or other such fund as appropriate for use of the Division in the administration of the Historic Preservation Tax Credit Program. The taxpayer must attach the certificate or legal documentation of her or his proportional share of the certificate to the tax return on which the credits are to be claimed. The tax credit under this Section may not reduce the taxpayer's liability to less than zero. If the amount of the credit exceeds the tax liability for the year, the excess credit may be carried forward and applied to the tax liability of the 10 taxable years following the excess credit year.

(d) If the taxpayer is (i) a corporation having an election in effect under Subchapter S of the federal Internal Revenue Code, (ii) a partnership, or (iii) a limited liability company, the credit provided under this Act may be claimed by the shareholders of the corporation, the partners of the partnership, or the members of the limited liability company in the same manner as those shareholders, partners, or members account for their proportionate shares of the income or losses of the corporation, partnership, or limited liability company, or as provided in the by-laws or other executed agreement of the corporation, partnership, or limited liability company. Credits granted to a partnership, a limited liability company taxed as a partnership, or other multiple owners of property shall be passed through to the partners, members, or owners respectively on a pro rata basis or pursuant to an executed agreement among the partners, members, or owners documenting any alternate distribution method.

(e) If a recapture event occurs during the recapture period with respect to a qualified historic structure, then for any taxable year in which the credits are allowed as specified in this Act, the tax under the applicable section of this Act shall be increased by applying the recapture percentage set forth below to the tax decrease resulting from the application of credits allowed under this Act to the taxable year in question.

For the purposes of this subsection, the recapture percentage shall be determined as follows:

- (1) if the recapture event occurs within the first year after commencement of the recapture period, then the recapture percentage is 100%;
- (2) if the recapture event occurs within the second year after commencement of the recapture period, then the recapture percentage is 80%;
- (3) if the recapture event occurs within the third year after commencement of the recapture period, then the recapture percentage is 60%;
- (4) if the recapture event occurs within the fourth year after commencement of the recapture period, then the recapture percentage is 40%; and
- (5) if the recapture event occurs within the fifth year after commencement of the recapture period, then the recapture percentage is 20%.

In the case of any recapture event, the carryforwards under this Act shall be adjusted by reason of such event.

(d) The Division may adopt rules to implement this Section in addition to the rules expressly authorized herein.

#### Section 20. Limitations, reporting, and monitoring.

(a) The Division shall award not more than an aggregate of \$15,000,000 in total annual tax credits pursuant to qualified rehabilitation plans for qualified historic structures. The Division shall award not more than \$3,000,000 in tax credits with regard to a single qualified rehabilitation plan. In awarding tax credits under this Act, the Division must prioritize projects that meet one or more of the following:

- (1) the qualified historic structure is located in a county that borders a State with a historic property rehabilitation credit;

(2) the qualified historic structure was previously owned by a federal, State, or local governmental entity;

(3) the qualified historic structure is located in a census tract that has a median family income at or below the State median family income; data from the most recent 5-year estimate from the American Community Survey (ACS), published by the U.S. Census Bureau, shall be used to determine eligibility;

(4) the qualified rehabilitation plan includes in the development partnership a Community Development Entity or a low-profit (B Corporation) or not-for-profit organization, as defined by Section 501(c)(3) of the Internal Revenue Code; or

(5) the qualified historic structure is located in an area declared under an Emergency Declaration or Major Disaster Declaration under the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(b) The annual aggregate program allocation of \$15,000,000 set forth in subsection (a) shall be allocated by the Division, in such proportion as determined by the Department, on a per calendar basis twice in each year that the program is in effect, provided that: (i) the amount initially allocated by the Division for any one calendar application period shall not exceed 65% of the total allowable amount and (ii) any portion of the allocated allowable amount remaining unused as of the end of any of the second calendar application period of a given calendar year shall be rolled into and added to the total allocated amount for the next available calendar year. The qualified rehabilitation plan must meet a readiness test, as defined in the rules created by the Division, in order for the Applicant to qualify. Applicants that qualify under this Act will be placed in a queue based on the date and time the application is received until such time as the application period total allowable amount is reached. Applicants must reapply for each application period.

(c) On or before December 31, 2019, and on or before December 31 of each odd-numbered year thereafter through 2023, subject to appropriation and prior to equal disbursement to the Division, moneys in the Historic Property Administrative Fund shall be used, beginning at the end of the first fiscal year after the effective date of this Act, to hire a qualified third party to prepare a biennial report to assess the overall effectiveness of this Act from the qualified rehabilitation projects under this Act completed in that year and in previous years. Baseline data of the metrics in the report shall be collected at the initiation of a qualified rehabilitation project. The overall economic impact shall include at least:

(1) the number of applications, project locations, and proposed use of qualified historic structures;

(2) the amount of credits awarded and the number and location of projects receiving credit allocations;

(3) the status of ongoing projects and projected qualifying expenditures for ongoing projects;

(4) for completed projects, the total amount of qualifying rehabilitation expenditures and non-qualifying expenditures, the number of housing units created and the number of housing units that qualify as affordable, and the total square footage rehabilitated and developed;

(5) direct, indirect, and induced economic impacts;

(6) temporary, permanent, and construction jobs created; and

(7) sales, income, and property tax generation before construction, during construction, and after completion.

The report to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(d) Any time prior to issuance of a tax credit certificate, the Director of the Division, the State Historic Preservation Officer, or staff of the Division may, upon reasonable notice to the project owner of not less than 3 business days, conduct a site visit to the project to inspect and evaluate the project.

(e) Any time prior to the issuance of a tax credit certificate and for a period of 4 years following the effective date of a project tax credit certificate, the Director may, upon reasonable notice of not less than 30 calendar days, request a status report from the Applicant consisting of information and updates relevant to the status of the project. Status reports shall not be requested more than twice yearly.

(f) In order to demonstrate sufficient evidence of reviewable progress within 12 months after the date the Applicant received notification of approval from the Division, the Applicant shall provide all of the following:

(1) a viable financial plan which demonstrates by way of an executed agreement that all financing has been secured for the project; such financing shall include, but not be limited to, equity investment as demonstrated by letters of commitment from the owner of the property, investment partners, and equity investors;



(2) final construction drawings or approved building permits that demonstrate the complete rehabilitation of the full scope of the application; and

(3) all historic approvals, including all federal and State rehabilitation documents required by the Division.

The Director shall review the submitted evidence and may request additional documentation from the Applicant if necessary. The Applicant will have 30 calendar days to provide the information requested, otherwise the approval may be rescinded at the discretion of the Director.

(g) In order to demonstrate sufficient evidence of reviewable progress within 18 months after the date the application received notification of approval from the Division, the Applicant is required to provide detailed evidence that the Applicant has secured and closed on financing for the complete scope of rehabilitation for the project. To demonstrate evidence that the Applicant has secured and closed on financing, the Applicant will need to provide signed and processed loan agreements, bank financing documents or other legal and contractual evidence to demonstrate that adequate financing is available to complete the project. The Director shall review the submitted evidence and may request additional documentation from the Applicant if necessary. The Applicant will have 30 calendar days to provide the information requested, otherwise the approval may be rescinded at the discretion of the Director.

If the Applicant fails to document reviewable progress within 18 months of approval, the Director may notify the Applicant that the application is rescinded. However, should financing and construction be imminent, the Director may elect to grant the Applicant no more than 5 months to close on financing and commence construction. If the Applicant fails to meet these conditions in the required timeframe, the Director shall notify the Applicant that the application is rescinded. Any such rescinded allocation shall be added to the aggregate amount of credits available for allocation for the year in which the forfeiture occurred.

The amount of the qualified expenditures identified in the Applicant's certification of completion and reflected on the Historic Preservation Tax Credit certificate issued by the Director is subject to inspection, examination, and audit by the Department of Revenue.

The Applicant shall establish and maintain for a period of 4 years following the effective date on a project tax credit certificate such records as required by the Director. Such records include, but are not limited to, records documenting project expenditures and compliance with the U.S. Secretary of the Interior's Standards. The Applicant shall make such records available for review and verification by the Director, the State Historic Preservation Officer, the Department of Revenue, or appropriate staff, as well as other appropriate State agencies. In the event the Director determines an Applicant has submitted an annual report containing erroneous information or data not supported by records established and maintained under this Act, the Director may, after providing notice, require the Applicant to resubmit corrected reports.

Section 25. Powers. The Division shall adopt rules for the administration of this Act. The Division may enter into an intergovernmental agreement with the Department of Commerce and Economic Opportunity, the Department of Revenue, or both, for the administration of this Act. Such intergovernmental agreement may allow for the distribution of all or a portion of the issuance fee imposed under Section 10 to the Department of Commerce and Economic Opportunity or the Department of Revenue, as applicable.

Section 900. The Illinois Income Tax Act is amended by changing Section 221 and by adding Section 227 as follows:

(35 ILCS 5/221)

Sec. 221. Rehabilitation costs; qualified historic properties; River Edge Redevelopment Zone.

(a) For taxable years that begin beginning on or after January 1, 2012 and begin ending prior to January 1, 2018 January 1, 2022, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 of this Act in an amount equal to 25% of qualified expenditures incurred by a qualified taxpayer during the taxable year in the restoration and preservation of a qualified historic structure located in a River Edge Redevelopment Zone pursuant to a qualified rehabilitation plan, provided that the total amount of such expenditures (i) must equal \$5,000 or more and (ii) must exceed 50% of the purchase price of the property.

(a-1) For taxable years that begin on or after January 1, 2018 and end prior to January 1, 2022, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 of this Act in an aggregate amount equal to 25% of qualified expenditures incurred by a qualified taxpayer in the restoration and preservation of a qualified historic structure located in a River Edge Redevelopment Zone pursuant to a qualified rehabilitation plan, provided that the total amount of such expenditures must (i) equal \$5,000 or more and (ii) exceed the adjusted basis of the qualified historic structure on the first day

[May 31, 2018]

the qualified rehabilitation plan begins. For any rehabilitation project, regardless of duration or number of phases, the project's compliance with the foregoing provisions (i) and (ii) shall be determined based on the aggregate amount of qualified expenditures for the entire project and may include expenditures incurred under subsection (a), this subsection, or both subsection (a) and this subsection. If the qualified rehabilitation plan spans multiple years, the aggregate credit for the entire project shall be allowed in the last taxable year, except for phased rehabilitation projects, which may receive credits upon completion of each phase. Before obtaining the first phased credit: (A) the total amount of such expenditures must meet the requirements of provisions (i) and (ii) of this subsection; (B) the rehabilitated portion of the qualified historic structure must be placed in service; and (C) the requirements of subsection (b) must be met.

(b) To obtain a tax credit pursuant to this Section, the taxpayer must apply with the Department of Natural Resources ~~Commerce and Economic Opportunity~~. The Department of Natural Resources ~~Commerce and Economic Opportunity~~, in consultation with the Historic Preservation Agency, shall determine the amount of eligible rehabilitation costs and expenses within 45 days of receipt of a complete application. The taxpayer must submit a certification of costs prepared by an independent certified public accountant that certifies (i) the project expenses, (ii) whether those expenses are qualified expenditures, and (iii) that the qualified expenditures exceed the adjusted basis of the qualified historic structure on the first day the qualified rehabilitation plan commenced. The Department of Natural Resources is authorized, but not required, to accept this certification of costs to determine the amount of qualified expenditures and the amount of the credit. The Department of Natural Resources shall provide guidance as to the minimum standards to be followed in the preparation of such certification. The Department of Natural Resources and the National Park Service Historic Preservation Agency shall determine whether the rehabilitation is consistent with the United States Secretary of the Interior's Standards for Rehabilitation the standards of the Secretary of the United States Department of the Interior for rehabilitation.

(b-1) Upon completion and review of the project and approval of the complete application, the Department of Natural Resources ~~Commerce and Economic Opportunity~~ shall issue a single certificate in the amount of the eligible credits equal to 25% of qualified expenditures incurred during the eligible taxable years, as defined in subsections (a) and (a-1), excepting any credits awarded under subsection (a) prior to the effective date of this amendatory Act of the 100th General Assembly and any phased credits issued prior to the eligible taxable year under subsection (a-1). At the time the certificate is issued, an issuance fee up to the maximum amount of 2% of the amount of the credits issued by the certificate may be collected from the applicant to administer the provisions of this Section. If collected, this issuance fee shall be deposited into the Historic Property Administrative Fund, a special fund created in the State treasury. Subject to appropriation, moneys in the Historic Property Administrative Fund shall be provided to the Department of Natural Resources as reimbursement evenly divided between the Department of ~~Commerce and Economic Opportunity~~ and the Historic Preservation Agency to reimburse the Department of ~~Commerce and Economic Opportunity~~ and the Historic Preservation Agency for the costs associated with administering this Section. The taxpayer must attach the certificate to the tax return on which the credits are to be claimed. The Department of ~~Commerce and Economic Opportunity~~ may adopt rules to implement this Section.

(c) The taxpayer must attach the certificate to the tax return on which the credits are to be claimed. The tax credit under this Section may not reduce the taxpayer's liability to less than zero. If the amount of the credit exceeds the tax liability for the year, the excess credit may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year.

(c-1) Subject to appropriation, moneys in the Historic Property Administrative Fund shall be used, on a biennial basis beginning at the end of the second fiscal year after the effective date of this amendatory Act of the 100th General Assembly, to hire a qualified third party to prepare a biennial report to assess the overall economic impact to the State from the qualified rehabilitation projects under this Section completed in that year and in previous years. The overall economic impact shall include at least: (1) the direct and indirect or induced economic impacts of completed projects; (2) temporary, permanent, and construction jobs created; (3) sales, income, and property tax generation before, during construction, and after completion; and (4) indirect neighborhood impact after completion. The report shall be submitted to Governor and the General Assembly. The report to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(c-2) The Department of Natural Resources may adopt rules to implement this Section in addition to the rules expressly authorized in this Section.

(d) As used in this Section, the following terms have the following meanings.

"Phased rehabilitation" means a project that is completed in phases, as defined under Section 47 of the federal Internal Revenue Code and pursuant to National Park Service regulations at 36 C.F.R. 67.

"Placed in service" means the date when the property is placed in a condition or state of readiness and availability for a specifically assigned function as defined under Section 47 of the federal Internal Revenue Code and federal Treasury Regulation Sections 1.46 and 1.48.

"Qualified expenditure" means all the costs and expenses defined as qualified rehabilitation expenditures under Section 47 of the federal Internal Revenue Code that were incurred in connection with a qualified historic structure.

"Qualified historic structure" means a certified historic structure as defined under Section 47(c)(3) of the federal Internal Revenue Code.

"Qualified rehabilitation plan" means a project that is approved by the Department of Natural Resources and the National Park Service Historic Preservation Agency as being consistent with the United States Secretary of the Interior's Standards for Rehabilitation standards in effect on the effective date of this amendatory Act of the 97th General Assembly for rehabilitation as adopted by the federal Secretary of the Interior.

"Qualified taxpayer" means the owner of the qualified historic structure or any other person who qualifies for the federal rehabilitation credit allowed by Section 47 of the federal Internal Revenue Code with respect to that qualified historic structure. Partners, shareholders of subchapter S corporations, and owners of limited liability companies (if the limited liability company is treated as a partnership for purposes of federal and State income taxation) are entitled to a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 703 and subchapter S of the Internal Revenue Code, provided that credits granted to a partnership, a limited liability company taxed as a partnership, or other multiple owners of property shall be passed through to the partners, members, or owners respectively on a pro rata basis or pursuant to an executed agreement among the partners, members, or owners documenting any alternate distribution method.

(Source: P.A. 99-914, eff. 12-20-16; 100-236, eff. 8-18-17.)

(35 ILCS 5/227 new)

Sec. 227. Historic preservation credit. For tax years beginning on or after January 1, 2019 and ending on or before December 31, 2023, a taxpayer who qualifies for a credit under the Historic Preservation Tax Credit Act is entitled to a credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act as provided in that Act. If the taxpayer is a partnership or Subchapter S corporation, the credit shall be allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. If the amount of any tax credit awarded under this Section exceeds the qualified taxpayer's income tax liability for the year in which the qualified rehabilitation plan was placed in service, the excess amount may be carried forward as provided in the Historic Preservation Tax Credit Act."

Under the rules, the foregoing **Senate Bill No. 3527**, with House Amendments numbered 1 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 109

A bill for AN ACT making appropriations.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 109

Senate Amendment No. 2 to HOUSE BILL NO. 109

Senate Amendment No. 3 to HOUSE BILL NO. 109

Concurred in by the House, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3342

A bill for AN ACT concerning State government.

Which amendment is as follows:

[May 31, 2018]

Senate Amendment No. 3 to HOUSE BILL NO. 3342  
 Concurred in by the House, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

### JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendment 1 to Senate Bill 452  
 Motion to Concur in House Amendment 1 to Senate Bill 2589  
 Motion to Concur in House Amendment 2 to Senate Bill 2589  
 Motion to Concur in House Amendment 1 to Senate Bill 2921  
 Motion to Concur in House Amendment 1 to Senate Bill 3128  
 Motion to Concur in House Amendment 2 to Senate Bill 3128  
 Motion to Concur in House Amendment 3 to Senate Bill 3128  
 Motion to Concur in House Amendment 1 to Senate Bill 3527  
 Motion to Concur in House Amendment 3 to Senate Bill 3527

### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Aquino, **Senate Bill No. 3220**, with House Amendment No. 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Aquino moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAY 1.

The following voted in the affirmative:

Althoff	Cullerton, T.	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McConnaughay	Silverstein
Bennett	Haine	McGuire	Sims
Bertino-Tarrant	Hastings	Morrison	Stadelman
Biss	Holmes	Mulroe	Steans
Bivins	Hunter	Muñoz	Syverson
Brady	Hutchinson	Murphy	Tracy
Bush	Jones, E.	Nybo	Van Pelt
Castro	Koehler	Oberweis	Weaver
Clayborne	Landek	Raoul	Mr. President
Collins	Lightford	Rezin	
Connelly	Link	Rooney	

The following voted in the negative:

Righter

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 4 to **Senate Bill No. 3220**.

Ordered that the Secretary inform the House of Representatives thereof.

[May 31, 2018]

On motion of Senator Raoul, **Senate Bill No. 3404**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Raoul moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McConnaughay	Silverstein
Bennett	Haine	McGuire	Sims
Bertino-Tarrant	Hastings	Morrison	Stadelman
Biss	Holmes	Mulroe	Steans
Bivins	Hunter	Muñoz	Syverson
Brady	Hutchinson	Murphy	Tracy
Bush	Jones, E.	Nybo	Van Pelt
Castro	Koehler	Oberweis	Weaver
Clayborne	Landek	Raoul	Mr. President
Collins	Lightford	Rezin	
Connelly	Link	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3404**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **Senate Bill No. 3411**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Raoul moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McConnaughay	Silverstein
Bennett	Haine	McGuire	Sims
Bertino-Tarrant	Hastings	Morrison	Stadelman
Biss	Holmes	Mulroe	Steans
Bivins	Hunter	Muñoz	Syverson
Brady	Hutchinson	Murphy	Tracy
Bush	Jones, E.	Nybo	Van Pelt
Castro	Koehler	Oberweis	Weaver
Clayborne	Landek	Raoul	Mr. President
Collins	Lightford	Rezin	
Connelly	Link	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3411**.

Ordered that the Secretary inform the House of Representatives thereof.

[May 31, 2018]

On motion of Senator Holmes, **Senate Bill No. 3491**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Holmes moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McConnaughay	Silverstein
Bennett	Haine	McGuire	Sims
Bertino-Tarrant	Hastings	Morrison	Stadelman
Biss	Holmes	Mulroe	Steans
Bivins	Hunter	Muñoz	Syverson
Brady	Hutchinson	Murphy	Tracy
Bush	Jones, E.	Nybo	Van Pelt
Castro	Koehler	Oberweis	Weaver
Clayborne	Landek	Raoul	Mr. President
Collins	Lightford	Rezin	
Connelly	Link	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 3491**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Rose, **Senate Bill No. 3532**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Rose moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McConnaughay	Silverstein
Bennett	Haine	McGuire	Sims
Bertino-Tarrant	Hastings	Morrison	Stadelman
Biss	Holmes	Mulroe	Steans
Bivins	Hunter	Muñoz	Syverson
Brady	Hutchinson	Murphy	Tracy
Bush	Jones, E.	Nybo	Van Pelt
Castro	Koehler	Oberweis	Weaver
Clayborne	Landek	Raoul	Mr. President
Collins	Lightford	Rezin	
Connelly	Link	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3532**.

[May 31, 2018]

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Aquino, **Senate Bill No. 3560**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Aquino moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McConnaughay	Silverstein
Bennett	Haine	McGuire	Sims
Bertino-Tarrant	Hastings	Morrison	Stadelman
Biss	Holmes	Mulroe	Steans
Bivins	Hunter	Muñoz	Syverson
Brady	Hutchinson	Murphy	Tracy
Bush	Jones, E.	Nybo	Van Pelt
Castro	Koehler	Oberweis	Weaver
Clayborne	Landek	Raoul	Mr. President
Collins	Lightford	Rezin	
Connelly	Link	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 3560**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Bush, **Senate Bill No. 2952**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Bush moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Steans
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt
Castro	Landek	Raoul	Weaver
Clayborne	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Cullerton, T.	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 2952**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Bush, **Senate Bill No. 3023**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Bush moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McConnaughay	Silverstein
Bennett	Haine	McGuire	Sims
Bertino-Tarrant	Hastings	Morrison	Stadelman
Biss	Holmes	Mulroe	Steans
Bivins	Hunter	Muñoz	Syverson
Brady	Hutchinson	Murphy	Tracy
Bush	Jones, E.	Nybo	Van Pelt
Castro	Koehler	Oberweis	Weaver
Clayborne	Landek	Raoul	Mr. President
Collins	Lightford	Rezin	
Connelly	Link	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3023**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator McConnaughay, **Senate Bill No. 3134**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator McConnaughay moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Schimpf
Aquino	Curran	McCann	Silverstein
Barickman	Fowler	McConnaughay	Sims
Bennett	Haine	Morrison	Stadelman
Bertino-Tarrant	Hastings	Mulroe	Steans
Biss	Holmes	Muñoz	Syverson
Bivins	Hunter	Murphy	Tracy
Brady	Hutchinson	Nybo	Van Pelt
Bush	Jones, E.	Oberweis	Weaver
Castro	Koehler	Raoul	Mr. President
Clayborne	Landek	Rezin	
Collins	Lightford	Righter	
Connelly	Link	Rose	
Cullerton, T.	Manar	Sandoval	



The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 3134**.

Ordered that the Secretary inform the House of Representatives thereof.

### MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 482

A bill for AN ACT concerning revenue.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 482

House Amendment No. 2 to SENATE BILL NO. 482

House Amendment No. 3 to SENATE BILL NO. 482

Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

#### AMENDMENT NO. 1 TO SENATE BILL 482

AMENDMENT NO. 1. Amend Senate Bill 482 by replacing everything after the enacting clause with the following:

"Section 5. The Property Tax Code is amended by changing Section 18-245 as follows:

(35 ILCS 200/18-245)

Sec. 18-245. Rules. ~~The~~ Department shall make and promulgate reasonable rules relating to the administration of the purposes and provisions of Sections 18-185 through 18-240 as may be necessary or appropriate.

(Source: P.A. 87-17; 88-455.)".

#### AMENDMENT NO. 2 TO SENATE BILL 482

AMENDMENT NO. 2. Amend Senate Bill 482, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by adding Sections 5.886, 5.887, 5.888, 6z-20.1, 6z-20.2, and 6z-20.3 as follows:

(30 ILCS 105/5.886 new)

Sec. 5.886. The State Aviation Program Fund.

(30 ILCS 105/5.887 new)

Sec. 5.887. The Local Government Aviation Trust Fund.

(30 ILCS 105/5.888 new)

Sec. 5.888. The Aviation Fuel Sales Tax Refund Fund.

(30 ILCS 105/6z-20.1 new)

Sec. 6z-20.1. The State Aviation Program Fund.

(a) The State Aviation Program Fund is created in the State Treasury. Moneys in the Fund shall be used by the Department of Transportation for the purposes of administering a State Aviation Program. Subject to appropriation, the moneys shall be used for the purpose of distributing grants to units of local government to be used for airport-related purposes. Grants to units of local government from the Fund shall be distributed proportionately based on enplanements. With regard to enplanements that occur within a municipality with a population of over 500,000, grants shall be distributed only to the municipality.

(b) For grants to a municipality with a population of over 500,000, "airport-related purposes" means: (1) the replacement of sound-reducing windows and doors installed under the Residential Sound Insulation Program; and (2) in-home air quality testing in residences in which windows or doors were installed under the Residential Sound Insulation Program.

[May 31, 2018]

(c) For grants to a unit of government other than a municipality with a population of over 500,000, "airport-related purposes" means the capital or operating costs of: (1) an airport; (2) a local airport system; or (3) any other local facility that is owned or operated by the person or entity that owns or operates the airport that is directly and substantially related to the air transportation of passengers or property as provided in 49 U.S.C. §47133.

(30 ILCS 105/6z-20.2 new)

Sec. 6z-20.2. The Local Government Aviation Trust Fund. The Local Government Aviation Trust Fund is created as a trust fund in the State Treasury. Moneys in the Trust Fund shall be used by units of local government for airport-related purposes. For purposes of this Section, "airport-related purposes" means the capital or operating costs of: (1) an airport;(2) a local airport system; or (3) any other local facility that is owned or operated by the person or entity that owns or operates the airport that is directly and substantially related to the air transportation of passengers or property as provided in 49 U.S.C. §47133.

Moneys in the Trust Fund are not subject to appropriation and shall be used solely as provided in this Section. All deposits into the Trust Fund shall be held in the Trust Fund by the State Treasurer, ex officio, as trustee separate and apart from all public moneys or funds of this State.

On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named units of local government, the units of local government to be those from which retailers or servicemen have paid tax or penalties to the Department during the second preceding calendar month on sales of aviation fuel. The amount to be paid to each unit of local government shall be the amount (not including credit memoranda) collected during the second preceding calendar month by the Department and paid into the Local Government Aviation Trust Fund, plus an amount the Department determines is necessary to offset any amounts which were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department, and not including any amount which the Department determines is necessary to offset any amounts which are payable to a different taxing body but were erroneously paid to the unit of local government. Within 10 days after receipt by the Comptroller of the certification for disbursement to the units of local government, provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

When certifying the amount of the monthly disbursement to a unit of local government under this Section, the Department shall increase or decrease that amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the 6 months preceding the time a misallocation is discovered.

(30 ILCS 105/6z-20.3 new)

Sec. 6z-20.3. The Aviation Fuel Sales Tax Refund Fund.

(a) The Aviation Fuel Sales Tax Refund Fund is hereby created as a special fund in the State Treasury. Moneys in the Aviation Fuel Sales Tax Refund Fund shall be used by the Department of Revenue to pay refunds of Use Tax, Service Use Tax, Service Occupation Tax, and Retailers' Occupation Tax paid on aviation fuel in the manner provided in Section 19 of the Use Tax Act, Section 17 of the Service Use Tax Act, Section 17 of the Service Occupation Tax Act, and Section 6 of the Retailers' Occupation Tax Act.

(b) Moneys in the Aviation Fuel Sales Tax Refund Fund shall be expended exclusively for the purpose of paying refunds pursuant to this Section.

(c) The Director of Revenue shall order payment of refunds under this Section from the Aviation Fuel Sales Tax Refund Fund only to the extent that amounts collected pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 9 of the Service Use Tax Act on aviation fuel have been deposited and retained in the Fund.

As soon as possible after the end of each fiscal year, the Director of Revenue shall order transferred and the State Treasurer and State Comptroller shall transfer from the Aviation Fuel Sales Tax Refund Fund to the State Aviation Program Fund 20% of any surplus remaining as of the end of such fiscal year and shall transfer from the Aviation Fuel Sales Tax Refund Fund to the General Revenue Fund 80% of any surplus remaining as of the end of such fiscal year.

This Section shall constitute an irrevocable and continuing appropriation from the Aviation Fuel Sales Tax Refund Fund for the purpose of paying refunds in accordance with the provisions of this Section.

Section 10. The Use Tax Act is amended by changing Sections 9 and 19 as follows:

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

(Text of Section before amendment by P.A. 100-363)

Sec. 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act

[May 31, 2018]

shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A retailer need not remit that part of any tax collected by him to the extent that he is required to remit and does remit the tax imposed by the Retailers' Occupation Tax Act, with respect to the sale of the same property.

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

Except as provided in this Section, on or before the twentieth day of each calendar month, such retailer shall file a return for the preceding calendar month. Such return shall be filed on forms prescribed by the Department and shall furnish such information as the Department may reasonably require. On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

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

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2018, each retailer required or authorized to collect the tax imposed by this Act on aviation fuel sold at retail in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, file and pay tax to the Department on an aviation fuel tax return, on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, retailers collecting tax on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel fee payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required

by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985, and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987, and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly

[May 31, 2018]

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

If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference.

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

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

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

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

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 3-55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4

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

The transaction reporting return in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft and aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

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

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

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

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

Where a retailer collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the retailer refunds the selling price thereof to the purchaser, such retailer shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the retailer may deduct the amount of the tax so refunded by him to the purchaser from any other use tax which such retailer may be required to pay or remit to the Department, as shown by such return, if the amount of

the tax to be deducted was previously remitted to the Department by such retailer. If the retailer has not previously remitted the amount of such tax to the Department, he is entitled to no deduction under this Act upon refunding such tax to the purchaser.

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

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

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

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury, 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property, other than (i) tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government and (ii) aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 20% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuels Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

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

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Retailers' Occupation Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

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

Fiscal Year	Total Deposit
1993	\$0

[May 31, 2018]



1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and  
each fiscal year  
thereafter that bonds  
are outstanding under  
Section 13.2 of the  
Metropolitan Pier and  
Exposition Authority Act,  
but not after fiscal year 2060.

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

Subject to payment of amounts into the Capital Projects Fund, the Clean Air Act (CAA) Permit Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into

the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

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

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2017).

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

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

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

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement. (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17.)

(Text of Section after amendment by P.A. 100-363)

Sec. 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A retailer need not remit

[May 31, 2018]

that part of any tax collected by him to the extent that he is required to remit and does remit the tax imposed by the Retailers' Occupation Tax Act, with respect to the sale of the same property.

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

Except as provided in this Section, on or before the twentieth day of each calendar month, such retailer shall file a return for the preceding calendar month. Such return shall be filed on forms prescribed by the Department and shall furnish such information as the Department may reasonably require. On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

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

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2018, each retailer required or authorized to collect the tax imposed by this Act on aviation fuel sold at retail in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, file and pay tax to the Department on an aviation fuel tax return, on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, retailers collecting tax on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel fee payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985, and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987, and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required

[May 31, 2018]

by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference.

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

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

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

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

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 3-55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

The transaction reporting return in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the

retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft and aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

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

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

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

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

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

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

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable retailers, who are required to file returns hereunder and also

under the Retailers' Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

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

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury, 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property, other than (i) tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government and (ii) aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 20% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuels Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

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

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Retailers' Occupation Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000

[May 31, 2018]



2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and

each fiscal year  
thereafter that bonds  
are outstanding under  
Section 13.2 of the  
Metropolitan Pier and  
Exposition Authority Act,  
but not after fiscal year 2060.

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

Subject to payment of amounts into the Capital Projects Fund, the Clean Air Act (CAA) Permit Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period,

[May 31, 2018]

the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2017).

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

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

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

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

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement. (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; revised 10-20-17.)

(35 ILCS 105/19) (from Ch. 120, par. 439.19)

Sec. 19. If it shall appear that an amount of tax or penalty or interest has been paid in error hereunder to the Department by a purchaser, as distinguished from the retailer, whether such amount be paid through a mistake of fact or an error of law, such purchaser may file a claim for credit or refund with the Department in accordance with Sections 6, 6a, 6b, 6c, and 6d of the Retailers' Occupation Tax Act. If it shall appear that an amount of tax or penalty or interest has been paid in error to the Department hereunder by a retailer who is required or authorized to collect and remit the use tax, whether such amount be paid through a mistake of fact or an error of law, such retailer may file a claim for credit or refund with the Department in accordance with Sections 6, 6a, 6b, 6c, and 6d of the Retailers' Occupation Tax Act, provided that no credit or refund shall be allowed for any amount paid by any such retailer unless it shall appear that he bore the burden of such amount and did not shift the burden thereof to anyone else (as in the case of a duplicated tax payment which the retailer made to the Department and did not collect from anyone else), or unless it shall appear that he or she or his or her legal representative has unconditionally repaid such amount to his vendee (1) who bore the burden thereof and has not shifted such burden directly or indirectly in any manner whatsoever; (2) who, if he has shifted such burden, has repaid unconditionally such amount to his or her own vendee, and (3) who is not entitled to receive any reimbursement therefor from any other source than from his vendor, nor to be relieved of such burden in any other manner whatsoever. If it shall appear that an amount of tax has been paid in error hereunder by the purchaser to a retailer, who retained such tax as reimbursement for his or her tax liability on the same sale under the Retailers' Occupation Tax Act, and who remitted the amount involved to the Department under the Retailers' Occupation Tax Act,

[May 31, 2018]

whether such amount be paid through a mistake of fact or an error of law, the procedure for recovering such tax shall be that prescribed in Sections 6, 6a, 6b and 6c of the Retailers' Occupation Tax Act.

Any credit or refund that is allowed under this Section shall bear interest at the rate and in the manner specified in the Uniform Penalty and Interest Act.

Any claim filed hereunder shall be filed upon a form prescribed and furnished by the Department. The claim shall be signed by the claimant (or by the claimant's legal representative if the claimant shall have died or become a person under legal disability), or by a duly authorized agent of the claimant or his or her legal representative.

A claim for credit or refund shall be considered to have been filed with the Department on the date upon which it is received by the Department. Upon receipt of any claim for credit or refund filed under this Act, any officer or employee of the Department, authorized in writing by the Director of Revenue to acknowledge receipt of such claims on behalf of the Department, shall execute on behalf of the Department, and shall deliver or mail to the claimant or his duly authorized agent, a written receipt, acknowledging that the claim has been filed with the Department, describing the claim in sufficient detail to identify it and stating the date upon which the claim was received by the Department. Such written receipt shall be prima facie evidence that the Department received the claim described in such receipt and shall be prima facie evidence of the date when such claim was received by the Department. In the absence of such a written receipt, the records of the Department as to when the claim was received by the Department, or as to whether or not the claim was received at all by the Department, shall be deemed to be prima facie correct upon these questions in the event of any dispute between the claimant (or his or her legal representative) and the Department concerning these questions.

In case the Department determines that the claimant is entitled to a refund, such refund shall be made only from the Aviation Fuel Sales Tax Refund Fund or from such appropriation as may be available for that purpose, as appropriate. If it appears unlikely that the amount available appropriated would permit everyone having a claim allowed during the period covered by such appropriation or from the Aviation Fuel Sales Tax Refund Fund, as appropriate, to elect to receive a cash refund, the Department, by rule or regulation, shall provide for the payment of refunds in hardship cases and shall define what types of cases qualify as hardship cases.

If a retailer who has failed to pay use tax on gross receipts from retail sales is required by the Department to pay such tax, such retailer, without filing any formal claim with the Department, shall be allowed to take credit against such use tax liability to the extent, if any, to which such retailer has paid an amount equivalent to retailers' occupation tax or has paid use tax in error to his or her vendor or vendors of the same tangible personal property which such retailer bought for resale and did not first use before selling it, and no penalty or interest shall be charged to such retailer on the amount of such credit. However, when such credit is allowed to the retailer by the Department, the vendor is precluded from refunding any of that tax to the retailer and filing a claim for credit or refund with respect thereto with the Department. The provisions of this amendatory Act shall be applied retroactively, regardless of the date of the transaction. (Source: P.A. 99-217, eff. 7-31-15.)

Section 15. The Service Use Tax Act is amended by changing Sections 9 and 17 as follows:

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

(Text of Section before amendment by P.A. 100-363)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A serviceman need not remit that part of any tax collected by him to the extent that he is required to pay and does pay the tax imposed by the Service Occupation Tax Act with respect to his sale of service involving the incidental transfer by him of the same property.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable Rules and Regulations to be promulgated by the Department. Such return shall be filed on a form prescribed by

the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

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

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2018, each serviceman required or authorized to collect the tax imposed by this Act on aviation fuel transferred as an incident of a sale of service in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, report and pay the tax by filing an aviation fuel tax return with the Department on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, servicemen collecting tax on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

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

[May 31, 2018]

year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

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

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

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

Where a serviceman collects the tax with respect to the selling price of property which he sells and the purchaser thereafter returns such property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Use Tax, Service Occupation Tax, retailers' occupation tax or use tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

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

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

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

Beginning January 1, 1990, each month the Department shall pay into the State and Local Tax Reform Fund, a special fund in the State Treasury, the net revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices, by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property, other than (i) tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government and (ii) aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 20% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

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

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, this Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the

Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and

each fiscal year  
thereafter that bonds  
are outstanding under  
Section 13.2 of the  
Metropolitan Pier and  
Exposition Authority Act,  
but not after fiscal year 2060.

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

[May 31, 2018]

Subject to payment of amounts into the Capital Projects Fund, the Clean Air Act (CAA) Permit Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

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

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098 this amendatory Act of the 98th General Assembly, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2017).

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

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

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

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; revised 10-26-17.)

(Text of Section after amendment by P.A. 100-363)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A serviceman need not remit that part of any tax collected by him to the extent that he is required to pay and does pay the tax imposed by the Service Occupation Tax Act with respect to his sale of service involving the incidental transfer by him of the same property.

[May 31, 2018]



Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable Rules and Regulations to be promulgated by the Department. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

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

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2018, each serviceman required or authorized to collect the tax imposed by this Act on aviation fuel transferred as an incident of a sale of service in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, report and pay the tax by filing an aviation fuel tax return with the Department on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, servicemen collecting tax on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

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

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

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

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

Where a serviceman collects the tax with respect to the selling price of property which he sells and the purchaser thereafter returns such property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Use Tax, Service Occupation Tax, retailers' occupation tax or use tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

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

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

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

Beginning January 1, 1990, each month the Department shall pay into the State and Local Tax Reform Fund, a special fund in the State Treasury, the net revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices, by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property, other than (i) tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government and (ii) aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 20% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

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

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, this Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

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

[May 31, 2018]

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year  
thereafter that bonds  
are outstanding under  
Section 13.2 of the  
Metropolitan Pier and  
Exposition Authority Act,  
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for

[May 31, 2018]

previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Capital Projects Fund, the Clean Air Act (CAA) Permit Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for the refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

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

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098 this amendatory Act of the 98th General Assembly, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2017).

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

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

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

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

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; revised 10-26-17.)

(35 ILCS 110/17) (from Ch. 120, par. 439.47)

Sec. 17. If it shall appear that an amount of tax or penalty or interest has been paid in error hereunder to the Department by a purchaser, as distinguished from the serviceman, whether such amount be paid through a mistake of fact or an error of law, such purchaser may file a claim for credit or refund with the Department. If it shall appear that an amount of tax or penalty or interest has been paid in error to the Department hereunder by a serviceman who is required or authorized to collect and remit the Service Use Tax, whether such amount be paid through a mistake of fact or an error of law, such serviceman may file

a claim for credit or refund with the Department, provided that no credit shall be allowed or refund made for any amount paid by any such serviceman unless it shall appear that he bore the burden of such amount and did not shift the burden thereof to anyone else (as in the case of a duplicated tax payment which the serviceman made to the Department and did not collect from anyone else), or unless it shall appear that he or his legal representative has unconditionally repaid such amount to his vendee (1) who bore the burden thereof and has not shifted such burden directly or indirectly in any manner whatsoever; (2) who, if he has shifted such burden, has repaid unconditionally such amount to his own vendee, and (3) who is not entitled to receive any reimbursement therefor from any other source than from his vendor, nor to be relieved of such burden in any other manner whatsoever. If it shall appear that an amount of tax has been paid in error hereunder by the purchaser to a serviceman, who retained such tax as reimbursement for his tax liability on the same sale of service under the Service Occupation Tax Act, and who paid such tax as required by the Service Occupation Tax Act, whether such amount be paid through a mistake of fact or an error of law, the procedure for recovering such tax shall be that prescribed in Sections 17, 18, 19 and 20 of the Service Occupation Tax Act.

Any credit or refund that is allowed under this Section shall bear interest at the rate and in the manner specified in the Uniform Penalty and Interest Act.

Any claim filed hereunder shall be filed upon a form prescribed and furnished by the Department. The claim shall be signed by the claimant (or by the claimant's legal representative if the claimant shall have died or become a person under legal disability), or by a duly authorized agent of the claimant or his or her legal representative.

A claim for credit or refund shall be considered to have been filed with the Department on the date upon which it is received by the Department. Upon receipt of any claim for credit or refund filed under this Act, any officer or employee of the Department, authorized in writing by the Director of Revenue to acknowledge receipt of such claims on behalf of the Department, shall execute on behalf of the Department, and shall deliver or mail to the claimant or his duly authorized agent, a written receipt, acknowledging that the claim has been filed with the Department, describing the claim in sufficient detail to identify it and stating the date upon which the claim was received by the Department. Such written receipt shall be prima facie evidence that the Department received the claim described in such receipt and shall be prima facie evidence of the date when such claim was received by the Department. In the absence of such a written receipt, the records of the Department as to when the claim was received by the Department, or as to whether or not the claim was received at all by the Department, shall be deemed to be prima facie correct upon these questions in the event of any dispute between the claimant (or his or her legal representative) and the Department concerning these questions.

In case the Department determines that the claimant is entitled to a refund, such refund shall be made only from the Aviation Fuel Sales Tax Refund Fund or from such appropriation as may be available for that purpose, as appropriate. If it appears unlikely that the amount available ~~appropriated~~ would permit everyone having a claim allowed during the period covered by such appropriation or from the Aviation Fuel Sales Tax Refund Fund, as appropriate, to elect to receive a cash refund, the Department, by rule or regulation, shall provide for the payment of refunds in hardship cases and shall define what types of cases qualify as hardship cases.

(Source: P.A. 87-205.)

Section 20. The Service Occupation Tax Act is amended by changing Sections 9 and 17 as follows:

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

(Text of Section before amendment by P.A. 100-363)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax at the time when he is required to file his return for the period during which such tax was collectible, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the serviceman, in collecting the tax may collect, for each tax return

period, only the tax applicable to the part of the selling price actually received during such tax return period.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable rules and regulations to be promulgated by the Department of Revenue. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

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

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2018, each serviceman required or authorized to collect the tax herein imposed on aviation fuel acquired as an incident to the purchase of a service in this State during the preceding calendar month shall, instead of reporting and paying tax as otherwise required by this Section, file an aviation fuel tax return with the Department on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, servicemen transferring aviation fuel incident to sales of service shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

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

Prior to October 1, 2003, and on and after September 1, 2004 a serviceman may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Service Use Tax as provided in Section 3-70 of the Service Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-70 of the Service Use Tax Act. A Manufacturer's Purchase Credit certification, accepted prior to October 1, 2003 or on or after September 1, 2004 by a serviceman as provided in Section 3-70 of the Service Use Tax Act, may be used by that serviceman to satisfy Service Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchase Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

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

If the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

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

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

Where a serviceman collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Occupation Tax, Service Use Tax, Retailers' Occupation Tax or Use Tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

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

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

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund the revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the revenue realized for the preceding month from the 6.25% general rate on sales of tangible personal property other than aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.



For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 4% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

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

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property other than aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 16% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

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

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, this Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build

[May 31, 2018]

Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000

2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year  
thereafter that bonds  
are outstanding under  
Section 13.2 of the  
Metropolitan Pier and  
Exposition Authority Act,  
but not after fiscal year 2060.

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

Subject to payment of amounts into the Capital Projects Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

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

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098) ~~this amendatory Act of the 98th General Assembly~~, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2017).

Of the remainder of the moneys received by the Department pursuant to this Act, 75% shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used

only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the taxpayer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the taxpayer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The taxpayer's annual return to the Department shall also disclose the cost of goods sold by the taxpayer during the year covered by such return, opening and closing inventories of such goods for such year, cost of goods used from stock or taken from stock and given away by the taxpayer during such year, pay roll information of the taxpayer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such taxpayer as hereinbefore provided for in this Section.

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

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

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

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

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

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

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

For greater simplicity of administration, it shall be permissible for manufacturers, importers and wholesalers whose products are sold by numerous servicemen in Illinois, and who wish to do so, to assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the servicemen who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; revised 10-31-17)

(Text of Section after amendment by P.A. 100-363)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax at the time when he is required to file his return for the period during which such tax was collectible, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the serviceman, in collecting the tax may collect, for each tax return

[May 31, 2018]

period, only the tax applicable to the part of the selling price actually received during such tax return period.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable rules and regulations to be promulgated by the Department of Revenue. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

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

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2018, each serviceman required or authorized to collect the tax herein imposed on aviation fuel acquired as an incident to the purchase of a service in this State during the preceding calendar month shall, instead of reporting and paying tax as otherwise required by this Section, file an aviation fuel tax return with the Department on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, servicemen transferring aviation fuel incident to sales of service shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

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

Prior to October 1, 2003, and on and after September 1, 2004 a serviceman may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Service Use Tax as provided in Section 3-70 of the Service Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-70 of the Service Use Tax Act. A Manufacturer's Purchase Credit certification, accepted prior to October 1, 2003 or on or after September 1, 2004 by a serviceman as provided in Section 3-70 of the Service Use Tax Act, may be used by that serviceman to satisfy Service Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchase Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

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

If the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

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

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

Where a serviceman collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Occupation Tax, Service Use Tax, Retailers' Occupation Tax or Use Tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

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

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

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund the revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the revenue realized for the preceding month from the 6.25% general rate on sales of tangible personal property other than aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 4% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

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

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property other than aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 16% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

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

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, this Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build

Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000



2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and  
each fiscal year  
thereafter that bonds  
are outstanding under  
Section 13.2 of the  
Metropolitan Pier and  
Exposition Authority Act,  
but not after fiscal year 2060.

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

Subject to payment of amounts into the Capital Projects Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

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

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098) ~~this amendatory Act of the 98th General Assembly~~, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2017).

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each

[May 31, 2018]

month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

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

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the taxpayer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the taxpayer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The taxpayer's annual return to the Department shall also disclose the cost of goods sold by the taxpayer during the year covered by such return, opening and closing inventories of such goods for such year, cost of goods used from stock or taken from stock and given away by the taxpayer during such year, pay roll information of the taxpayer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such taxpayer as hereinbefore provided for in this Section.

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

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

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

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

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

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

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

For greater simplicity of administration, it shall be permissible for manufacturers, importers and wholesalers whose products are sold by numerous servicemen in Illinois, and who wish to do so, to assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the servicemen who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; revised 10-31-17.)

(35 ILCS 115/17) (from Ch. 120, par. 439.117)

Sec. 17. If it shall appear that an amount of tax or penalty or interest has been paid in error hereunder directly to the Department by a serviceman, whether such amount be paid through a mistake of fact or an error of law, such serviceman may file a claim for credit or refund with the Department. If it shall appear that an amount of tax or penalty or interest has been paid in error to the Department hereunder by a supplier who is required or authorized to collect and remit the Service Occupation Tax, whether such amount be paid through a mistake of fact or an error of law, such supplier may file a claim for credit or refund with the Department, provided that no credit shall be allowed nor any refund made for any amount paid by any such supplier unless it shall appear that he bore the burden of such amount and did not shift the burden thereof to anyone else (as in the case of a duplicated tax payment which the supplier made to the Department and did not collect from anyone else), or unless it shall appear that he or his legal

representative has unconditionally repaid such amount to his vendee (1) who bore the burden thereof and has not shifted such burden directly or indirectly in any manner whatsoever; (2) who, if he has shifted such burden, has repaid unconditionally such amount to his own vendee, and (3) who is not entitled to receive any reimbursement therefor from any other source than from his supplier, nor to be relieved of such burden in any other manner whatsoever.

Any credit or refund that is allowed under this Section shall bear interest at the rate and in the manner specified in the Uniform Penalty and Interest Act.

Any claim filed hereunder shall be filed upon a form prescribed and furnished by the Department. The claim shall be signed by the claimant (or by the claimant's legal representative if the claimant shall have died or become a person under legal disability), or by a duly authorized agent of the claimant or his or her legal representative.

A claim for credit or refund shall be considered to have been filed with the Department on the date upon which it is received by the Department. Upon receipt of any claim for credit or refund filed under this Act, any officer or employee of the Department, authorized in writing by the Director of Revenue to acknowledge receipt of such claims on behalf of the Department, shall execute on behalf of the Department, and shall deliver or mail to the claimant or his or her duly authorized agent, a written receipt, acknowledging that the claim has been filed with the Department, describing the claim in sufficient detail to identify it and stating the date upon which the claim was received by the Department. Such written receipt shall be prima facie evidence that the Department received the claim described in such receipt and shall be prima facie evidence of the date when such claim was received by the Department. In the absence of such a written receipt, the records of the Department as to when the claim was received by the Department, or as to whether or not the claim was received at all by the Department, shall be deemed to be prima facie correct upon these questions in the event of any dispute between the claimant (or his legal representative) and the Department concerning these questions.

In case the Department determines that the claimant is entitled to a refund, such refund shall be made only from the Aviation Fuel Sales Tax Refund Fund or from such appropriation as may be available for that purpose, as appropriate. If it appears unlikely that the amount available ~~appropriated~~ would permit everyone having a claim allowed during the period covered by such appropriation or from the Aviation Fuel Sales Tax Refund Fund, as appropriate, to elect to receive a cash refund, the Department, by rule or regulation, shall provide for the payment of refunds in hardship cases and shall define what types of cases qualify as hardship cases.

(Source: P.A. 87-205.)

Section 25. The Retailers' Occupation Tax Act is amended by changing Sections 3, 6, and 11 as follows: (35 ILCS 120/3) (from Ch. 120, par. 442)

(Text of Section before amendment by P.A. 100-363)

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

1. The name of the seller;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;
3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;
4. Total amount received by him during the preceding calendar month or quarter on charge and time sales of tangible personal property, and from services furnished, by him prior to the month or quarter for which the return is filed;
5. Deductions allowed by law;
6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;
7. The amount of credit provided in Section 2d of this Act;
8. The amount of tax due;
9. The signature of the taxpayer; and
10. Such other reasonable information as the Department may require.

On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed

[May 31, 2018]

electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

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

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

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

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

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2018, every person engaged in the business of selling aviation fuel at retail in this State during the preceding calendar month shall, instead of reporting and paying tax as otherwise required by this Section, file an aviation fuel tax return with the Department on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, retailers selling aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

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

Beginning on October 1, 2003, every distributor, importing distributor, and manufacturer of alcoholic liquor as defined in the Liquor Control Act of 1934, shall file a statement with the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the

retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term "electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

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

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

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

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

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

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

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

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

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

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of The Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of The Illinois Vehicle Code, and such other information as the Department may reasonably require.

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

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

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

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

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of the tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such

delay by the retailer and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Refunds made by the seller during the preceding return period to purchasers, on account of tangible personal property returned to the seller, shall be allowed as a deduction under subdivision 5 of his monthly or quarterly return, as the case may be, in case the seller had theretofore included the receipts from the sale of such tangible personal property in a return filed by him and had paid the tax imposed by this Act with respect to such receipts.

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

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

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual

liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of \$25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to September 1, 1985 (the effective date of Public Act 84-221), each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is \$25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

The provisions of this paragraph apply on and after October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes that average in excess of \$20,000 per month during the preceding 4 complete calendar quarters shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which the liability is incurred. Each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of the quarter monthly payments shall be



credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than \$20,000. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

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

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund, a special fund in the State treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund, a special fund in the State treasury which is hereby created, 4% of the net revenue realized for the preceding month from the 6.25% general rate other than aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 4% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property other than aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for

refunds of the 16% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

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

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding

proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000

[May 31, 2018]

2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year  
thereafter that bonds  
are outstanding under  
Section 13.2 of the  
Metropolitan Pier and  
Exposition Authority Act,  
but not after fiscal year 2060.

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

Subject to payment of amounts into the Capital Projects Fund, the Clean Air Act (CAA) Permit Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

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

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2017).

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer

to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from stock and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in this Section.

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

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

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

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

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

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

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

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

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

Any person engaged in the business of selling tangible personal property at retail as a concessionaire or other type of seller at the Illinois State Fair, county fairs, art shows, flea markets and similar exhibitions or events, or any transient merchants, as defined by Section 2 of the Transient Merchant Act of 1987, may be required to make a daily report of the amount of such sales to the Department and to make a daily payment of the full amount of tax due. The Department shall impose this requirement when it finds that there is a significant risk of loss of revenue to the State at such an exhibition or event. Such a finding shall be based on evidence that a substantial number of concessionaires or other sellers who are not residents of Illinois will be engaging in the business of selling tangible personal property at retail at the exhibition or

event, or other evidence of a significant risk of loss of revenue to the State. The Department shall notify concessionaires and other sellers affected by the imposition of this requirement. In the absence of notification by the Department, the concessionaires and other sellers shall file their returns as otherwise required in this Section.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17.)

(Text of Section after amendment by P.A. 100-363)

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

1. The name of the seller;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;
3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;
4. Total amount received by him during the preceding calendar month or quarter on charge and time sales of tangible personal property, and from services furnished, by him prior to the month or quarter for which the return is filed;
5. Deductions allowed by law;
6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;
7. The amount of credit provided in Section 2d of this Act;
8. The amount of tax due;
9. The signature of the taxpayer; and
10. Such other reasonable information as the Department may require.

On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

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

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

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

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

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;

[May 31, 2018]

4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2018, every person engaged in the business of selling aviation fuel at retail in this State during the preceding calendar month shall, instead of reporting and paying tax as otherwise required by this Section, file an aviation fuel tax return with the Department on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, retailers selling aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

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

Beginning on October 1, 2003, every distributor, importing distributor, and manufacturer of alcoholic liquor as defined in the Liquor Control Act of 1934, shall file a statement with the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term "electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

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

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

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

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

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

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

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle retailer or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 2-5 of this Act, then that seller may report the transfer of all aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

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

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of The Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of The Illinois Vehicle Code, and such other information as the Department may reasonably require.



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

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

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

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

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

Refunds made by the seller during the preceding return period to purchasers, on account of tangible personal property returned to the seller, shall be allowed as a deduction under subdivision 5 of his monthly or quarterly return, as the case may be, in case the seller had theretofore included the receipts from the sale of such tangible personal property in a return filed by him and had paid the tax imposed by this Act with respect to such receipts.

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

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

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under

this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as

provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of \$25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to September 1, 1985 (the effective date of Public Act 84-221), each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is \$25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

The provisions of this paragraph apply on and after October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes that average in excess of \$20,000 per month during the preceding 4 complete calendar quarters shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which the liability is incurred. Each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of the quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than \$20,000. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

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

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund, a special fund in the State treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund, a special fund in the State treasury which is hereby created, 4% of the net revenue realized for the preceding month from the 6.25% general rate other than aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 4% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property other than aviation fuel sold on or after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

For aviation fuel sold on or after December 1, 2017, each month the Department shall pay into the State Aviation Program Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 16% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average

monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

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

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

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

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and  
each fiscal year  
thereafter that bonds  
are outstanding under  
Section 13.2 of the  
Metropolitan Pier and  
Exposition Authority Act,  
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until

[May 31, 2018]

the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Capital Projects Fund, the Clean Air Act (CAA) Permit Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

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

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2017).

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

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

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in this Section.

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

- (i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1%

of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

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

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

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

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

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

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

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

Any person engaged in the business of selling tangible personal property at retail as a concessionaire or other type of seller at the Illinois State Fair, county fairs, art shows, flea markets and similar exhibitions or events, or any transient merchants, as defined by Section 2 of the Transient Merchant Act of 1987, may be required to make a daily report of the amount of such sales to the Department and to make a daily payment of the full amount of tax due. The Department shall impose this requirement when it finds that there is a significant risk of loss of revenue to the State at such an exhibition or event. Such a finding shall be based on evidence that a substantial number of concessionaires or other sellers who are not residents of Illinois will be engaging in the business of selling tangible personal property at retail at the exhibition or event, or other evidence of a significant risk of loss of revenue to the State. The Department shall notify concessionaires and other sellers affected by the imposition of this requirement. In the absence of notification by the Department, the concessionaires and other sellers shall file their returns as otherwise required in this Section.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; revised 10-27-17.)

(35 ILCS 120/6) (from Ch. 120, par. 445)

Sec. 6. Credit memorandum or refund. If it appears, after claim therefor filed with the Department, that an amount of tax or penalty or interest has been paid which was not due under this Act, whether as the result of a mistake of fact or an error of law, except as hereinafter provided, then the Department shall issue a credit memorandum or refund to the person who made the erroneous payment or, if that person died or became a person under legal disability, to his or her legal representative, as such. For purposes of this Section, the tax is deemed to be erroneously paid by a retailer when the manufacturer of a motor vehicle sold by the retailer accepts the return of that automobile and refunds to the purchaser the selling price of that vehicle as provided in the New Vehicle Buyer Protection Act. When a motor vehicle is returned for a refund of the purchase price under the New Vehicle Buyer Protection Act, the Department shall issue a credit memorandum or a refund for the amount of tax paid by the retailer under this Act attributable to the initial sale of that vehicle. Claims submitted by the retailer are subject to the same



restrictions and procedures provided for in this Act. If it is determined that the Department should issue a credit memorandum or refund, the Department may first apply the amount thereof against any tax or penalty or interest due or to become due under this Act or under the Use Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, any local occupation or use tax administered by the Department, Section 4 of the Water Commission Act of 1985, subsections (b), (c) and (d) of Section 5.01 of the Local Mass Transit District Act, or subsections (e), (f) and (g) of Section 4.03 of the Regional Transportation Authority Act, from the person who made the erroneous payment. If no tax or penalty or interest is due and no proceeding is pending to determine whether such person is indebted to the Department for tax or penalty or interest, the credit memorandum or refund shall be issued to the claimant; or (in the case of a credit memorandum) the credit memorandum may be assigned and set over by the lawful holder thereof, subject to reasonable rules of the Department, to any other person who is subject to this Act, the Use Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, any local occupation or use tax administered by the Department, Section 4 of the Water Commission Act of 1985, subsections (b), (c) and (d) of Section 5.01 of the Local Mass Transit District Act, or subsections (e), (f) and (g) of Section 4.03 of the Regional Transportation Authority Act, and the amount thereof applied by the Department against any tax or penalty or interest due or to become due under this Act or under the Use Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, any local occupation or use tax administered by the Department, Section 4 of the Water Commission Act of 1985, subsections (b), (c) and (d) of Section 5.01 of the Local Mass Transit District Act, or subsections (e), (f) and (g) of Section 4.03 of the Regional Transportation Authority Act, from such assignee. However, as to any claim for credit or refund filed with the Department on and after each January 1 and July 1 no amount of tax or penalty or interest erroneously paid (either in total or partial liquidation of a tax or penalty or amount of interest under this Act) more than 3 years prior to such January 1 and July 1, respectively, shall be credited or refunded, except that if both the Department and the taxpayer have agreed to an extension of time to issue a notice of tax liability as provided in Section 4 of this Act, such claim may be filed at any time prior to the expiration of the period agreed upon.

No claim may be allowed for any amount paid to the Department, whether paid voluntarily or involuntarily, if paid in total or partial liquidation of an assessment which had become final before the claim for credit or refund to recover the amount so paid is filed with the Department, or if paid in total or partial liquidation of a judgment or order of court. No credit may be allowed or refund made for any amount paid by or collected from any claimant unless it appears (a) that the claimant bore the burden of such amount and has not been relieved thereof nor reimbursed therefor and has not shifted such burden directly or indirectly through inclusion of such amount in the price of the tangible personal property sold by him or her or in any manner whatsoever; and that no understanding or agreement, written or oral, exists whereby he or she or his or her legal representative may be relieved of the burden of such amount, be reimbursed therefor or may shift the burden thereof; or (b) that he or she or his or her legal representative has repaid unconditionally such amount to his or her vendee (1) who bore the burden thereof and has not shifted such burden directly or indirectly, in any manner whatsoever; (2) who, if he or she has shifted such burden, has repaid unconditionally such amount to his own vendee; and (3) who is not entitled to receive any reimbursement therefor from any other source than from his or her vendor, nor to be relieved of such burden in any manner whatsoever. No credit may be allowed or refund made for any amount paid by or collected from any claimant unless it appears that the claimant has unconditionally repaid, to the purchaser, any amount collected from the purchaser and retained by the claimant with respect to the same transaction under the Use Tax Act.

Any credit or refund that is allowed under this Section shall bear interest at the rate and in the manner specified in the Uniform Penalty and Interest Act.

In case the Department determines that the claimant is entitled to a refund, such refund shall be made only from the Aviation Fuel Sales Tax Refund Fund or from such appropriation as may be available for that purpose, as appropriate. If it appears unlikely that the amount available ~~appropriated~~ would permit everyone having a claim allowed during the period covered by such appropriation or from the Aviation Fuel Sales Tax Refund Fund, as appropriate, to elect to receive a cash refund, the Department, by rule or regulation, shall provide for the payment of refunds in hardship cases and shall define what types of cases qualify as hardship cases.

If a retailer who has failed to pay retailers' occupation tax on gross receipts from retail sales is required by the Department to pay such tax, such retailer, without filing any formal claim with the Department, shall be allowed to take credit against such retailers' occupation tax liability to the extent, if any, to which such retailer has paid an amount equivalent to retailers' occupation tax or has paid use tax in error to his or her vendor or vendors of the same tangible personal property which such retailer bought for resale and did not first use before selling it, and no penalty or interest shall be charged to such retailer on the amount of such credit. However, when such credit is allowed to the retailer by the Department, the vendor is

precluded from refunding any of that tax to the retailer and filing a claim for credit or refund with respect thereto with the Department. The provisions of this amendatory Act shall be applied retroactively, regardless of the date of the transaction.

(Source: P.A. 91-901, eff. 1-1-01.)

(35 ILCS 120/11) (from Ch. 120, par. 450)

Sec. 11. All information received by the Department from returns filed under this Act, or from any investigation conducted under this Act, shall be confidential, except for official purposes, and any person who divulges any such information in any manner, except in accordance with a proper judicial order or as otherwise provided by law, shall be guilty of a Class B misdemeanor with a fine not to exceed \$7,500.

Nothing in this Act prevents the Director of Revenue from publishing or making available to the public the names and addresses of persons filing returns under this Act, or reasonable statistics concerning the operation of the tax by grouping the contents of returns so the information in any individual return is not disclosed.

Nothing in this Act prevents the Director of Revenue from divulging to the United States Government or the government of any other state, or any officer or agency thereof, for exclusively official purposes, information received by the Department in administering this Act, provided that such other governmental agency agrees to divulge requested tax information to the Department.

The Department's furnishing of information derived from a taxpayer's return or from an investigation conducted under this Act to the surety on a taxpayer's bond that has been furnished to the Department under this Act, either to provide notice to such surety of its potential liability under the bond or, in order to support the Department's demand for payment from such surety under the bond, is an official purpose within the meaning of this Section.

The furnishing upon request of information obtained by the Department from returns filed under this Act or investigations conducted under this Act to the Illinois Liquor Control Commission for official use is deemed to be an official purpose within the meaning of this Section.

Notice to a surety of potential liability shall not be given unless the taxpayer has first been notified, not less than 10 days prior thereto, of the Department's intent to so notify the surety.

The furnishing upon request of the Auditor General, or his authorized agents, for official use, of returns filed and information related thereto under this Act is deemed to be an official purpose within the meaning of this Section.

Where an appeal or a protest has been filed on behalf of a taxpayer, the furnishing upon request of the attorney for the taxpayer of returns filed by the taxpayer and information related thereto under this Act is deemed to be an official purpose within the meaning of this Section.

The furnishing of financial information to a municipality or county, upon request of the chief executive officer thereof, is an official purpose within the meaning of this Section, provided the municipality or county agrees in writing to the requirements of this Section. Information provided to municipalities and counties under this paragraph shall be limited to: (1) the business name; (2) the business address; (3) the standard classification number assigned to the business; (4) net revenue distributed to the requesting municipality or county that is directly related to the requesting municipality's or county's local share of the proceeds under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act distributed from the Local Government Tax Fund, and, if applicable, any locally imposed retailers' occupation tax or service occupation tax; and (5) a listing of all businesses within the requesting municipality or county by account identification number and address. On and after July 1, 2015, the furnishing of financial information to municipalities and counties under this paragraph may be by electronic means.

Information so provided shall be subject to all confidentiality provisions of this Section. The written agreement shall provide for reciprocity, limitations on access, disclosure, and procedures for requesting information.

The Department may make available to the Board of Trustees of any Metro East Mass Transit District information contained on transaction reporting returns required to be filed under Section 3 of this Act that report sales made within the boundary of the taxing authority of that Metro East Mass Transit District, as provided in Section 5.01 of the Local Mass Transit District Act. The disclosure shall be made pursuant to a written agreement between the Department and the Board of Trustees of a Metro East Mass Transit District, which is an official purpose within the meaning of this Section. The written agreement between the Department and the Board of Trustees of a Metro East Mass Transit District shall provide for reciprocity, limitations on access, disclosure, and procedures for requesting information. Information so provided shall be subject to all confidentiality provisions of this Section.

The Director may make available to any State agency, including the Illinois Supreme Court, which licenses persons to engage in any occupation, information that a person licensed by such agency has failed

to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. The Director may make available to any State agency, including the Illinois Supreme Court, information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to collect and remit Illinois Use tax on sales into Illinois, or any tax under this Act or pay the tax, penalty, and interest shown therein, or has failed to pay any final assessment of tax, penalty, or interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. The Director may make available to units of local government and school districts that require bidder and contractor certifications, as set forth in Sections 50-11 and 50-12 of the Illinois Procurement Code, information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to collect and remit Illinois Use tax on sales into Illinois, file returns under this Act, or pay the tax, penalty, and interest shown therein, or has failed to pay any final assessment of tax, penalty, or interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this Section, an entity controls another entity if it owns, directly or individually, more than 10% of the voting securities of that entity. As used in this Section, the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

The Director may make available to any State agency, including the Illinois Supreme Court, units of local government, and school districts, information regarding whether a bidder or contractor is an affiliate of a person who is not collecting and remitting Illinois Use taxes for the limited purpose of enforcing bidder and contractor certifications.

The Director may also make available to the Secretary of State information that a limited liability company, which has filed articles of organization with the Secretary of State, or corporation which has been issued a certificate of incorporation by the Secretary of State has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. An assessment is final when all proceedings in court for review of such assessment have terminated or the time for the taking thereof has expired without such proceedings being instituted.

The Director shall make available for public inspection in the Department's principal office and for publication, at cost, administrative decisions issued on or after January 1, 1995. These decisions are to be made available in a manner so that the following taxpayer information is not disclosed:

(1) The names, addresses, and identification numbers of the taxpayer, related entities, and employees.

(2) At the sole discretion of the Director, trade secrets or other confidential information identified as such by the taxpayer, no later than 30 days after receipt of an administrative decision, by such means as the Department shall provide by rule.

The Director shall determine the appropriate extent of the deletions allowed in paragraph (2). In the event the taxpayer does not submit deletions, the Director shall make only the deletions specified in paragraph (1).

The Director shall make available for public inspection and publication an administrative decision within 180 days after the issuance of the administrative decision. The term "administrative decision" has the same meaning as defined in Section 3-101 of Article III of the Code of Civil Procedure. Costs collected under this Section shall be paid into the Tax Compliance and Administration Fund.

Nothing contained in this Act shall prevent the Director from divulging information to any person pursuant to a request or authorization made by the taxpayer or by an authorized representative of the taxpayer.

The furnishing of information obtained by the Department from returns filed under this amendatory Act of the 100th General Assembly to the Department of Transportation for purposes of compliance with this amendatory Act of the 100th General Assembly regarding aviation fuel is deemed to be an official purpose within the meaning of this Section.

(Source: P.A. 98-1058, eff. 1-1-15; 99-517, eff. 6-30-16.)

Section 30. The Motor Fuel Tax Law is amended by changing Sections 2, 2b, and 8a as follows:  
(35 ILCS 505/2) (from Ch. 120, par. 418)

Sec. 2. A tax is imposed on the privilege of operating motor vehicles upon the public highways and recreational-type watercraft upon the waters of this State.

[May 31, 2018]

(a) Prior to August 1, 1989, the tax is imposed at the rate of 13 cents per gallon on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State. Beginning on August 1, 1989 and until January 1, 1990, the rate of the tax imposed in this paragraph shall be 16 cents per gallon. Beginning January 1, 1990, the rate of tax imposed in this paragraph, including the tax on compressed natural gas, shall be 19 cents per gallon.

(b) The tax on the privilege of operating motor vehicles which use diesel fuel, liquefied natural gas, or propane shall be the rate according to paragraph (a) plus an additional 2 1/2 cents per gallon. "Diesel fuel" is defined as any product intended for use or offered for sale as a fuel for engines in which the fuel is injected into the combustion chamber and ignited by pressure without electric spark.

(c) A tax is imposed upon the privilege of engaging in the business of selling motor fuel as a retailer or reseller on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State: (1) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 A.M. on January 1, 1990.

Retailers and resellers who are subject to this additional tax shall be required to inventory such motor fuel and pay this additional tax in a manner prescribed by the Department of Revenue.

The tax imposed in this paragraph (c) shall be in addition to all other taxes imposed by the State of Illinois or any unit of local government in this State.

(d) Except as provided in Section 2a, the collection of a tax based on gallonage of gasoline used for the propulsion of any aircraft is prohibited on and after October 1, 1979, and the collection of a tax based on gallonage of special fuel used for the propulsion of any aircraft is prohibited on and after December 1, 2017.

(e) The collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited (i) on and after July 1, 1992 until December 31, 1999, except when the 1-K kerosene is either: (1) delivered into bulk storage facilities of a bulk user, or (2) delivered directly into the fuel supply tanks of motor vehicles and (ii) on and after January 1, 2000. Beginning on January 1, 2000, the collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited except when the 1-K kerosene is delivered directly into a storage tank that is located at a facility that has withdrawal facilities that are readily accessible to and are capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles. For purposes of this subsection (e), a facility is considered to have withdrawal facilities that are not "readily accessible to and capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles" only if the 1-K kerosene is delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling.

Any person who sells or uses 1-K kerosene for use in motor vehicles upon which the tax imposed by this Law has not been paid shall be liable for any tax due on the sales or use of 1-K kerosene. (Source: P.A. 100-9, eff. 7-1-17.)

(35 ILCS 505/2b) (from Ch. 120, par. 418b)

Sec. 2b. In addition to the tax collection and reporting responsibilities imposed elsewhere in this Act, a person who is required to pay the tax imposed by Section 2a of this Act shall pay the tax to the Department by return showing all fuel purchased, acquired or received and sold, distributed or used during the preceding calendar month including losses of fuel as the result of evaporation or shrinkage due to temperature variations, and such other reasonable information as the Department may require. Losses of fuel as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of the month, plus the receipts of gallonage during the month, minus the gallonage remaining in storage at the end of the month. Any loss reported that is in excess of this amount shall be subject to the tax imposed by Section 2a of this Law. On and after July 1, 2001, for each 6-month period January through June, net losses of fuel (for each category of fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each January, plus the receipts of gallonage each January through June, minus the gallonage remaining in storage at the end of each June. On and after July 1, 2001, for each 6-month period July through December, net losses of fuel (for each category of fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each July, plus the receipts of gallonage each July through December, minus the gallonage remaining in storage at the end of each December. Any net loss reported that is in excess of this amount shall be subject to the tax imposed by Section 2a of this Law. For purposes of this Section, "net loss" means the number of gallons gained through

temperature variations minus the number of gallons lost through temperature variations or evaporation for each of the respective 6-month periods.

The return shall be prescribed by the Department and shall be filed between the 1st and 20th days of each calendar month. The Department may, in its discretion, combine the returns filed under this Section, Section 5, and Section 5a of this Act. The return must be accompanied by appropriate computer-generated magnetic media supporting schedule data in the format required by the Department, unless, as provided by rule, the Department grants an exception upon petition of a taxpayer. If the return is filed timely, the seller shall take a discount of 2% through June 30, 2003 and 1.75% thereafter which is allowed to reimburse the seller for the expenses incurred in keeping records, preparing and filing returns, collecting and remitting the tax and supplying data to the Department on request. The discount, however, shall be applicable only to the amount of payment which accompanies a return that is filed timely in accordance with this Section. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act.

Beginning on January 1, 2018, each person who is required to pay the tax imposed under Section 2a of this Act on aviation fuel sold or used in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, report and pay such tax on a separate aviation fuel tax return, on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, a person required to pay the tax imposed by Section 2a of this Act on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

(Source: P.A. 92-30, eff. 7-1-01; 93-32, eff. 6-20-03.)

(35 ILCS 505/8a) (from Ch. 120, par. 424a)

Sec. 8a. All money received by the Department under Section 2a of this Act, except money received from taxes on aviation fuel sold or used on or after December 1, 2017, shall be deposited in the Underground Storage Tank Fund created by Section 57.11 of the Environmental Protection Act, as now or hereafter amended. All money received by the Department under Section 2a of this Act for aviation fuel sold or used on or after December 1, 2017, shall be deposited into the State Aviation Program Fund. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State. For purposes of this section, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

(Source: P.A. 88-496.)

Section 35. The Innovation Development and Economy Act is amended by changing Sections 10 and 31 as follows:

(50 ILCS 470/10)

Sec. 10. Definitions. As used in this Act, the following words and phrases shall have the following meanings unless a different meaning clearly appears from the context:

"Base year" means the calendar year immediately prior to the calendar year in which the STAR bond district is established.

"Commence work" means the manifest commencement of actual operations on the development site, such as, erecting a building, general on-site and off-site grading and utility installations, commencing design and construction documentation, ordering lead-time materials, excavating the ground to lay a foundation or a basement, or work of like description which a reasonable person would recognize as being done with the intention and purpose to continue work until the project is completed.

"County" means the county in which a proposed STAR bond district is located.

"De minimis" means an amount less than 15% of the land area within a STAR bond district.

"Department of Revenue" means the Department of Revenue of the State of Illinois.

"Destination user" means an owner, operator, licensee, co-developer, subdeveloper, or tenant (i) that operates a business within a STAR bond district that is a retail store having at least 150,000 square feet of sales floor area; (ii) that at the time of opening does not have another Illinois location within a 70 mile radius; (iii) that has an annual average of not less than 30% of customers who travel from at least 75 miles away or from out-of-state, as demonstrated by data from a comparable existing store or stores, or, if there is no comparable existing store, as demonstrated by an economic analysis that shows that the proposed retailer will have an annual average of not less than 30% of customers who travel from at least 75 miles away or from out-of-state; and (iv) that makes an initial capital investment, including project costs and other direct costs, of not less than \$30,000,000 for such retail store.

"Destination hotel" means a hotel (as that term is defined in Section 2 of the Hotel Operators' Occupation Tax Act) complex having at least 150 guest rooms and which also includes a venue for entertainment attractions, rides, or other activities oriented toward the entertainment and amusement of its guests and other patrons.

"Developer" means any individual, corporation, trust, estate, partnership, limited liability partnership, limited liability company, or other entity. The term does not include a not-for-profit entity, political subdivision, or other agency or instrumentality of the State.

"Director" means the Director of Revenue, who shall consult with the Director of Commerce and Economic Opportunity in any approvals or decisions required by the Director under this Act.

"Economic impact study" means a study conducted by an independent economist to project the financial benefit of the proposed STAR bond project to the local, regional, and State economies, consider the proposed adverse impacts on similar projects and businesses, as well as municipalities within the projected market area, and draw conclusions about the net effect of the proposed STAR bond project on the local, regional, and State economies. A copy of the economic impact study shall be provided to the Director for review.

"Eligible area" means any improved or vacant area that (i) is contiguous and is not, in the aggregate, less than 250 acres nor more than 500 acres which must include only parcels of real property directly and substantially benefited by the proposed STAR bond district plan, (ii) is adjacent to a federal interstate highway, (iii) is within one mile of 2 State highways, (iv) is within one mile of an entertainment user, or a major or minor league sports stadium or other similar entertainment venue that had an initial capital investment of at least \$20,000,000, and (v) includes land that was previously surface or strip mined. The area may be bisected by streets, highways, roads, alleys, railways, bike paths, streams, rivers, and other waterways and still be deemed contiguous. In addition, in order to constitute an eligible area one of the following requirements must be satisfied and all of which are subject to the review and approval of the Director as provided in subsection (d) of Section 15:

(a) the governing body of the political subdivision shall have determined that the area meets the requirements of a "blighted area" as defined under the Tax Increment Allocation Redevelopment Act; or

(b) the governing body of the political subdivision shall have determined that the area is a blighted area as determined under the provisions of Section 11-74.3-5 of the Illinois Municipal Code; or

(c) the governing body of the political subdivision shall make the following findings:

(i) that the vacant portions of the area have remained vacant for at least one year, or that any building located on a vacant portion of the property was demolished within the last year and that the building would have qualified under item (ii) of this subsection;

(ii) if portions of the area are currently developed, that the use, condition, and character of the buildings on the property are not consistent with the purposes set forth in Section 5;

(iii) that the STAR bond district is expected to create or retain job opportunities within the political subdivision;

(iv) that the STAR bond district will serve to further the development of adjacent areas;

(v) that without the availability of STAR bonds, the projects described in the STAR bond district plan would not be possible;

(vi) that the master developer meets high standards of creditworthiness and financial strength as demonstrated by one or more of the following: (i) corporate debenture ratings of BBB or higher by Standard & Poor's Corporation or Baa or higher by Moody's Investors Service, Inc.; (ii) a letter from a financial institution with assets of \$10,000,000 or more attesting to the financial strength of the master developer; or (iii) specific evidence of equity financing for not less than 10% of the estimated total STAR bond project costs;

(vii) that the STAR bond district will strengthen the commercial sector of the political subdivision;

(viii) that the STAR bond district will enhance the tax base of the political subdivision; and

(ix) that the formation of a STAR bond district is in the best interest of the political subdivision.

"Entertainment user" means an owner, operator, licensee, co-developer, subdeveloper, or tenant that operates a business within a STAR bond district that has a primary use of providing a venue for entertainment attractions, rides, or other activities oriented toward the entertainment and amusement of its patrons, occupies at least 20 acres of land in the STAR bond district, and makes an initial capital

investment, including project costs and other direct and indirect costs, of not less than \$25,000,000 for that venue.

"Feasibility study" means a feasibility study as defined in subsection (b) of Section 20.

"Infrastructure" means the public improvements and private improvements that serve the public purposes set forth in Section 5 of this Act and that benefit the STAR bond district or any STAR bond projects, including, but not limited to, streets, drives and driveways, traffic and directional signs and signals, parking lots and parking facilities, interchanges, highways, sidewalks, bridges, underpasses and overpasses, bike and walking trails, sanitary storm sewers and lift stations, drainage conduits, channels, levees, canals, storm water detention and retention facilities, utilities and utility connections, water mains and extensions, and street and parking lot lighting and connections.

"Local sales taxes" means any locally imposed taxes received by a municipality, county, or other local governmental entity arising from sales by retailers and servicemen within a STAR bond district, including business district sales taxes and STAR bond occupation taxes, and that portion of the net revenue realized under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act from transactions at places of business located within a STAR bond district that is deposited into the Local Government Tax Fund and the County and Mass Transit District Fund. For the purpose of this Act, "local sales taxes" does not include (i) any taxes authorized pursuant to the Local Mass Transit District Act or the Metro-East Park and Recreation District Act for so long as the applicable taxing district does not impose a tax on real property, (ii) county school facility occupation taxes imposed pursuant to Section 5-1006.7 of the Counties Code, or (iii) any taxes authorized under the Flood Prevention District Act.

"Local sales tax increment" means, except as otherwise provided in this Section, with respect to local sales taxes administered by the Illinois Department of Revenue, (i) all of the local sales tax paid by destination users, destination hotels, and entertainment users that is in excess of the local sales tax paid by destination users, destination hotels, and entertainment users for the same month in the base year, as determined by the Illinois Department of Revenue, (ii) in the case of a municipality forming a STAR bond district that is wholly within the corporate boundaries of the municipality and in the case of a municipality and county forming a STAR bond district that is only partially within such municipality, that portion of the local sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users that is in excess of the local sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users for the same month in the base year, as determined by the Illinois Department of Revenue, and (iii) in the case of a county in which a STAR bond district is formed that is wholly within a municipality, that portion of the local sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users that is in excess of the local sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users for the same month in the base year, as determined by the Illinois Department of Revenue, but only if the corporate authorities of the county adopts an ordinance, and files a copy with the Department within the same time frames as required for STAR bond occupation taxes under Section 31, that designates the taxes referenced in this clause (iii) as part of the local sales tax increment under this Act. "Local sales tax increment" means, with respect to local sales taxes administered by a municipality, county, or other unit of local government, that portion of the local sales tax that is in excess of the local sales tax for the same month in the base year, as determined by the respective municipality, county, or other unit of local government. If any portion of local sales taxes are, at the time of formation of a STAR bond district, already subject to tax increment financing under the Tax Increment Allocation Redevelopment Act, then the local sales tax increment for such portion shall be frozen at the base year established in accordance with this Act, and all future incremental increases shall be included in the "local sales tax increment" under this Act. Any party otherwise entitled to receipt of incremental local sales tax revenues through an existing tax increment financing district shall be entitled to continue to receive such revenues up to the amount frozen in the base year. Nothing in this Act shall affect the prior qualification of existing redevelopment project costs incurred that are eligible for reimbursement under the Tax Increment Allocation Redevelopment Act. In such event, prior to approving a STAR bond district, the political subdivision forming the STAR bond district shall take such action as is necessary, including amending the existing tax increment financing district redevelopment plan, to carry out the provisions of this Act. The Illinois Department of Revenue shall allocate the local sales tax increment only if the local sales tax is administered by the Department. "Local sales tax increment" does not include taxes and penalties collected on aviation fuel, as defined in Section 3 of the Retailers' Occupation Tax, sold on or after December 1, 2017.

"Market study" means a study to determine the ability of the proposed STAR bond project to gain market share locally and regionally and to remain profitable past the term of repayment of STAR bonds.

"Master developer" means a developer cooperating with a political subdivision to plan, develop, and implement a STAR bond project plan for a STAR bond district. Subject to the limitations of Section 25, the master developer may work with and transfer certain development rights to other developers for the purpose of implementing STAR bond project plans and achieving the purposes of this Act. A master developer for a STAR bond district shall be appointed by a political subdivision in the resolution establishing the STAR bond district, and the master developer must, at the time of appointment, own or have control of, through purchase agreements, option contracts, or other means, not less than 50% of the acreage within the STAR bond district and the master developer or its affiliate must have ownership or control on June 1, 2010.

"Master development agreement" means an agreement between the master developer and the political subdivision to govern a STAR bond district and any STAR bond projects.

"Municipality" means the city, village, or incorporated town in which a proposed STAR bond district is located.

"Pledged STAR revenues" means those sales tax and revenues and other sources of funds pledged to pay debt service on STAR bonds or to pay project costs pursuant to Section 30. Notwithstanding any provision to the contrary, the following revenues shall not constitute pledged STAR revenues or be available to pay principal and interest on STAR bonds: any State sales tax increment or local sales tax increment from a retail entity initiating operations in a STAR bond district while terminating operations at another Illinois location within 25 miles of the STAR bond district. For purposes of this paragraph, "terminating operations" means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a STAR bond district within one year before or after initiating operations in the STAR bond district, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality (or county if such retail operation is not located within a municipality) in which the terminated operations were located that the closed location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

"Political subdivision" means a municipality or county which undertakes to establish a STAR bond district pursuant to the provisions of this Act.

"Project costs" means and includes the sum total of all costs incurred or estimated to be incurred on or following the date of establishment of a STAR bond district that are reasonable or necessary to implement a STAR bond district plan or any STAR bond project plans, or both, including costs incurred for public improvements and private improvements that serve the public purposes set forth in Section 5 of this Act. Such costs include without limitation the following:

(a) costs of studies, surveys, development of plans and specifications, formation, implementation, and administration of a STAR bond district, STAR bond district plan, any STAR bond projects, or any STAR bond project plans, including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning, or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected and no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years;

(b) property assembly costs, including, but not limited to, acquisition of land and other real property or rights or interests therein, located within the boundaries of a STAR bond district, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, the clearing and grading of land, and importing additional soil and fill materials, or removal of soil and fill materials from the site;

(c) subject to paragraph (d), costs of buildings and other vertical improvements that are located within the boundaries of a STAR bond district and owned by a political subdivision or other public entity, including without limitation police and fire stations, educational facilities, and public restrooms and rest areas;

(c-1) costs of buildings and other vertical improvements that are located within the boundaries of a STAR bond district and owned by a destination user or destination hotel; except that only 2 destination users in a STAR bond district and one destination hotel are eligible to include the cost of those vertical improvements as project costs;

(c-5) costs of buildings; rides and attractions, which include carousels, slides, roller coasters, displays, models, towers, works of art, and similar theme and amusement park improvements; and other vertical improvements that are located within the boundaries of a STAR bond district and



owned by an entertainment user; except that only one entertainment user in a STAR bond district is eligible to include the cost of those vertical improvements as project costs;

(d) costs of the design and construction of infrastructure and public works located within the boundaries of a STAR bond district that are reasonable or necessary to implement a STAR bond district plan or any STAR bond project plans, or both, except that project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building unless the political subdivision makes a reasonable determination in a STAR bond district plan or any STAR bond project plans, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the STAR bond district plan or any STAR bond project plans;

(e) costs of the design and construction of the following improvements located outside the boundaries of a STAR bond district, provided that the costs are essential to further the purpose and development of a STAR bond district plan and either (i) part of and connected to sewer, water, or utility service lines that physically connect to the STAR bond district or (ii) significant improvements for adjacent offsite highways, streets, roadways, and interchanges that are approved by the Illinois Department of Transportation. No other cost of infrastructure and public works improvements located outside the boundaries of a STAR bond district may be deemed project costs;

(f) costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within a STAR bond district;

(g) financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any improvements in a STAR bond district or any STAR bond projects for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(h) to the extent the political subdivision by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from a STAR bond district or STAR bond projects necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of a STAR bond district plan or STAR bond project plans;

(i) interest cost incurred by a developer for project costs related to the acquisition, formation, implementation, development, construction, and administration of a STAR bond district, STAR bond district plan, STAR bond projects, or any STAR bond project plans provided that:

(i) payment of such costs in any one year may not exceed 30% of the annual interest costs incurred by the developer with regard to the STAR bond district or any STAR bond projects during that year; and

(ii) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total cost paid or incurred by the developer for a STAR bond district or STAR bond projects, plus project costs, excluding any property assembly costs incurred by a political subdivision pursuant to this Act;

(j) costs of common areas located within the boundaries of a STAR bond district;

(k) costs of landscaping and plantings, retaining walls and fences, man-made lakes and ponds, shelters, benches, lighting, and similar amenities located within the boundaries of a STAR bond district;

(l) costs of mounted building signs, site monument, and pylon signs located within the boundaries of a STAR bond district; or

(m) if included in the STAR bond district plan and approved in writing by the Director, salaries or a portion of salaries for local government employees to the extent the same are directly attributable to the work of such employees on the establishment and management of a STAR bond district or any STAR bond projects.

Except as specified in items (a) through (m), "project costs" shall not include:

(i) the cost of construction of buildings that are privately owned or owned by a municipality and leased to a developer or retail user for non-entertainment retail uses;

(ii) moving expenses for employees of the businesses locating within the STAR bond district;

(iii) property taxes for property located in the STAR bond district;

(iv) lobbying costs; and

(v) general overhead or administrative costs of the political subdivision that would

still have been incurred by the political subdivision if the political subdivision had not established a STAR bond district.

"Project development agreement" means any one or more agreements, including any amendments thereto, between a master developer and any co-developer or subdeveloper in connection with a STAR bond project, which project development agreement may include the political subdivision as a party.

"Projected market area" means any area within the State in which a STAR bond district or STAR bond project is projected to have a significant fiscal or market impact as determined by the Director.

"Resolution" means a resolution, order, ordinance, or other appropriate form of legislative action of a political subdivision or other applicable public entity approved by a vote of a majority of a quorum at a meeting of the governing body of the political subdivision or applicable public entity.

"STAR bond" means a sales tax and revenue bond, note, or other obligation payable from pledged STAR revenues and issued by a political subdivision, the proceeds of which shall be used only to pay project costs as defined in this Act.

"STAR bond district" means the specific area declared to be an eligible area as determined by the political subdivision, and approved by the Director, in which the political subdivision may develop one or more STAR bond projects.

"STAR bond district plan" means the preliminary or conceptual plan that generally identifies the proposed STAR bond project areas and identifies in a general manner the buildings, facilities, and improvements to be constructed or improved in each STAR bond project area.

"STAR bond project" means a project within a STAR bond district which is approved pursuant to Section 20.

"STAR bond project area" means the geographic area within a STAR bond district in which there may be one or more STAR bond projects.

"STAR bond project plan" means the written plan adopted by a political subdivision for the development of a STAR bond project in a STAR bond district; the plan may include, but is not limited to, (i) project costs incurred prior to the date of the STAR bond project plan and estimated future STAR bond project costs, (ii) proposed sources of funds to pay those costs, (iii) the nature and estimated term of any obligations to be issued by the political subdivision to pay those costs, (iv) the most recent equalized assessed valuation of the STAR bond project area, (v) an estimate of the equalized assessed valuation of the STAR bond district or applicable project area after completion of a STAR bond project, (vi) a general description of the types of any known or proposed developers, users, or tenants of the STAR bond project or projects included in the plan, (vii) a general description of the type, structure, and character of the property or facilities to be developed or improved, (viii) a description of the general land uses to apply to the STAR bond project, and (ix) a general description or an estimate of the type, class, and number of employees to be employed in the operation of the STAR bond project.

"State sales tax" means all of the net revenue realized under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act from transactions at places of business located within a STAR bond district, excluding that portion of the net revenue realized under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act from transactions at places of business located within a STAR bond district that is deposited into the Local Government Tax Fund and the County and Mass Transit District Fund.

"State sales tax increment" means (i) 100% of that portion of the State sales tax that is in excess of the State sales tax for the same month in the base year, as determined by the Department of Revenue, from transactions at up to 2 destination users, one destination hotel, and one entertainment user located within a STAR bond district, which destination users, destination hotel, and entertainment user shall be designated by the master developer and approved by the political subdivision and the Director in conjunction with the applicable STAR bond project approval, and (ii) 25% of that portion of the State sales tax that is in excess of the State sales tax for the same month in the base year, as determined by the Department of Revenue, from all other transactions within a STAR bond district. If any portion of State sales taxes are, at the time of formation of a STAR bond district, already subject to tax increment financing under the Tax Increment Allocation Redevelopment Act, then the State sales tax increment for such portion shall be frozen at the base year established in accordance with this Act, and all future incremental increases shall be included in the State sales tax increment under this Act. Any party otherwise entitled to receipt of incremental State sales tax revenues through an existing tax increment financing district shall be entitled to continue to receive such revenues up to the amount frozen in the base year. Nothing in this Act shall affect the prior qualification of existing redevelopment project costs incurred that are eligible for reimbursement under the Tax Increment Allocation Redevelopment Act. In such event, prior to approving a STAR bond district, the political subdivision forming the STAR bond district shall take such action as

is necessary, including amending the existing tax increment financing district redevelopment plan, to carry out the provisions of this Act.

"Substantial change" means a change wherein the proposed STAR bond project plan differs substantially in size, scope, or use from the approved STAR bond district plan or STAR bond project plan.

"Taxpayer" means an individual, partnership, corporation, limited liability company, trust, estate, or other entity that is subject to the Illinois Income Tax Act.

"Total development costs" means the aggregate public and private investment in a STAR bond district, including project costs and other direct and indirect costs related to the development of the STAR bond district.

"Traditional retail use" means the operation of a business that derives at least 90% of its annual gross revenue from sales at retail, as that phrase is defined by Section 1 of the Retailers' Occupation Tax Act, but does not include the operations of destination users, entertainment users, restaurants, hotels, retail uses within hotels, or any other non-retail uses.

"Vacant" means that portion of the land in a proposed STAR bond district that is not occupied by a building, facility, or other vertical improvement.

(Source: P.A. 99-642, eff. 7-28-16.)

(50 ILCS 470/31)

Sec. 31. STAR bond occupation taxes.

(a) If the corporate authorities of a political subdivision have established a STAR bond district and have elected to impose a tax by ordinance pursuant to subsection (b) or (c) of this Section, each year after the date of the adoption of the ordinance and until all STAR bond project costs and all political subdivision obligations financing the STAR bond project costs, if any, have been paid in accordance with the STAR bond project plans, but in no event longer than the maximum maturity date of the last of the STAR bonds issued for projects in the STAR bond district, all amounts generated by the retailers' occupation tax and service occupation tax shall be collected and the tax shall be enforced by the Department of Revenue in the same manner as all retailers' occupation taxes and service occupation taxes imposed in the political subdivision imposing the tax. The corporate authorities of the political subdivision shall deposit the proceeds of the taxes imposed under subsections (b) and (c) into either (i) a special fund held by the corporate authorities of the political subdivision called the STAR Bonds Tax Allocation Fund for the purpose of paying STAR bond project costs and obligations incurred in the payment of those costs if such taxes are designated as pledged STAR revenues by resolution or ordinance of the political subdivision or (ii) the political subdivision's general corporate fund if such taxes are not designated as pledged STAR revenues by resolution or ordinance.

The tax imposed under this Section by a municipality may be imposed only on the portion of a STAR bond district that is within the boundaries of the municipality. For any part of a STAR bond district that lies outside of the boundaries of that municipality, the municipality in which the other part of the STAR bond district lies (or the county, in cases where a portion of the STAR bond district lies in the unincorporated area of a county) is authorized to impose the tax under this Section on that part of the STAR bond district.

(b) The corporate authorities of a political subdivision that has established a STAR bond district under this Act may, by ordinance or resolution, impose a STAR Bond Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the STAR bond district at a rate not to exceed 1% of the gross receipts from the sales made in the course of that business, to be imposed only in 0.25% increments. The tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax. The municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22 of the Illinois Municipal Code. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage

[May 31, 2018]

in a business that is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under such ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with, this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 1, 1a through 1o, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsection (c) of this Section.

(c) If a tax has been imposed under subsection (b), a STAR Bond Service Occupation Tax shall also be imposed upon all persons engaged, in the STAR bond district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the STAR bond district, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax shall be imposed at the same rate as the tax imposed in subsection (b) and shall not exceed 1% of the selling price of tangible personal property so transferred within the STAR bond district, to be imposed only in 0.25% increments. The tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax. The municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22 of the Illinois Municipal Code. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under that ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure as are prescribed in Sections 2, 2a through 2d, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the STAR bond district), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the political subdivision), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the political subdivision), the first paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

If a tax is imposed under this subsection (c), a tax shall also be imposed under subsection (b) of this Section.

(d) Persons subject to any tax imposed under this Section may reimburse themselves for their seller's tax liability under this Section by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the STAR Bond Retailers' Occupation Tax Fund.

Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes, penalties, and interest collected under this Section for deposit into the STAR Bond Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District. On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named political subdivisions from the STAR Bond Retailers' Occupation Tax Fund, the political subdivisions to be those from which retailers have paid taxes or penalties under this Section to the Department during the second preceding calendar month. The amount to be paid to each political subdivision shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department, less 3% of that amount, which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this Section, on behalf of such political subdivision, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the political subdivision. Within 10 days after receipt by the Comptroller of the disbursement certification to the political subdivisions provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification. The proceeds of the tax paid to political subdivisions under this Section shall be deposited into either (i) the STAR Bonds Tax Allocation Fund by the political subdivision if the political subdivision has designated them as pledged STAR revenues by resolution or ordinance or (ii) the political subdivision's general corporate fund if the political subdivision has not designated them as pledged STAR revenues.

An ordinance or resolution imposing or discontinuing the tax under this Section or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department, if all other requirements of this Section are met, shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon, if all other requirements of this Section are met, the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

The Department of Revenue shall not administer or enforce an ordinance imposing, discontinuing, or changing the rate of the tax under this Section until the political subdivision also provides, in the manner prescribed by the Department, the boundaries of the STAR bond district and each address in the STAR bond district in such a way that the Department can determine by its address whether a business is located in the STAR bond district. The political subdivision must provide this boundary and address information to the Department on or before April 1 for administration and enforcement of the tax under this Section by the Department beginning on the following July 1 and on or before October 1 for administration and enforcement of the tax under this Section by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any change made to the boundaries of a STAR bond district or any address change, addition, or deletion until the political subdivision reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The political subdivision must provide this boundary change or address change, addition,

or deletion information to the Department on or before April 1 for administration and enforcement by the Department of the change, addition, or deletion beginning on the following July 1 and on or before October 1 for administration and enforcement by the Department of the change, addition, or deletion beginning on the following January 1. The retailers in the STAR bond district shall be responsible for charging the tax imposed under this Section. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this Section, both the Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the political subdivision.

A political subdivision that imposes the tax under this Section must submit to the Department of Revenue any other information as the Department may require that is necessary for the administration and enforcement of the tax.

When certifying the amount of a monthly disbursement to a political subdivision under this Section, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Nothing in this Section shall be construed to authorize the political subdivision to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(e) When STAR bond project costs, including, without limitation, all political subdivision obligations financing STAR bond project costs, have been paid, any surplus funds then remaining in the STAR Bonds Tax Allocation Fund shall be distributed to the treasurer of the political subdivision for deposit into the political subdivision's general corporate fund. Upon payment of all STAR bond project costs and retirement of obligations, but in no event later than the maximum maturity date of the last of the STAR bonds issued in the STAR bond district, the political subdivision shall adopt an ordinance immediately rescinding the taxes imposed pursuant to this Section and file a certified copy of the ordinance with the Department in the form and manner as described in this Section.

(Source: P.A. 99-143, eff. 7-27-15.)

Section 40. The Counties Code is amended by changing Sections 5-1006, 5-1006.5, 5-1006.7, 5-1007, 5-1008.5, 5-1009, and 5-1035.1 and by adding Section 5-1184 as follows:

(55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

Sec. 5-1006. Home Rule County Retailers' Occupation Tax Law. Any county that is a home rule unit may impose a tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from such sales made in the course of their business. If imposed, this tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county. The changes made to this Section by this amendatory Act of the 100th General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule county pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of

[May 31, 2018]

procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule county pursuant to this Section unless the county also imposes a tax at the same rate pursuant to Section 5-1007.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the home rule county retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Home Rule County Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named counties, the counties to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such county, and not including any amount which the Department determines is necessary to offset any amounts which were payable to a different taxing body but were erroneously paid to the county, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 2% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the counties and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in March of each year to each county that received more than \$500,000 in disbursements under the preceding paragraph in the preceding calendar year. The allocation shall be in an amount equal to the average monthly distribution made to each such county under the preceding paragraph during the preceding calendar year (excluding the 2 months of highest receipts). The distribution made in March of each year subsequent to the year in which an allocation was made pursuant to this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral

when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. Beginning April 1, 1998, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

When certifying the amount of a monthly disbursement to a county under this Section, the Department shall increase or decrease such amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

This Section shall be known and may be cited as the Home Rule County Retailers' Occupation Tax Law. (Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17.)

(55 ILCS 5/5-1006.5)

Sec. 5-1006.5. Special County Retailers' Occupation Tax For Public Safety, Public Facilities, or Transportation.

(a) The county board of any county may impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made in the course of business to provide revenue to be used exclusively for public safety, public facility, or transportation purposes in that county (except as otherwise provided in this Section), if a proposition for the tax has been submitted to the electors of that county and approved by a majority of those voting on the question. If imposed, this tax shall be imposed only in one-quarter percent increments. By resolution, the county board may order the proposition to be submitted at any election. If the tax is imposed for transportation purposes for expenditures for public highways or as authorized under the Illinois Highway Code, the county board must publish notice of the existence of its long-range highway transportation plan as required or described in Section 5-301 of the Illinois Highway Code and must make the plan publicly available prior to approval of the ordinance or resolution imposing the tax. If the tax is imposed for transportation purposes for expenditures for passenger rail transportation, the county board must publish notice of the existence of its long-range passenger rail transportation plan and must make the plan publicly available prior to approval of the ordinance or resolution imposing the tax.

If a tax is imposed for public facilities purposes, then the name of the project may be included in the proposition at the discretion of the county board as determined in the enabling resolution. For example, the "XXX Nursing Home" or the "YYY Museum".

The county clerk shall certify the question to the proper election authority, who shall submit the proposition at an election in accordance with the general election law.

(1) The proposition for public safety purposes shall be in substantially the following form:

"To pay for public safety purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail."



The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public safety purposes shall be in substantially the following form:

"To pay for public safety purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For the purposes of the paragraph, "public safety purposes" means crime prevention, detention, fire fighting, police, medical, ambulance, or other emergency services.

Votes shall be recorded as "Yes" or "No".

Beginning on the January 1 or July 1, whichever is first, that occurs not less than 30 days after May 31, 2015 (the effective date of Public Act 99-4), Adams County may impose a public safety retailers' occupation tax and service occupation tax at the rate of 0.25%, as provided in the referendum approved by the voters on April 7, 2015, notwithstanding the omission of the additional information that is otherwise required to be printed on the ballot below the question pursuant to this item (1).

(2) The proposition for transportation purposes shall be in substantially the following form:

"To pay for improvements to roads and other transportation purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for transportation purposes shall be in substantially the following form:

"To pay for road improvements and other transportation purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For the purposes of this paragraph, transportation purposes means construction, maintenance, operation, and improvement of public highways, any other purpose for which a county may expend funds under the Illinois Highway Code, and passenger rail transportation.

The votes shall be recorded as "Yes" or "No".

(3) The proposition for public facilities purposes shall be in substantially the following form:

"To pay for public facilities purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public facilities purposes shall be in substantially the following form:

"To pay for public facilities purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For purposes of this Section, "public facilities purposes" means the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the public facilities, for use by the county for the furnishing of governmental services to its citizens, including but not limited to museums and nursing homes.

The votes shall be recorded as "Yes" or "No".

If a majority of the electors voting on the proposition vote in favor of it, the county may impose the tax. A county may not submit more than one proposition authorized by this Section to the electors at any one time.

This additional tax may not be imposed on the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food which has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county. The tax imposed by a county under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Illinois Department of Revenue and deposited into a special fund created for that purpose. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section. The Department has full power to administer and enforce this Section, to collect all taxes and penalties due under this Section, to dispose of taxes and penalties so collected in the manner provided in this Section, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this Section. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a, 2b, 2c, 3 (except provisions relating to transaction returns and quarter monthly payments, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as if those provisions were set forth in this Section.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their sellers' tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracketed schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Public Safety or Transportation Retailers' Occupation Tax Fund.

(b) If a tax has been imposed under subsection (a), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the county as an incident to a sale of service. This tax may not be imposed on sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food

prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county. The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this subsection; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the county), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the county), 9 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the county), Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Public Safety or Transportation Retailers' Occupation Fund.

Nothing in this subsection shall be construed to authorize the county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(c) Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the County Public Safety or Transportation Retailers' Occupation Tax Fund, which shall be an unappropriated trust fund held outside of the State treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the counties from which retailers have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each county, and deposited by the county into its special fund created for the purposes of this Section, shall be the amount (not including credit

memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including (i) an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county, (ii) any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county, (iii) any amounts that are transferred to the STAR Bonds Revenue Fund, and (iv) 2% of the remainder, which shall be transferred into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the disbursement certification to the counties and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in March of each year to each county that received more than \$500,000 in disbursements under the preceding paragraph in the preceding calendar year. The allocation shall be in an amount equal to the average monthly distribution made to each such county under the preceding paragraph during the preceding calendar year (excluding the 2 months of highest receipts). The distribution made in March of each year subsequent to the year in which an allocation was made pursuant to this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

A county may direct, by ordinance, that all or a portion of the taxes and penalties collected under the Special County Retailers' Occupation Tax For Public Safety or Transportation be deposited into the Transportation Development Partnership Trust Fund.

(d) For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or another mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(e) Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(e-5) If a county imposes a tax under this Section, the county board may, by ordinance, discontinue or lower the rate of the tax. If the county board lowers the tax rate or discontinues the tax, a referendum must be held in accordance with subsection (a) of this Section in order to increase the rate of the tax or to reimpose the discontinued tax.

(f) Beginning April 1, 1998 and through December 31, 2013, the results of any election authorizing a proposition to impose a tax under this Section or effecting a change in the rate of tax, or any ordinance lowering the rate or discontinuing the tax, shall be certified by the county clerk and filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax as of the first day of January next following the filing.

Beginning January 1, 2014, the results of any election authorizing a proposition to impose a tax under this Section or effecting an increase in the rate of tax, along with the ordinance adopted to impose the tax or increase the rate of the tax, or any ordinance adopted to lower the rate or discontinue the tax, shall be certified by the county clerk and filed with the Illinois Department of Revenue either (i) on or before the first day of May, whereupon the Department shall proceed to administer and enforce the tax as of the first day of July next following the adoption and filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax as of the first day of January next following the adoption and filing.

(g) When certifying the amount of a monthly disbursement to a county under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a miscalculation is discovered.

(h) This Section may be cited as the "Special County Occupation Tax For Public Safety, Public Facilities, or Transportation Law".

[May 31, 2018]

(i) For purposes of this Section, "public safety" includes, but is not limited to, crime prevention, detention, fire fighting, police, medical, ambulance, or other emergency services. The county may share tax proceeds received under this Section for public safety purposes, including proceeds received before August 4, 2009 (the effective date of Public Act 96-124), with any fire protection district located in the county. For the purposes of this Section, "transportation" includes, but is not limited to, the construction, maintenance, operation, and improvement of public highways, any other purpose for which a county may expend funds under the Illinois Highway Code, and passenger rail transportation. For the purposes of this Section, "public facilities purposes" includes, but is not limited to, the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the public facilities, for use by the county for the furnishing of governmental services to its citizens, including but not limited to museums and nursing homes.

(j) The Department may promulgate rules to implement Public Act 95-1002 only to the extent necessary to apply the existing rules for the Special County Retailers' Occupation Tax for Public Safety to this new purpose for public facilities.

(Source: P.A. 99-4, eff. 5-31-15; 99-217, eff. 7-31-15; 99-642, eff. 7-28-16; 100-23, eff. 7-6-17.)  
(55 ILCS 5/5-1006.7)

Sec. 5-1006.7. School facility occupation taxes.

(a) In any county, a tax shall be imposed upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made in the course of business to provide revenue to be used exclusively for school facility purposes (except as otherwise provided in this Section) if a proposition for the tax has been submitted to the electors of that county and approved by a majority of those voting on the question as provided in subsection (c). The tax under this Section shall be imposed only in one-quarter percent increments and may not exceed 1%.

This additional tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county. The Department of Revenue has full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner provided in this subsection, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this subsection. The Department shall deposit all taxes and penalties collected under this subsection into a special fund created for that purpose.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) shall employ the same modes of procedure as are set forth in Sections 1 through 1o, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act as if those provisions were set forth in this subsection.

The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act permits the retailer to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this subsection.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their seller's tax liability by separately stating that tax as an additional charge, which may be stated in combination, in a single amount, with State tax that sellers are required to collect under the Use Tax Act, pursuant to any bracketed schedules set forth by the Department.

(b) If a tax has been imposed under subsection (a), then a service occupation tax must also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the county as an incident to a sale of service.

This tax may not be imposed on sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department and deposited into a special fund created for that purpose. The Department has full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner provided in this subsection, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this subsection.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection shall (i) have the same rights, remedies, privileges, immunities, powers and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties and definition of terms, and (iii) employ the same modes of procedure as are set forth in Sections 2 (except that that reference to State in the definition of supplier maintaining a place of business in this State means the county), 2a through 2d, 3 through 3-50 (in respect to all provisions contained in those Sections other than the State rate of tax), 4 (except that the reference to the State shall be to the county), 5, 7, 8 (except that the jurisdiction to which the tax is a debt to the extent indicated in that Section 8 is the county), 9 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State means the county), Section 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, pursuant to any bracketed schedules set forth by the Department.

(c) The tax under this Section may not be imposed until the question of imposing the tax has been submitted to the electors of the county at a regular election and approved by a majority of the electors voting on the question. For all regular elections held prior to August 23, 2011 (the effective date of Public Act 97-542), upon a resolution by the county board or a resolution by school district boards that represent at least 51% of the student enrollment within the county, the county board must certify the question to the proper election authority in accordance with the Election Code.

For all regular elections held prior to August 23, 2011 (the effective date of Public Act 97-542), the election authority must submit the question in substantially the following form:

Shall (name of county) be authorized to impose a retailers' occupation tax and a service occupation tax (commonly referred to as a "sales tax") at a rate of (insert rate) to be used exclusively for school facility purposes?

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, then the county may, thereafter, impose the tax.

For all regular elections held on or after August 23, 2011 (the effective date of Public Act 97-542), the regional superintendent of schools for the county must, upon receipt of a resolution or resolutions of school district boards that represent more than 50% of the student enrollment within the county, certify the question to the proper election authority for submission to the electors of the county at the next regular election at which the question lawfully may be submitted to the electors, all in accordance with the Election Code.

[May 31, 2018]

For all regular elections held on or after August 23, 2011 (the effective date of Public Act 97-542), the election authority must submit the question in substantially the following form:

Shall a retailers' occupation tax and a service occupation tax (commonly referred to as a "sales tax") be imposed in (name of county) at a rate of (insert rate) to be used exclusively for school facility purposes?

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, then the tax shall be imposed at the rate set forth in the question.

For the purposes of this subsection (c), "enrollment" means the head count of the students residing in the county on the last school day of September of each year, which must be reported on the Illinois State Board of Education Public School Fall Enrollment/Housing Report.

(d) Except as otherwise provided, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the School Facility Occupation Tax Fund, which shall be an unappropriated trust fund held outside the State treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county.

On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the regional superintendents of schools in counties from which retailers or servicemen have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each regional superintendent of schools and disbursed to him or her in accordance with Section 3-14.31 of the School Code, is equal to the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected from the county under this Section during the second preceding calendar month by the Department, (i) less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2017), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this Section, on behalf of the county, (ii) plus an amount that the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body; (iii) less an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; and (iv) less any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county. When certifying the amount of a monthly disbursement to a regional superintendent of schools under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements within the previous 6 months from the time a miscalculation is discovered.

Within 10 days after receipt by the Comptroller from the Department of the disbursement certification to the regional superintendents of the schools provided for in this Section, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

If the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, then the Department shall notify the Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the Treasurer out of the School Facility Occupation Tax Fund.

(e) For the purposes of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or another mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This subsection does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(f) Nothing in this Section may be construed to authorize a tax to be imposed upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(g) If a county board imposes a tax under this Section pursuant to a referendum held before August 23, 2011 (the effective date of Public Act 97-542) at a rate below the rate set forth in the question approved by a majority of electors of that county voting on the question as provided in subsection (c), then the county board may, by ordinance, increase the rate of the tax up to the rate set forth in the question approved by a majority of electors of that county voting on the question as provided in subsection (c). If a county board imposes a tax under this Section pursuant to a referendum held before August 23, 2011 (the effective

date of Public Act 97-542), then the board may, by ordinance, discontinue or reduce the rate of the tax. If a tax is imposed under this Section pursuant to a referendum held on or after August 23, 2011 (the effective date of Public Act 97-542), then the county board may reduce or discontinue the tax, but only in accordance with subsection (h-5) of this Section. If, however, a school board issues bonds that are secured by the proceeds of the tax under this Section, then the county board may not reduce the tax rate or discontinue the tax if that rate reduction or discontinuance would adversely affect the school board's ability to pay the principal and interest on those bonds as they become due or necessitate the extension of additional property taxes to pay the principal and interest on those bonds. If the county board reduces the tax rate or discontinues the tax, then a referendum must be held in accordance with subsection (c) of this Section in order to increase the rate of the tax or to reimpose the discontinued tax.

Until January 1, 2014, the results of any election that imposes, reduces, or discontinues a tax under this Section must be certified by the election authority, and any ordinance that increases or lowers the rate or discontinues the tax must be certified by the county clerk and, in each case, filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

Beginning January 1, 2014, the results of any election that imposes, reduces, or discontinues a tax under this Section must be certified by the election authority, and any ordinance that increases or lowers the rate or discontinues the tax must be certified by the county clerk and, in each case, filed with the Illinois Department of Revenue either (i) on or before the first day of May, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

(h) For purposes of this Section, "school facility purposes" means (i) the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the capital facilities and (ii) the payment of bonds or other obligations heretofore or hereafter issued, including bonds or other obligations heretofore or hereafter issued to refund or to continue to refund bonds or other obligations issued, for school facility purposes, provided that the taxes levied to pay those bonds are abated by the amount of the taxes imposed under this Section that are used to pay those bonds. "School-facility purposes" also includes fire prevention, safety, energy conservation, accessibility, school security, and specified repair purposes set forth under Section 17-2.11 of the School Code.

(h-5) A county board in a county where a tax has been imposed under this Section pursuant to a referendum held on or after August 23, 2011 (the effective date of Public Act 97-542) may, by ordinance or resolution, submit to the voters of the county the question of reducing or discontinuing the tax. In the ordinance or resolution, the county board shall certify the question to the proper election authority in accordance with the Election Code. The election authority must submit the question in substantially the following form:

Shall the school facility retailers' occupation tax and service occupation tax (commonly referred to as the "school facility sales tax") currently imposed in (name of county) at a rate of (insert rate) be (reduced to (insert rate))(discontinued)?

If a majority of the electors voting on the question vote in the affirmative, then, subject to the provisions of subsection (g) of this Section, the tax shall be reduced or discontinued as set forth in the question.

(i) This Section does not apply to Cook County.

(j) This Section may be cited as the County School Facility Occupation Tax Law.

(Source: P.A. 98-584, eff. 8-27-13; 99-143, eff. 7-27-15; 99-217, eff. 7-31-15; 99-642, eff. 7-28-16.)

(55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

Sec. 5-1007. Home Rule County Service Occupation Tax Law. The corporate authorities of a home rule county may impose a tax upon all persons engaged, in such county, in the business of making sales of service at the same rate of tax imposed pursuant to Section 5-1006 of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. If imposed, such tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and



needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county. The changes made to this Section by this amendatory Act of the 100th General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule county pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing county), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing county), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this county tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing county), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule county pursuant to this Section unless such county also imposes a tax at the same rate pursuant to Section 5-1006.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their serviceman's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which servicemen are authorized to collect under the Service Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the home rule county retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the The Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes and penalties collected hereunder for deposit into the Home Rule County Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named counties, the counties to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be

paid to each county shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such county, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 2% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the counties and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in each year to each county which received more than \$500,000 in disbursements under the preceding paragraph in the preceding calendar year. The allocation shall be in an amount equal to the average monthly distribution made to each such county under the preceding paragraph during the preceding calendar year (excluding the 2 months of highest receipts). The distribution made in March of each year subsequent to the year in which an allocation was made pursuant to this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. Beginning April 1, 1998, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

This Section shall be known and may be cited as the Home Rule County Service Occupation Tax Law. (Source: P.A. 100-23, eff. 7-6-17.)

(55 ILCS 5/5-1008.5)

Sec. 5-1008.5. Use and occupation taxes.

(a) The Rock Island County Board may adopt a resolution that authorizes a referendum on the question of whether the county shall be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax at a rate of 1/4 of 1% on behalf of the economic development activities of Rock Island County and communities located within the county. The county board shall certify the question to the proper election authorities who shall submit the question to the voters of the county at the next regularly scheduled election in accordance with the general election law. The question shall be in substantially the following form:

Shall Rock Island County be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax at the rate of 1/4 of 1% for the sole purpose of economic development activities, including creation and retention of job opportunities, support of affordable housing opportunities, and enhancement of quality of life improvements?

Votes shall be recorded as "yes" or "no". If a majority of all votes cast on the proposition are in favor of the proposition, the county is authorized to impose the tax.

[May 31, 2018]

(b) The county shall impose the retailers' occupation tax upon all persons engaged in the business of selling tangible personal property at retail in the county, at the rate approved by referendum, on the gross receipts from the sales made in the course of those businesses within the county. This additional tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county. The tax imposed under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner provided in this Section; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this Section. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions other than the State rate of tax), 2-15 through 2-70, 2a, 2b, 2c, 3 (except as to the disposition of taxes and penalties collected and provisions related to quarter monthly payments, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under this subsection may reimburse themselves for their seller's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect, in accordance with bracket schedules prescribed by the Department.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

If a tax is imposed under this subsection (b), a tax shall also be imposed at the same rate under subsections (c) and (d) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale, by a producer of coal or another mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize the county to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(c) If a tax has been imposed under subsection (b), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the county as an incident to a sale of service. This additional tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance

Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county. The tax imposed under this subsection and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this paragraph; to collect all taxes and penalties due under this Section; to dispose of taxes and penalties so collected in the manner provided in this Section; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this Section. In the administration of, and compliance with this paragraph, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the county), 2a, 2b, 3 through 3-55 (in respect to all provisions other than the State rate of tax), 4 (except that the reference to the State shall be to the county), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the county), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 11, 12 (except the reference to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the county), 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with bracket schedules prescribed by the Department.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

Nothing in this paragraph shall be construed to authorize the county to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(d) If a tax has been imposed under subsection (b), a use tax shall also be imposed at the same rate upon the privilege of using, in the county, any item of tangible personal property that is purchased outside the county at retail from a retailer, and that is titled or registered at a location within the county with an agency of this State's government. This additional tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. "Selling price" is defined as in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the county. The tax shall be collected by the Department of Revenue for the county. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department has full power to administer and enforce this paragraph; to collect all taxes, penalties, and interest due under this Section; to dispose of taxes, penalties, and interest so collected in the manner provided in this Section; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty, or interest under this Section. In the administration of, and compliance with, this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a, 4, 6, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the county), 9 (except provisions relating to quarter monthly payments), 10, 11, 12, 12a, 12b, 13, 14,

15, 19, 20, 21, and 22 of the Use Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, that are not inconsistent with this paragraph, as fully as if those provisions were set forth in this subsection.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

(e) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (c), or (d) of this Section and no additional registration shall be required. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(f) The results of any election authorizing a proposition to impose a tax under this Section or effecting a change in the rate of tax shall be certified by the proper election authorities and filed with the Illinois Department on or before the first day of October. In addition, an ordinance imposing, discontinuing, or effecting a change in the rate of tax under this Section shall be adopted and a certified copy of the ordinance filed with the Department on or before the first day of October. After proper receipt of the certifications, the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

(g) Except as otherwise provided in paragraph (g-2), the The Department of Revenue shall, upon collecting any taxes and penalties as provided in this Section, pay the taxes and penalties over to the State Treasurer as trustee for the county. The taxes and penalties shall be held in a trust fund outside the State Treasury. On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the county, which shall be the balance in the fund, less any amount determined by the Department to be necessary for the payment of refunds. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the county, the Comptroller shall cause an order to be drawn for payment for the amount in accordance with the directions contained in the certification. Amounts received from the tax imposed under this Section shall be used only for the economic development activities of the county and communities located within the county.

(g-2) Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the county.

(h) When certifying the amount of a monthly disbursement to the county under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a miscalculation is discovered.

(i) This Section may be cited as the Rock Island County Use and Occupation Tax Law.

(Source: P.A. 90-415, eff. 8-15-97.)

(55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

Sec. 5-1009. Limitation on home rule powers. Except as provided in Sections 5-1006, 5-1006.5, 5-1007 and 5-1008, on and after September 1, 1990, no home rule county has the authority to impose, pursuant to its home rule authority, a retailer's occupation tax, service occupation tax, use tax, sales tax or other tax on the use, sale or purchase of tangible personal property based on the gross receipts from such sales or the selling or purchase price of said tangible personal property. Notwithstanding the foregoing, this Section does not preempt any home rule imposed tax such as the following: (1) a tax on alcoholic beverages, whether based on gross receipts, volume sold or any other measurement; (2) a tax based on the number of units of cigarettes or tobacco products; (3) a tax, however measured, based on the use of a hotel or motel room or similar facility; (4) a tax, however measured, on the sale or transfer of real property; (5) a tax, however measured, on lease receipts; (6) a tax on food prepared for immediate consumption and on alcoholic beverages sold by a business which provides for on premise consumption of said food or alcoholic beverages; or (7) other taxes not based on the selling or purchase price or gross receipts from the use, sale or purchase of tangible personal property. This Section does not preempt a home rule county from imposing a tax, however measured, on the use, for consideration, of a parking lot, garage, or other parking facility.

On and after December 1, 2017, no home rule county has the authority to impose, pursuant to its home rule authority, a tax, however measured, on sales of aviation fuel, as defined in Section 3 of the Retailers'

Occupation Tax Act, unless the tax revenue is expended for airport-related purposes. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Aviation fuel shall be excluded from tax only for so long as the revenue use requirements of 49 U.S.C. §47017 (b) and 49 U.S.C. §47133 are binding on the county.

This Section is a limitation, pursuant to subsection (g) of Section 6 of Article VII of the Illinois Constitution, on the power of home rule units to tax. The changes made to this Section by this amendatory Act of the 100th General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution.

(Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

(55 ILCS 5/5-1035.1) (from Ch. 34, par. 5-1035.1)

Sec. 5-1035.1. County Motor Fuel Tax Law. The county board of the counties of DuPage, Kane and McHenry may, by an ordinance or resolution adopted by an affirmative vote of a majority of the members elected or appointed to the county board, impose a tax upon all persons engaged in the county in the business of selling motor fuel, as now or hereafter defined in the Motor Fuel Tax Law, at retail for the operation of motor vehicles upon public highways or for the operation of recreational watercraft upon waterways. The collection of a tax under this Section based on gallonage of gasoline used for the propulsion of any aircraft is prohibited, and the collection of a tax based on gallonage of special fuel used for the propulsion of any aircraft is prohibited on and after December 1, 2017. Kane County may exempt diesel fuel from the tax imposed pursuant to this Section. The tax may be imposed, in half-cent increments, at a rate not exceeding 4 cents per gallon of motor fuel sold at retail within the county for the purpose of use or consumption and not for the purpose of resale. The proceeds from the tax shall be used by the county solely for the purpose of operating, constructing and improving public highways and waterways, and acquiring real property and right-of-ways for public highways and waterways within the county imposing the tax.

A tax imposed pursuant to this Section, and all civil penalties that may be assessed as an incident thereof, shall be administered, collected and enforced by the Illinois Department of Revenue in the same manner as the tax imposed under the Retailers' Occupation Tax Act, as now or hereafter amended, insofar as may be practicable; except that in the event of a conflict with the provisions of this Section, this Section shall control. The Department of Revenue shall have full power: to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder.

Whenever the Department determines that a refund shall be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Option Motor Fuel Tax Fund.

The Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes and penalties collected hereunder, which shall be deposited into the County Option Motor Fuel Tax Fund, a special fund in the State Treasury which is hereby created. On or before the 25th day of each calendar month, the Department shall prepare and certify to the State Comptroller the disbursement of stated sums of money to named counties for which taxpayers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda) collected hereunder from retailers within the county during the second preceding calendar month by the Department, but not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; less 2% of the balance, which sum shall be retained by the State Treasurer to cover the costs incurred by the Department in administering and enforcing the provisions of this Section. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify to the Comptroller the amount so retained by the State Treasurer, which shall be transferred into the Tax Compliance and Administration Fund.

A county may direct, by ordinance, that all or a portion of the taxes and penalties collected under the County Option Motor Fuel Tax shall be deposited into the Transportation Development Partnership Trust Fund.

Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing a tax hereunder or effecting a change in the rate thereof shall be effective on the first day of the second calendar month next following the month in which the ordinance

[May 31, 2018]

or resolution is adopted and a certified copy thereof is filed with the Department of Revenue, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the county as of the effective date of the ordinance or resolution. Upon a change in rate of a tax levied hereunder, or upon the discontinuance of the tax, the county board of the county shall, on or not later than 5 days after the effective date of the ordinance or resolution discontinuing the tax or effecting a change in rate, transmit to the Department of Revenue a certified copy of the ordinance or resolution effecting the change or discontinuance.

This Section shall be known and may be cited as the County Motor Fuel Tax Law.  
(Source: P.A. 98-1049, eff. 8-25-14.)

(55 ILCS 5/5-1184 new)

Sec. 5-1184. Certification for airport-related purposes. On or before September 1, 2017, and on or before each April 1 and October 1 thereafter, each county must certify to the Illinois Department of Transportation, in the form and manner required by the Department, whether the county has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the county to include tax on aviation fuel. On or before October 1, 2017, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the units of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Illinois Department of Transportation.

Section 45. The Illinois Municipal Code is amended by changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6, 8-11-1.7, 8-11-5, 8-11-6a, and 11-74.3-6 and by adding Sections 8-11-22 and 11-101-3 as follows:

(65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax Act. The corporate authorities of a home rule municipality may impose a tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the municipality on the gross receipts from these sales made in the course of such business. If imposed, the tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the municipality. The changes made to this Section by this amendatory Act of the 100th General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule municipality under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the State Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5,

5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule municipality under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-5 of this Act.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the home rule municipal retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 2% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

In addition to the disbursement required by the preceding paragraph and in order to mitigate delays caused by distribution procedures, an allocation shall, if requested, be made within 10 days after January 14, 1991, and in November of 1991 and each year thereafter, to each municipality that received more than \$500,000 during the preceding fiscal year, (July 1 through June 30) whether collected by the municipality or disbursed by the Department as required by this Section. Within 10 days after January 14, 1991, participating municipalities shall notify the Department in writing of their intent to participate. In addition, for the initial distribution, participating municipalities shall certify to the Department the amounts collected by the municipality for each month under its home rule occupation and service occupation tax during the period July 1, 1989 through June 30, 1990. The allocation within 10 days after January 14, 1991, shall be in an amount equal to the monthly average of these amounts, excluding the 2 months of highest receipts. The monthly average for the period of July 1, 1990 through June 30, 1991 will be determined as follows: the amounts collected by the municipality under its home rule occupation and service occupation tax during the period of July 1, 1990 through September 30, 1990, plus amounts collected by the Department and paid to such municipality through June 30, 1991, excluding the 2 months

[May 31, 2018]



of highest receipts. The monthly average for each subsequent period of July 1 through June 30 shall be an amount equal to the monthly distribution made to each such municipality under the preceding paragraph during this period, excluding the 2 months of highest receipts. The distribution made in November 1991 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding period of July 1 through June 30. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following the adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing. However, a municipality located in a county with a population in excess of 3,000,000 that elected to become a home rule unit at the general primary election in 1994 may adopt an ordinance or resolution imposing the tax under this Section and file a certified copy of the ordinance or resolution with the Department on or before July 1, 1994. The Department shall then proceed to administer and enforce this Section as of October 1, 1994. Beginning April 1, 1998, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Any unobligated balance remaining in the Municipal Retailers' Occupation Tax Fund on December 31, 1989, which fund was abolished by Public Act 85-1135, and all receipts of municipal tax as a result of audits of liability periods prior to January 1, 1990, shall be paid into the Local Government Tax Fund for distribution as provided by this Section prior to the enactment of Public Act 85-1135. All receipts of municipal tax as a result of an assessment not arising from an audit, for liability periods prior to January 1, 1990, shall be paid into the Local Government Tax Fund for distribution before July 1, 1990, as provided by this Section prior to the enactment of Public Act 85-1135; and on and after July 1, 1990, all such receipts shall be distributed as provided in Section 6z-18 of the State Finance Act.

As used in this Section, "municipal" and "municipality" means a city, village or incorporated town, including an incorporated town that has superseded a civil township.

This Section shall be known and may be cited as the Home Rule Municipal Retailers' Occupation Tax Act.

(Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17.)

(65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

Sec. 8-11-1.3. Non-Home Rule Municipal Retailers' Occupation Tax Act. The corporate authorities of a non-home rule municipality may impose a tax upon all persons engaged in the business of selling tangible personal property, other than on an item of tangible personal property which is titled and registered by an agency of this State's Government, at retail in the municipality for expenditure on public infrastructure or

for property tax relief or both as defined in Section 8-11-1.2 if approved by referendum as provided in Section 8-11-1.1, of the gross receipts from such sales made in the course of such business. If the tax is approved by referendum on or after July 14, 2010 (the effective date of Public Act 96-1057), the corporate authorities of a non-home rule municipality may, until December 31, 2020, use the proceeds of the tax for expenditure on municipal operations, in addition to or in lieu of any expenditure on public infrastructure or for property tax relief. The tax imposed may not be more than 1% and may be imposed only in 1/4% increments. The tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the municipality. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit such retailer to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth herein.

No municipality may impose a tax under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.4 of this Code.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the non-home rule municipal retailers' occupation tax fund.

Except as otherwise provided, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Non-Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of

[May 31, 2018]

money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts which were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amount which the Department determines is necessary to offset any amounts which were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 2% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale, by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease such amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

The Department of Revenue shall implement this amendatory Act of the 91st General Assembly so as to collect the tax on and after January 1, 2002.

As used in this Section, "municipal" and "municipality" means a city, village or incorporated town, including an incorporated town which has superseded a civil township.

This Section shall be known and may be cited as the "Non-Home Rule Municipal Retailers' Occupation Tax Act".

(Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17.)

(65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation Tax Act. The corporate authorities of a non-home rule municipality may impose a tax upon all persons engaged, in such municipality, in the business of making sales of service for expenditure on public infrastructure or for property tax relief or both as defined in Section 8-11-1.2 if approved by referendum as provided in Section 8-11-1.1, of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. If the tax is approved by referendum on or after July 14, 2010 (the effective date of Public Act 96-1057), the corporate authorities of a non-home rule municipality may, until December 31, 2020, use the proceeds of the tax for expenditure on municipal operations, in addition to or in lieu of any expenditure on public infrastructure or for property tax relief. The tax imposed may not be more than 1% and may be imposed only in 1/4% increments. The tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the municipality. The tax imposed by a municipality pursuant to this Section and all civil

[May 31, 2018]

penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing municipality), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this municipal tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing municipality), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No municipality may impose a tax under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.3 of this Code.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their serviceman's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which servicemen are authorized to collect under the Service Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the municipal retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the The Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the municipal retailers' occupation tax fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 2% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the

disbursement certification to the municipalities, the General Revenue Fund, and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

The Department of Revenue shall implement this amendatory Act of the 91st General Assembly so as to collect the tax on and after January 1, 2002.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

As used in this Section, "municipal" or "municipality" means or refers to a city, village or incorporated town, including an incorporated town which has superseded a civil township.

This Section shall be known and may be cited as the "Non-Home Rule Municipal Service Occupation Tax Act".

(Source: P.A. 100-23, eff. 7-6-17.)

(65 ILCS 5/8-11-1.6)

Sec. 8-11-1.6. Non-home rule municipal retailers occupation tax; municipalities between 20,000 and 25,000. The corporate authorities of a non-home rule municipality with a population of more than 20,000 but less than 25,000 that has, prior to January 1, 1987, established a Redevelopment Project Area that has been certified as a State Sales Tax Boundary and has issued bonds or otherwise incurred indebtedness to pay for costs in excess of \$5,000,000, which is secured in part by a tax increment allocation fund, in accordance with the provisions of Division 11-74.4 of this Code may, by passage of an ordinance, impose a tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property that is titled and registered by an agency of this State's Government, at retail in the municipality. This tax may not be imposed on the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the municipality. If imposed, the tax shall only be imposed in .25% increments of the gross receipts from such sales made in the course of business. Any tax imposed by a municipality under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. An ordinance imposing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted under this Section without registering separately with the Department under the ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section, to collect all taxes and penalties due hereunder, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth herein.

A tax may not be imposed by a municipality under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.7 of this Act.

Persons subject to any tax imposed under the authority granted in this Section, may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant, instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Non-Home Rule Municipal Retailers' Occupation Tax Fund, which is hereby created.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Non-Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 2% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

As used in this Section, "municipal" and "municipality" means a city, village, or incorporated town, including an incorporated town that has superseded a civil township.

(Source: P.A. 99-217, eff. 7-31-15; 99-642, eff. 7-28-16; 100-23, eff. 7-6-17; revised 10-3-17.)

(65 ILCS 5/8-11-1.7)

Sec. 8-11-1.7. Non-home rule municipal service occupation tax; municipalities between 20,000 and 25,000. The corporate authorities of a non-home rule municipality with a population of more than 20,000 but less than 25,000 as determined by the last preceding decennial census that has, prior to January 1,

[May 31, 2018]

1987, established a Redevelopment Project Area that has been certified as a State Sales Tax Boundary and has issued bonds or otherwise incurred indebtedness to pay for costs in excess of \$5,000,000, which is secured in part by a tax increment allocation fund, in accordance with the provisions of Division 11-74.4 of this Code may, by passage of an ordinance, impose a tax upon all persons engaged in the municipality in the business of making sales of service. If imposed, the tax shall only be imposed in .25% increments of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. This tax may not be imposed on the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the municipality. The tax imposed by a municipality under this Section See: and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. An ordinance imposing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxable under any ordinance or resolution enacted under this Section without registering separately with the Department under the ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section, to collect all taxes and penalties due hereunder, to dispose of taxes and penalties so collected in a manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing municipality), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this municipal tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12, (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing municipality), the first paragraph of Sections 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

A tax may not be imposed by a municipality under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.6 of this Act.

Person subject to any tax imposed under the authority granted in this Section may reimburse themselves for their servicemen's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, under such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. The refund shall be paid by the State Treasurer out of the Non-Home Rule Municipal Retailers' Occupation Tax Fund.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Non-Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only

pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 2% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities, the Tax Compliance and Administration Fund, and the General Revenue Fund, provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

(Source: P.A. 100-23, eff. 7-6-17; revised 10-3-17.)

(65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

Sec. 8-11-5. Home Rule Municipal Service Occupation Tax Act. The corporate authorities of a home rule municipality may impose a tax upon all persons engaged, in such municipality, in the business of making sales of service at the same rate of tax imposed pursuant to Section 8-11-1, of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. If imposed, such tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. Beginning December 1, 2017, this tax may not be imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel shall be excluded from tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State. The changes made to this Section by this amendatory Act of the 100th General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner



hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing municipality), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this municipal tax may not be taken against any State tax), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing municipality), the first paragraph of Section 15, 16, 17 (except that credit memoranda issued hereunder may not be used to discharge any State tax liability), 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule municipality pursuant to this Section unless such municipality also imposes a tax at the same rate pursuant to Section 8-11-1 of this Act.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their serviceman's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which servicemen are authorized to collect under the Service Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the home rule municipal retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes and penalties collected hereunder for deposit into the Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 2% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

In addition to the disbursement required by the preceding paragraph and in order to mitigate delays caused by distribution procedures, an allocation shall, if requested, be made within 10 days after January 14, 1991, and in November of 1991 and each year thereafter, to each municipality that received more than \$500,000 during the preceding fiscal year, (July 1 through June 30) whether collected by the municipality

or disbursed by the Department as required by this Section. Within 10 days after January 14, 1991, participating municipalities shall notify the Department in writing of their intent to participate. In addition, for the initial distribution, participating municipalities shall certify to the Department the amounts collected by the municipality for each month under its home rule occupation and service occupation tax during the period July 1, 1989 through June 30, 1990. The allocation within 10 days after January 14, 1991, shall be in an amount equal to the monthly average of these amounts, excluding the 2 months of highest receipts. Monthly average for the period of July 1, 1990 through June 30, 1991 will be determined as follows: the amounts collected by the municipality under its home rule occupation and service occupation tax during the period of July 1, 1990 through September 30, 1990, plus amounts collected by the Department and paid to such municipality through June 30, 1991, excluding the 2 months of highest receipts. The monthly average for each subsequent period of July 1 through June 30 shall be an amount equal to the monthly distribution made to each such municipality under the preceding paragraph during this period, excluding the 2 months of highest receipts. The distribution made in November 1991 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding period of July 1 through June 30. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. However, a municipality located in a county with a population in excess of 3,000,000 that elected to become a home rule unit at the general primary election in 1994 may adopt an ordinance or resolution imposing the tax under this Section and file a certified copy of the ordinance or resolution with the Department on or before July 1, 1994. The Department shall then proceed to administer and enforce this Section as of October 1, 1994. Beginning April 1, 1998, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

Any unobligated balance remaining in the Municipal Retailers' Occupation Tax Fund on December 31, 1989, which fund was abolished by Public Act 85-1135, and all receipts of municipal tax as a result of audits of liability periods prior to January 1, 1990, shall be paid into the Local Government Tax Fund, for distribution as provided by this Section prior to the enactment of Public Act 85-1135. All receipts of municipal tax as a result of an assessment not arising from an audit, for liability periods prior to January 1, 1990, shall be paid into the Local Government Tax Fund for distribution before July 1, 1990, as provided by this Section prior to the enactment of Public Act 85-1135, and on and after July 1, 1990, all such receipts shall be distributed as provided in Section 6z-18 of the State Finance Act.

As used in this Section, "municipal" and "municipality" means a city, village or incorporated town, including an incorporated town which has superseded a civil township.

This Section shall be known and may be cited as the Home Rule Municipal Service Occupation Tax Act.

(Source: P.A. 100-23, eff. 7-6-17.)

(65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

Sec. 8-11-6a. Home rule municipalities; preemption of certain taxes. Except as provided in Sections 8-11-1, 8-11-5, 8-11-6, 8-11-6b, 8-11-6c, and 11-74.3-6 on and after September 1, 1990, no home rule municipality has the authority to impose, pursuant to its home rule authority, a retailer's occupation tax,

service occupation tax, use tax, sales tax or other tax on the use, sale or purchase of tangible personal property based on the gross receipts from such sales or the selling or purchase price of said tangible personal property. Notwithstanding the foregoing, this Section does not preempt any home rule imposed tax such as the following: (1) a tax on alcoholic beverages, whether based on gross receipts, volume sold or any other measurement; (2) a tax based on the number of units of cigarettes or tobacco products (provided, however, that a home rule municipality that has not imposed a tax based on the number of units of cigarettes or tobacco products before July 1, 1993, shall not impose such a tax after that date); (3) a tax, however measured, based on the use of a hotel or motel room or similar facility; (4) a tax, however measured, on the sale or transfer of real property; (5) a tax, however measured, on lease receipts; (6) a tax on food prepared for immediate consumption and on alcoholic beverages sold by a business which provides for on premise consumption of said food or alcoholic beverages; or (7) other taxes not based on the selling or purchase price or gross receipts from the use, sale or purchase of tangible personal property. This Section does not preempt a home rule municipality with a population of more than 2,000,000 from imposing a tax, however measured, on the use, for consideration, of a parking lot, garage, or other parking facility. This Section is not intended to affect any existing tax on food and beverages prepared for immediate consumption on the premises where the sale occurs, or any existing tax on alcoholic beverages, or any existing tax imposed on the charge for renting a hotel or motel room, which was in effect January 15, 1988, or any extension of the effective date of such an existing tax by ordinance of the municipality imposing the tax, which extension is hereby authorized, in any non-home rule municipality in which the imposition of such a tax has been upheld by judicial determination, nor is this Section intended to preempt the authority granted by Public Act 85-1006. On and after December 1, 2017, no home rule municipality has the authority to impose, pursuant to its home rule authority, a tax, however measured, on sales of aviation fuel, as defined in Section 3 of the Retailers' Occupation Tax Act, unless the tax revenue is expended for airport-related purposes. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Aviation fuel shall be excluded from tax only for so long as the revenue use requirements of 49 U.S.C. §47017 (b) and 49 U.S.C. §47133 are binding on the municipality. This Section is a limitation, pursuant to subsection (g) of Section 6 of Article VII of the Illinois Constitution, on the power of home rule units to tax. The changes made to this Section by this amendatory Act of the 100th General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. (Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

(65 ILCS 5/8-11-22 new)

Sec. 8-11-22. Certification for airport-related purposes. On or before September 1, 2017, and on or before each April 1 and October 1 thereafter, each municipality (and District in the case of business district operating within a municipality) must certify to the Department of Transportation, in the form and manner required by the Department, whether the municipality has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the municipality to include tax on aviation fuel. On or before October 1, 2017, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

(65 ILCS 5/11-74.3-6)

Sec. 11-74.3-6. Business district revenue and obligations; business district tax allocation fund.

(a) If the corporate authorities of a municipality have approved a business district plan, have designated a business district, and have elected to impose a tax by ordinance pursuant to subsection (10) or (11) of Section 11-74.3-3, then each year after the date of the approval of the ordinance but terminating upon the date all business district project costs and all obligations paying or reimbursing business district project costs, if any, have been paid, but in no event later than the dissolution date, all amounts generated by the retailers' occupation tax and service occupation tax shall be collected and the tax shall be enforced by the Department of Revenue in the same manner as all retailers' occupation taxes and service occupation taxes imposed in the municipality imposing the tax and all amounts generated by the hotel operators' occupation tax shall be collected and the tax shall be enforced by the municipality in the same manner as all hotel operators' occupation taxes imposed in the municipality imposing the tax. The corporate authorities of the municipality shall deposit the proceeds of the taxes imposed under subsections (10) and (11) of Section 11-74.3-3 into a special fund of the municipality called the "[Name of] Business District Tax Allocation Fund" for the purpose of paying or reimbursing business district project costs and obligations incurred in the payment of those costs.

(b) The corporate authorities of a municipality that has designated a business district under this Law may, by ordinance, impose a Business District Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the business district at a rate not to exceed 1% of the gross receipts from the sales made in the course of such business, to be imposed only in 0.25% increments. The tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under such ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection; to collect all taxes and penalties due under this subsection in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with, this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 1, 1a through 1o, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under this subsection may reimburse themselves for their seller's tax liability under this subsection by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the business district retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes, penalties, and interest collected under this subsection for deposit into the business district retailers' occupation tax fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this subsection during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of

[May 31, 2018]

money to named municipalities from the business district retailers' occupation tax fund, the municipalities to be those from which retailers have paid taxes or penalties under this subsection to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected under this subsection during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department, less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2017), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this subsection, on behalf of such municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities provided for in this subsection to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification. The proceeds of the tax paid to municipalities under this subsection shall be deposited into the Business District Tax Allocation Fund by the municipality.

An ordinance imposing or discontinuing the tax under this subsection or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department, if all other requirements of this subsection are met, shall proceed to administer and enforce this subsection as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon, if all other requirements of this subsection are met, the Department shall proceed to administer and enforce this subsection as of the first day of January next following the adoption and filing.

The Department of Revenue shall not administer or enforce an ordinance imposing, discontinuing, or changing the rate of the tax under this subsection, until the municipality also provides, in the manner prescribed by the Department, the boundaries of the business district and each address in the business district in such a way that the Department can determine by its address whether a business is located in the business district. The municipality must provide this boundary and address information to the Department on or before April 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following July 1 and on or before October 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any change made to the boundaries of a business district or address change, addition, or deletion until the municipality reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The municipality must provide this boundary change information or address change, addition, or deletion to the Department on or before April 1 for administration and enforcement by the Department of the change beginning on the following July 1 and on or before October 1 for administration and enforcement by the Department of the change beginning on the following January 1. The retailers in the business district shall be responsible for charging the tax imposed under this subsection. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this subsection, both the Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the municipality.

A municipality that imposes the tax under this subsection must submit to the Department of Revenue any other information as the Department may require for the administration and enforcement of the tax.

When certifying the amount of a monthly disbursement to a municipality under this subsection, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Nothing in this subsection shall be construed to authorize the municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsection (c) of this Section.

(c) If a tax has been imposed under subsection (b), a Business District Service Occupation Tax shall also be imposed upon all persons engaged, in the business district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the

business district, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax shall be imposed at the same rate as the tax imposed in subsection (b) and shall not exceed 1% of the selling price of tangible personal property so transferred within the business district, to be imposed only in 0.25% increments. The tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under such ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection; to collect all taxes and penalties due under this subsection; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure as are prescribed in Sections 2, 2a through 2d, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the business district), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the municipality), the first paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the business district retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes, penalties, and interest collected under this subsection for deposit into the business district retailers' occupation tax fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development

and Economy Act, collected under this subsection during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities from the business district retailers' occupation tax fund, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties under this subsection to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected under this subsection during the second preceding calendar month by the Department, less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2017), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this subsection, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities, provided for in this subsection to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification. The proceeds of the tax paid to municipalities under this subsection shall be deposited into the Business District Tax Allocation Fund by the municipality.

An ordinance imposing or discontinuing the tax under this subsection or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department, if all other requirements of this subsection are met, shall proceed to administer and enforce this subsection as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon, if all other conditions of this subsection are met, the Department shall proceed to administer and enforce this subsection as of the first day of January next following the adoption and filing.

The Department of Revenue shall not administer or enforce an ordinance imposing, discontinuing, or changing the rate of the tax under this subsection, until the municipality also provides, in the manner prescribed by the Department, the boundaries of the business district in such a way that the Department can determine by its address whether a business is located in the business district. The municipality must provide this boundary and address information to the Department on or before April 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following July 1 and on or before October 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any change made to the boundaries of a business district or address change, addition, or deletion until the municipality reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The municipality must provide this boundary change information or address change, addition, or deletion to the Department on or before April 1 for administration and enforcement by the Department of the change beginning on the following July 1 and on or before October 1 for administration and enforcement by the Department of the change beginning on the following January 1. The retailers in the business district shall be responsible for charging the tax imposed under this subsection. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this subsection, both the Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the municipality.

A municipality that imposes the tax under this subsection must submit to the Department of Revenue any other information as the Department may require for the administration and enforcement of the tax.

Nothing in this subsection shall be construed to authorize the municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

If a tax is imposed under this subsection (c), a tax shall also be imposed under subsection (b) of this Section.

(d) By ordinance, a municipality that has designated a business district under this Law may impose an occupation tax upon all persons engaged in the business district in the business of renting, leasing, or letting rooms in a hotel, as defined in the Hotel Operators' Occupation Tax Act, at a rate not to exceed 1% of the gross rental receipts from the renting, leasing, or letting of hotel rooms within the business district, to be imposed only in 0.25% increments, excluding, however, from gross rental receipts the proceeds of renting, leasing, or letting to permanent residents of a hotel, as defined in the Hotel Operators' Occupation

Tax Act, and proceeds from the tax imposed under subsection (c) of Section 13 of the Metropolitan Pier and Exposition Authority Act.

The tax imposed by the municipality under this subsection and all civil penalties that may be assessed as an incident to that tax shall be collected and enforced by the municipality imposing the tax. The municipality shall have full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner provided in this subsection, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of and compliance with this subsection, the municipality and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers, and duties, shall be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and shall employ the same modes of procedure as are employed with respect to a tax adopted by the municipality under Section 8-3-14 of this Code.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their tax liability for that tax by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes imposed under the Hotel Operators' Occupation Tax Act, and with any other tax.

Nothing in this subsection shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

The proceeds of the tax imposed under this subsection shall be deposited into the Business District Tax Allocation Fund.

(e) Obligations secured by the Business District Tax Allocation Fund may be issued to provide for the payment or reimbursement of business district project costs. Those obligations, when so issued, shall be retired in the manner provided in the ordinance authorizing the issuance of those obligations by the receipts of taxes imposed pursuant to subsections (10) and (11) of Section 11-74.3-3 and by other revenue designated or pledged by the municipality. A municipality may in the ordinance pledge, for any period of time up to and including the dissolution date, all or any part of the funds in and to be deposited in the Business District Tax Allocation Fund to the payment of business district project costs and obligations. Whenever a municipality pledges all of the funds to the credit of a business district tax allocation fund to secure obligations issued or to be issued to pay or reimburse business district project costs, the municipality may specifically provide that funds remaining to the credit of such business district tax allocation fund after the payment of such obligations shall be accounted for annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be expended by the municipality for any business district project cost as approved in the business district plan. Whenever a municipality pledges less than all of the monies to the credit of a business district tax allocation fund to secure obligations issued or to be issued to pay or reimburse business district project costs, the municipality shall provide that monies to the credit of the business district tax allocation fund and not subject to such pledge or otherwise encumbered or required for payment of contractual obligations for specific business district project costs shall be calculated annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be expended by the municipality for any business district project cost as approved in the business district plan.

No obligation issued pursuant to this Law and secured by a pledge of all or any portion of any revenues received or to be received by the municipality from the imposition of taxes pursuant to subsection (10) of Section 11-74.3-3, shall be deemed to constitute an economic incentive agreement under Section 8-11-20, notwithstanding the fact that such pledge provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes imposed pursuant to subsection (10) of Section 11-74.3-3 and received or to be received by the municipality from the development or redevelopment of properties in the business district.

Without limiting the foregoing in this Section, the municipality may further secure obligations secured by the business district tax allocation fund with a pledge, for a period not greater than the term of the obligations and in any case not longer than the dissolution date, of any part or any combination of the following: (i) net revenues of all or part of any business district project; (ii) taxes levied or imposed by the municipality on any or all property in the municipality, including, specifically, taxes levied or imposed by the municipality in a special service area pursuant to the Special Service Area Tax Law; (iii) the full faith and credit of the municipality; (iv) a mortgage on part or all of the business district project; or (v) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Such obligations may be issued in one or more series, bear such date or dates, become due at such time or times as therein provided, but in any case not later than (i) 20 years after the date of issue or (ii) the dissolution date, whichever is earlier, bear interest payable at such intervals and at such rate or rates as set forth therein, except as may be limited by applicable law, which rate or rates may be fixed or variable, be



in such denominations, be in such form, either coupon, registered, or book-entry, carry such conversion, registration and exchange privileges, be subject to defeasance upon such terms, have such rank or priority, be executed in such manner, be payable in such medium or payment at such place or places within or without the State, make provision for a corporate trustee within or without the State with respect to such obligations, prescribe the rights, powers, and duties thereof to be exercised for the benefit of the municipality and the benefit of the owners of such obligations, provide for the holding in trust, investment, and use of moneys, funds, and accounts held under an ordinance, provide for assignment of and direct payment of the moneys to pay such obligations or to be deposited into such funds or accounts directly to such trustee, be subject to such terms of redemption with or without premium, and be sold at such price, all as the corporate authorities shall determine. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to this Law except as provided in this Section.

In the event the municipality authorizes the issuance of obligations pursuant to the authority of this Law secured by the full faith and credit of the municipality, or pledges ad valorem taxes pursuant to this subsection, which obligations are other than obligations which may be issued under home rule powers provided by Section 6 of Article VII of the Illinois Constitution or which ad valorem taxes are other than ad valorem taxes which may be pledged under home rule powers provided by Section 6 of Article VII of the Illinois Constitution or which are levied in a special service area pursuant to the Special Service Area Tax Law, the ordinance authorizing the issuance of those obligations or pledging those taxes shall be published within 10 days after the ordinance has been adopted, in a newspaper having a general circulation within the municipality. The publication of the ordinance shall be accompanied by a notice of (i) the specific number of voters required to sign a petition requesting the question of the issuance of the obligations or pledging such ad valorem taxes to be submitted to the electors; (ii) the time within which the petition must be filed; and (iii) the date of the prospective referendum. The municipal clerk shall provide a petition form to any individual requesting one.

If no petition is filed with the municipal clerk, as hereinafter provided in this Section, within 21 days after the publication of the ordinance, the ordinance shall be in effect. However, if within that 21-day period a petition is filed with the municipal clerk, signed by electors numbering not less than 15% of the number of electors voting for the mayor or president at the last general municipal election, asking that the question of issuing obligations using full faith and credit of the municipality as security for the cost of paying or reimbursing business district project costs, or of pledging such ad valorem taxes for the payment of those obligations, or both, be submitted to the electors of the municipality, the municipality shall not be authorized to issue obligations of the municipality using the full faith and credit of the municipality as security or pledging such ad valorem taxes for the payment of those obligations, or both, until the proposition has been submitted to and approved by a majority of the voters voting on the proposition at a regularly scheduled election. The municipality shall certify the proposition to the proper election authorities for submission in accordance with the general election law.

The ordinance authorizing the obligations may provide that the obligations shall contain a recital that they are issued pursuant to this Law, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

In the event the municipality authorizes issuance of obligations pursuant to this Law secured by the full faith and credit of the municipality, the ordinance authorizing the obligations may provide for the levy and collection of a direct annual tax upon all taxable property within the municipality sufficient to pay the principal thereof and interest thereon as it matures, which levy may be in addition to and exclusive of the maximum of all other taxes authorized to be levied by the municipality, which levy, however, shall be abated to the extent that monies from other sources are available for payment of the obligations and the municipality certifies the amount of those monies available to the county clerk.

A certified copy of the ordinance shall be filed with the county clerk of each county in which any portion of the municipality is situated, and shall constitute the authority for the extension and collection of the taxes to be deposited in the business district tax allocation fund.

A municipality may also issue its obligations to refund, in whole or in part, obligations theretofore issued by the municipality under the authority of this Law, whether at or prior to maturity. However, the last maturity of the refunding obligations shall not be expressed to mature later than the dissolution date.

In the event a municipality issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay or reimburse business district project costs, the municipality may, if it has followed the procedures in conformance with this Law, retire those obligations from funds in the business district tax allocation fund in amounts and in such manner as if those obligations had been issued pursuant to the provisions of this Law.

No obligations issued pursuant to this Law shall be regarded as indebtedness of the municipality issuing those obligations or any other taxing district for the purpose of any limitation imposed by law.

Obligations issued pursuant to this Law shall not be subject to the provisions of the Bond Authorization Act.

(f) When business district project costs, including, without limitation, all obligations paying or reimbursing business district project costs have been paid, any surplus funds then remaining in the Business District Tax Allocation Fund shall be distributed to the municipal treasurer for deposit into the general corporate fund of the municipality. Upon payment of all business district project costs and retirement of all obligations paying or reimbursing business district project costs, but in no event more than 23 years after the date of adoption of the ordinance imposing taxes pursuant to subsection (10) or (11) of Section 11-74.3-3, the municipality shall adopt an ordinance immediately rescinding the taxes imposed pursuant to subsection (10) or (11) of Section 11-74.3-3.  
(Source: P.A. 99-143, eff. 7-27-15.)

(65 ILCS 5/11-101-3 new)

Sec. 11-101-3. Noise mitigation; air quality. A municipality that has implemented a Residential Sound Insulation Program to mitigate aircraft noise shall perform an in-home air quality test in a residence located in the municipality if (i) windows or doors were installed in the residence under the Residential Sound Insulation Program and (ii) the owner or occupant of the residence requests that the test be performed. The municipality and owner of the residence shall mutually agree on (i) the entity that will perform the test and (ii) when the test will occur. If a health hazard exists, as determined by the results of the test, then the municipality shall replace all windows and doors in the residence, without regard to the status of any warranty on the windows and doors. This Section is a limitation of home rule powers and functions under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

Section 50. The Civic Center Code is amended by changing Section 245-12 as follows:  
(70 ILCS 200/245-12)

Sec. 245-12. Use and occupation taxes.

(a) The Authority may adopt a resolution that authorizes a referendum on the question of whether the Authority shall be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax in one-quarter percent increments at a rate not to exceed 1%. The Authority shall certify the question to the proper election authorities who shall submit the question to the voters of the metropolitan area at the next regularly scheduled election in accordance with the general election law. The question shall be in substantially the following form:

"Shall the Salem Civic Center Authority be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax at the rate of (rate) for the sole purpose of obtaining funds for the support, construction, maintenance, or financing of a facility of the Authority?"

Votes shall be recorded as "yes" or "no". If a majority of all votes cast on the proposition are in favor of the proposition, the Authority is authorized to impose the tax.

(b) The Authority shall impose the retailers' occupation tax upon all persons engaged in the business of selling tangible personal property at retail in the metropolitan area, at the rate approved by referendum, on the gross receipts from the sales made in the course of such business within the metropolitan area. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the Authority does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the Authority.

On or before September 1, 2017, and on or before each April 1 and October 1 thereafter, the Authority must certify to the Department of Transportation, in the form and manner required by the Department, whether the Authority has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the Authority to include tax on aviation fuel. On or before October 1, 2017, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner provided

[May 31, 2018]

in this Section; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions therein other than the State rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except as to the disposition of taxes and penalties collected and provisions related to quarter monthly payments, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under this subsection may reimburse themselves for their seller's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

If a tax is imposed under this subsection (b), a tax shall also be imposed at the same rate under subsections (c) and (d) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale, by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize the Authority to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(c) If a tax has been imposed under subsection (b), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the metropolitan area, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the metropolitan area as an incident to a sale of service. The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue.

Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the Authority does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. On or before September 1, 2017, and on or before each April 1 and October 1 thereafter, the Authority must certify to the Department of Transportation, in the form and manner required by the Department, whether the Authority has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the Authority to include tax on aviation fuel. On or before October 1, 2017, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

The Department has full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this paragraph, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the metropolitan area), 2a, 2b, 3 through 3-55 (in respect to all provisions therein

other than the State rate of tax), 4 (except that the reference to the State shall be to the Authority), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the Authority), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the Authority), 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

Nothing in this paragraph shall be construed to authorize the Authority to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(d) If a tax has been imposed under subsection (b), a use tax shall also be imposed at the same rate upon the privilege of using, in the metropolitan area, any item of tangible personal property that is purchased outside the metropolitan area at retail from a retailer, and that is titled or registered at a location within the metropolitan area with an agency of this State's government. "Selling price" is defined as in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the metropolitan area. The tax shall be collected by the Department of Revenue for the Authority. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department has full power to administer and enforce this paragraph; to collect all taxes, penalties and interest due hereunder; to dispose of taxes, penalties and interest so collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty or interest hereunder. In the administration of, and compliance with, this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a, 4, 6, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the Authority), 9 (except provisions relating to quarter monthly payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, that are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

(e) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (c), or (d) of this Section and no additional registration shall be required. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(f) The results of any election authorizing a proposition to impose a tax under this Section or effecting a change in the rate of tax shall be certified by the proper election authorities and filed with the Illinois

Department on or before the first day of April. In addition, an ordinance imposing, discontinuing, or effecting a change in the rate of tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before the first day of April. After proper receipt of such certifications, the Department shall proceed to administer and enforce this Section as of the first day of July next following such adoption and filing.

(g) Except as otherwise provided, the Department of Revenue shall, upon collecting any taxes and penalties as provided in this Section, pay the taxes and penalties over to the State Treasurer as trustee for the Authority. The taxes and penalties shall be held in a trust fund outside the State Treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District. On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the Authority, which shall be the balance in the fund, less any amount determined by the Department to be necessary for the payment of refunds and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the Authority, the Comptroller shall cause an order to be drawn for payment for the amount in accordance with the directions contained in the certification. Amounts received from the tax imposed under this Section shall be used only for the support, construction, maintenance, or financing of a facility of the Authority.

(h) When certifying the amount of a monthly disbursement to the Authority under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a miscalculation is discovered.

(i) This Section may be cited as the Salem Civic Center Use and Occupation Tax Law.  
(Source: P.A. 98-1098, eff. 8-26-14.)

Section 55. The Flood Prevention District Act is amended by changing Section 25 as follows:  
(70 ILCS 750/25)

Sec. 25. Flood prevention retailers' and service occupation taxes.

(a) If the Board of Commissioners of a flood prevention district determines that an emergency situation exists regarding levee repair or flood prevention, and upon an ordinance confirming the determination adopted by the affirmative vote of a majority of the members of the county board of the county in which the district is situated, the county may impose a flood prevention retailers' occupation tax upon all persons engaged in the business of selling tangible personal property at retail within the territory of the district to provide revenue to pay the costs of providing emergency levee repair and flood prevention and to secure the payment of bonds, notes, and other evidences of indebtedness issued under this Act for a period not to exceed 25 years or as required to repay the bonds, notes, and other evidences of indebtedness issued under this Act. The tax rate shall be 0.25% of the gross receipts from all taxable sales made in the course of that business. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The County must comply with the certification requirements for airport-related purposes under Section 5-1184 of the Counties Code.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) shall employ the same modes of procedure as are set forth in Sections 1 through 1o, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not

allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under this Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination in a single amount with State taxes that sellers are required to collect under the Use Tax Act, under any bracket schedules the Department may prescribe.

If a tax is imposed under this subsection (a), a tax shall also be imposed under subsection (b) of this Section.

(b) If a tax has been imposed under subsection (a), a flood prevention service occupation tax shall also be imposed upon all persons engaged within the territory of the district in the business of making sales of service, who, as an incident to making the sales of service, transfer tangible personal property, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service to provide revenue to pay the costs of providing emergency levee repair and flood prevention and to secure the payment of bonds, notes, and other evidences of indebtedness issued under this Act for a period not to exceed 25 years or as required to repay the bonds, notes, and other evidences of indebtedness. The tax rate shall be 0.25% of the selling price of all tangible personal property transferred. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The County must comply with the certification requirements for airport-related purposes under Section 5-1184 of the Counties Code. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this subsection; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) employ the same modes of procedure as are set forth in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State means the district), 2a through 2d, 3 through 3-50 (in respect to all provisions contained in those Sections other than the State rate of tax), 4 (except that the reference to the State shall be to the district), 5, 7, 8 (except that the jurisdiction to which the tax is a debt to the extent indicated in that Section 8 is the district), 9 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State means the district), Section 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, that charge may be stated in combination in a single amount with State tax that servicemen are authorized to collect under the Service Use Tax Act, under any bracket schedules the Department may prescribe.

(c) The taxes imposed in subsections (a) and (b) may not be imposed on personal property titled or registered with an agency of the State; food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption); prescription and non-prescription medicines, drugs, and medical appliances; modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability; or insulin, urine testing materials, and syringes and needles used by diabetics.

(d) Nothing in this Section shall be construed to authorize the district to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(e) The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act or a serviceman under the Service Occupation Tax Act permits the retailer or serviceman to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section.

(f) Except as otherwise provided, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the Flood Prevention Occupation Tax Fund, which shall be an unappropriated trust fund held outside the State treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the counties from which retailers or servicemen have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each county is equal to the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected from the county under this Section during the second preceding calendar month by the Department, (i) less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2017), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department in administering and enforcing the provisions of this Section on behalf of the county, (ii) plus an amount that the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body; (iii) less an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; and (iv) less any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county. When certifying the amount of a monthly disbursement to a county under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements within the previous 6 months from the time a miscalculation is discovered.

Within 10 days after receipt by the Comptroller from the Department of the disbursement certification to the counties provided for in this Section, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

If the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, then the Department shall notify the Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the Treasurer out of the Flood Prevention Occupation Tax Fund.

(g) If a county imposes a tax under this Section, then the county board shall, by ordinance, discontinue the tax upon the payment of all indebtedness of the flood prevention district. The tax shall not be discontinued until all indebtedness of the District has been paid.

(h) Any ordinance imposing the tax under this Section, or any ordinance that discontinues the tax, must be certified by the county clerk and filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

(j) County Flood Prevention Occupation Tax Fund. All proceeds received by a county from a tax distribution under this Section must be maintained in a special fund known as the [name of county] flood prevention occupation tax fund. The county shall, at the direction of the flood prevention district, use moneys in the fund to pay the costs of providing emergency levee repair and flood prevention and to pay bonds, notes, and other evidences of indebtedness issued under this Act.

(k) This Section may be cited as the Flood Prevention Occupation Tax Law.  
(Source: P.A. 99-143, eff. 7-27-15; 99-217, eff. 7-31-15; 99-642, eff. 7-28-16.)

Section 60. The Metro-East Park and Recreation District Act is amended by changing Section 30 as follows:

(70 ILCS 1605/30)

Sec. 30. Taxes.

(a) The board shall impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at

retail in the District on the gross receipts from the sales made in the course of business. This tax shall be imposed only at the rate of one-tenth of one per cent.

This additional tax may not be imposed on the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food which has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel shall be excluded from tax. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

On or before September 1, 2017, and on or before each April 1 and October 1 thereafter, the Board must certify to the Department of Transportation, in the form and manner required by the Department, whether the District has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the District to include tax on aviation fuel. On or before October 1, 2017, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

The tax imposed by the Board under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section. The Department has full power to administer and enforce this Section, to collect all taxes and penalties due under this Section, to dispose of taxes and penalties so collected in the manner provided in this Section, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this Section. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions contained in those Sections other than the State rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions relating to transaction returns and quarter monthly payments, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and the Uniform Penalty and Interest Act as if those provisions were set forth in this Section.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their sellers' tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracketed schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the State Metro-East Park and Recreation District Fund.

(b) If a tax has been imposed under subsection (a), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the District, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the District as an incident to a sale of service. This tax may not be imposed on sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics. Beginning December 1, 2017, this tax may not be imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel shall be excluded from tax. For purposes of this Act, "airport-



related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

On or before September 1, 2017, and on or before each April 1 and October 1 thereafter, the Board must certify to the Department of Transportation, in the form and manner required by the Department, whether the District has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the District to include tax on aviation fuel. On or before October 1, 2017, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this subsection; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the District), 2a, 2b, 2c, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the District), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the District), 9 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the District), Sections 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the State Metro-East Park and Recreation District Fund.

Nothing in this subsection shall be construed to authorize the board to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(c) Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the State Metro-East Park and Recreation District Fund, which shall be an unappropriated trust fund held outside of the State treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2017, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district. The Department shall make this certification only if the Metro East Park and Recreation District imposes a tax on real property as provided in the definition of "local sales taxes" under the Innovation Development and Economy Act.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money pursuant to Section 35 of this Act to the District from which retailers have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to the District shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including (i) an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the District, (ii) any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the District, (iii) any amounts that are transferred to the STAR Bonds Revenue Fund, and (iv) 2% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the District, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the disbursement certification to the District and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

(d) For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale by a producer of coal or another mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(e) Nothing in this Section shall be construed to authorize the board to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(f) An ordinance imposing a tax under this Section or an ordinance extending the imposition of a tax to an additional county or counties shall be certified by the board and filed with the Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax as of the first day of January next following the filing.

(g) When certifying the amount of a monthly disbursement to the District under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

(Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17.)

Section 65. The Local Mass Transit District Act is amended by changing Section 5.01 as follows:  
(70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

Sec. 5.01. Metro East Mass Transit District; use and occupation taxes.

(a) The Board of Trustees of any Metro East Mass Transit District may, by ordinance adopted with the concurrence of two-thirds of the then trustees, impose throughout the District any or all of the taxes and fees provided in this Section. Except as otherwise provided, all AH taxes and fees imposed under this Section shall be used only for public mass transportation systems, and the amount used to provide mass transit service to unserved areas of the District shall be in the same proportion to the total proceeds as the number of persons residing in the unserved areas is to the total population of the District. Except as otherwise provided in this Act, taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes.

(b) The Board may impose a Metro East Mass Transit District Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the district at a rate of 1/4 of 1%, or as authorized under subsection (d-5) of this Section, of the gross receipts from the sales made in the course of such business within the district, except that the rate of tax imposed under this Section on sales of aviation fuel on or after December 1, 2017 shall be 0.25% in Madison County unless the Metro-East Mass Transit District in Madison County has an "airport-related purpose" and any additional amount authorized under subsection (d-5) is expended for airport-related purposes. If there is no airport-related

purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from any future increase in the tax. The rate in St. Clair County shall be 0.25% unless the Metro-East Mass Transit District in St. Clair County has an "airport-related purpose" and the additional 0.50% of the 0.75% tax on aviation fuel imposed in that County is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax.

On or before September 1, 2017, and on or before each April 1 and October 1 thereafter, each Metro-East Mass Transit District and Madison and St. Clair Counties must certify to the Department of Transportation, in the form and manner required by the Department, whether they have an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed under this Act to include tax on aviation fuel. On or before October 1, 2017, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Metro East Mass Transit District tax fund established under paragraph (h) of this Section.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsections (c) and (d) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale, by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this Section shall be construed to authorize the Metro East Mass Transit District to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(c) If a tax has been imposed under subsection (b), a Metro East Mass Transit District Service Occupation Tax shall also be imposed upon all persons engaged, in the district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the District, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax rate shall be 1/4%, or as authorized under subsection (d-5) of this

Section, of the selling price of tangible personal property so transferred within the district, except that the rate of tax imposed in these Counties under this Section on sales of aviation fuel on or after December 1, 2017 shall be 0.25% in Madison County unless the Metro-East Mass Transit District in Madison County has an "airport-related purpose" and any additional amount authorized under subsection (d-5) is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from any future increase in the tax. The rate in St. Clair County shall be 0.25% unless the Metro-East Mass Transit District in St. Clair County has an "airport-related purpose" and the additional 0.50% of the 0.75% tax on aviation fuel is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax.

On or before September 1, 2017, and on or before each April 1 and October 1 thereafter, each Metro-East Mass Transit District and Madison and St. Clair Counties must certify to the Department of Transportation, in the form and manner required by the Department, whether they have an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed under this Act to include tax on aviation fuel. On or before October 1, 2017, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure as are prescribed in Sections 1a-1, 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the Authority), 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the Authority), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the District), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the District), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Metro East Mass Transit District tax fund established under paragraph (h) of this Section.

Nothing in this paragraph shall be construed to authorize the District to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(d) If a tax has been imposed under subsection (b), a Metro East Mass Transit District Use Tax shall also be imposed upon the privilege of using, in the district, any item of tangible personal property that is purchased outside the district at retail from a retailer, and that is titled or registered with an agency of this

State's government, at a rate of 1/4%, or as authorized under subsection (d-5) of this Section, of the selling price of the tangible personal property within the District, as "selling price" is defined in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the District. The tax shall be collected by the Department of Revenue for the Metro East Mass Transit District. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department shall have full power to administer and enforce this paragraph; to collect all taxes, penalties and interest due hereunder; to dispose of taxes, penalties and interest so collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty or interest hereunder. In the administration of, and compliance with, this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3 through 3-80 (except provisions pertaining to the State rate of tax, and except provisions concerning collection or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions pertaining to claims by retailers and except the last paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, that are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Metro East Mass Transit District tax fund established under paragraph (h) of this Section.

(d-5) (A) The county board of any county participating in the Metro East Mass Transit District may authorize, by ordinance, a referendum on the question of whether the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax for the District should be increased from 0.25% to 0.75%. Upon adopting the ordinance, the county board shall certify the proposition to the proper election officials who shall submit the proposition to the voters of the District at the next election, in accordance with the general election law.

The proposition shall be in substantially the following form:

Shall the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax be increased from 0.25% to 0.75%?

(B) Two thousand five hundred electors of any Metro East Mass Transit District may petition the Chief Judge of the Circuit Court, or any judge of that Circuit designated by the Chief Judge, in which that District is located to cause to be submitted to a vote of the electors the question whether the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax for the District should be increased from 0.25% to 0.75%.

Upon submission of such petition the court shall set a date not less than 10 nor more than 30 days thereafter for a hearing on the sufficiency thereof. Notice of the filing of such petition and of such date shall be given in writing to the District and the County Clerk at least 7 days before the date of such hearing.

If such petition is found sufficient, the court shall enter an order to submit that proposition at the next election, in accordance with general election law.

The form of the petition shall be in substantially the following form: To the Circuit Court of the County of (name of county):

We, the undersigned electors of the (name of transit district), respectfully petition your honor to submit to a vote of the electors of (name of transit district) the following proposition:

Shall the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax be increased from 0.25% to 0.75%?

Name Address, with Street and Number.

.....

.....

(C) The votes shall be recorded as "YES" or "NO". If a majority of all votes cast on the proposition are for the increase in the tax rates, the Metro East Mass Transit District shall begin imposing the increased rates in the District, and the Department of Revenue shall begin collecting the increased amounts, as provided under this Section. An ordinance imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing, or on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing.

(D) If the voters have approved a referendum under this subsection, before November 1, 1994, to increase the tax rate under this subsection, the Metro East Mass Transit District Board of Trustees may adopt by a majority vote an ordinance at any time before January 1, 1995 that excludes from the rate increase tangible personal property that is titled or registered with an agency of this State's government. The ordinance excluding titled or registered tangible personal property from the rate increase must be filed with the Department at least 15 days before its effective date. At any time after adopting an ordinance excluding from the rate increase tangible personal property that is titled or registered with an agency of this State's government, the Metro East Mass Transit District Board of Trustees may adopt an ordinance applying the rate increase to that tangible personal property. The ordinance shall be adopted, and a certified copy of that ordinance shall be filed with the Department, on or before October 1, whereupon the Department shall proceed to administer and enforce the rate increase against tangible personal property titled or registered with an agency of this State's government as of the following January 1. After December 31, 1995, any reimposed rate increase in effect under this subsection shall no longer apply to tangible personal property titled or registered with an agency of this State's government. Beginning January 1, 1996, the Board of Trustees of any Metro East Mass Transit District may never reimpose a previously excluded tax rate increase on tangible personal property titled or registered with an agency of this State's government. After July 1, 2004, if the voters have approved a referendum under this subsection to increase the tax rate under this subsection, the Metro East Mass Transit District Board of Trustees may adopt by a majority vote an ordinance that excludes from the rate increase tangible personal property that is titled or registered with an agency of this State's government. The ordinance excluding titled or registered tangible personal property from the rate increase shall be adopted, and a certified copy of that ordinance shall be filed with the Department on or before October 1, whereupon the Department shall administer and enforce this exclusion from the rate increase as of the following January 1, or on or before April 1, whereupon the Department shall administer and enforce this exclusion from the rate increase as of the following July 1. The Board of Trustees of any Metro East Mass Transit District may never reimpose a previously excluded tax rate increase on tangible personal property titled or registered with an agency of this State's government.

(d-6) If the Board of Trustees of any Metro East Mass Transit District has imposed a rate increase under subsection (d-5) and filed an ordinance with the Department of Revenue excluding titled property from the higher rate, then that Board may, by ordinance adopted with the concurrence of two-thirds of the then trustees, impose throughout the District a fee. The fee on the excluded property shall not exceed \$20 per retail transaction or an amount equal to the amount of tax excluded, whichever is less, on tangible personal property that is titled or registered with an agency of this State's government. Beginning July 1, 2004, the fee shall apply only to titled property that is subject to either the Metro East Mass Transit District Retailers' Occupation Tax or the Metro East Mass Transit District Service Occupation Tax. No fee shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

(d-7) Until June 30, 2004, if a fee has been imposed under subsection (d-6), a fee shall also be imposed upon the privilege of using, in the district, any item of tangible personal property that is titled or registered with any agency of this State's government, in an amount equal to the amount of the fee imposed under subsection (d-6).

(d-7.1) Beginning July 1, 2004, any fee imposed by the Board of Trustees of any Metro East Mass Transit District under subsection (d-6) and all civil penalties that may be assessed as an incident of the fees shall be collected and enforced by the State Department of Revenue. Reference to "taxes" in this Section shall be construed to apply to the administration, payment, and remittance of all fees under this Section. For purposes of any fee imposed under subsection (d-6), 4% of the fee, penalty, and interest received by the Department in the first 12 months that the fee is collected and enforced by the Department and 2% of the fee, penalty, and interest following the first 12 months (except the amount collected on aviation fuel sold on or after December 1, 2017) shall be deposited into the Tax Compliance and

Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department. No retailers' discount shall apply to any fee imposed under subsection (d-6).

(d-8) No item of titled property shall be subject to both the higher rate approved by referendum, as authorized under subsection (d-5), and any fee imposed under subsection (d-6) or (d-7).

(d-9) (Blank).

(d-10) (Blank).

(e) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (c) or (d) of this Section and no additional registration shall be required under the tax. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(f) (Blank).

(g) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the Metro East Mass Transit District as of September 1 next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, except as provided in subsection (d-5) of this Section, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing, or, beginning January 1, 2004, on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing.

(h) Except as provided in subsection (d-7.1), the State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the District. The taxes shall be held in a trust fund outside the State Treasury. Taxes and penalties collected in St. Clair Counties on aviation fuel sold on or after December 1, 2017 from the 0.50% of the .75% rate shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district. The Department shall make this certification only if the local mass transit district imposes a tax on real property as provided in the definition of "local sales taxes" under the Innovation Development and Economy Act.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the District, which shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2017) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including any amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the District, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the District, and less any amounts that are transferred to the STAR Bonds Revenue Fund, less 2% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the District, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the District and the Tax Compliance and Administration Fund, the Comptroller shall cause an order to be drawn for payment for the amount in accordance with the direction in the certification.

(Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17.)

Section 70. The Regional Transportation Authority Act is amended by changing Sections 4.03 and 4.03.3 as follows:

(70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

Sec. 4.03. Taxes.

(a) In order to carry out any of the powers or purposes of the Authority, the Board may by ordinance adopted with the concurrence of 12 of the then Directors, impose throughout the metropolitan region any or all of the taxes provided in this Section. Except as otherwise provided in this Act, taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes. Nothing in Public Act 95-708 is intended to invalidate any taxes currently imposed by the Authority. The increased vote requirements to impose a tax shall only apply to actions taken after January 1, 2008 (the effective date of Public Act 95-708).

(b) The Board may impose a public transportation tax upon all persons engaged in the metropolitan region in the business of selling at retail motor fuel for operation of motor vehicles upon public highways. The tax shall be at a rate not to exceed 5% of the gross receipts from the sales of motor fuel in the course of the business. As used in this Act, the term "motor fuel" shall have the same meaning as in the Motor Fuel Tax Law. The Board may provide for details of the tax. The provisions of any tax shall conform, as closely as may be practicable, to the provisions of the Municipal Retailers Occupation Tax Act, including without limitation, conformity to penalties with respect to the tax imposed and as to the powers of the State Department of Revenue to promulgate and enforce rules and regulations relating to the administration and enforcement of the provisions of the tax imposed, except that reference in the Act to any municipality shall refer to the Authority and the tax shall be imposed only with regard to receipts from sales of motor fuel in the metropolitan region, at rates as limited by this Section.

(c) In connection with the tax imposed under paragraph (b) of this Section the Board may impose a tax upon the privilege of using in the metropolitan region motor fuel for the operation of a motor vehicle upon public highways, the tax to be at a rate not in excess of the rate of tax imposed under paragraph (b) of this Section. The Board may provide for details of the tax.

(d) The Board may impose a motor vehicle parking tax upon the privilege of parking motor vehicles at off-street parking facilities in the metropolitan region at which a fee is charged, and may provide for reasonable classifications in and exemptions to the tax, for administration and enforcement thereof and for civil penalties and refunds thereunder and may provide criminal penalties thereunder, the maximum penalties not to exceed the maximum criminal penalties provided in the Retailers' Occupation Tax Act. The Authority may collect and enforce the tax itself or by contract with any unit of local government. The State Department of Revenue shall have no responsibility for the collection and enforcement unless the Department agrees with the Authority to undertake the collection and enforcement. As used in this paragraph, the term "parking facility" means a parking area or structure having parking spaces for more than 2 vehicles at which motor vehicles are permitted to park in return for an hourly, daily, or other periodic fee, whether publicly or privately owned, but does not include parking spaces on a public street, the use of which is regulated by parking meters.

(e) The Board may impose a Regional Transportation Authority Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the metropolitan region. In Cook County the tax rate shall be 1.25% of the gross receipts from sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics, and 1% of the gross receipts from other taxable sales made in the course of that business. In DuPage, Kane, Lake, McHenry, and Will Counties, the tax rate shall be 0.75% of the gross receipts from all taxable sales made in the course of that business except that the rate of tax imposed in these Counties under this Section on sales of aviation fuel on or after December 1, 2017 shall be 0.25% unless the Regional Transportation Authority in DuPage, Kane, Lake, McHenry and Will Counties has an "airport-related purpose" and the additional 0.50% of the 0.75% tax on aviation fuel is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax.

On or before September 1, 2017, and on or before each April 1 and October 1 thereafter, the Authority and Cook, DuPage, Kane, Lake, McHenry, and Will Counties must certify to the Department of Transportation, in the form and manner required by the Department, whether they have an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed under

[May 31, 2018]



this Act to include tax on aviation fuel. On or before October 1, 2017, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the Authority.

The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination in a single amount with State taxes that sellers are required to collect under the Use Tax Act, under any bracket schedules the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

If a tax is imposed under this subsection (e), a tax shall also be imposed under subsections (f) and (g) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this Section shall be construed to authorize the Regional Transportation Authority to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(f) If a tax has been imposed under paragraph (e), a Regional Transportation Authority Service Occupation Tax shall also be imposed upon all persons engaged, in the metropolitan region in the business of making sales of service, who as an incident to making the sales of service, transfer tangible personal property within the metropolitan region, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. In Cook County, the tax rate shall be: (1) 1.25% of the serviceman's cost price of food prepared for immediate consumption and transferred incident to a sale of service subject to the service occupation tax by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Specialized Mental Health Rehabilitation Act of 2013, the ID/DD Community Care Act, or the MC/DD Act that is located in the metropolitan region; (2) 1.25% of the selling price of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics; and (3) 1% of the selling price from other taxable sales of tangible personal property transferred. In DuPage, Kane, Lake, McHenry and Will Counties the rate shall be 0.75%

of the selling price of all tangible personal property transferred except that the rate of tax imposed in these Counties under this Section on sales of aviation fuel on or after December 1, 2017 shall be 0.25% unless the Regional Transportation Authority in DuPage, Kane, Lake, McHenry and Will Counties has an "airport-related purpose" and the additional 0.50% of the 0.75% tax on aviation fuel is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax.

On or before September 1, 2017, and on or before each April 1 and October 1 thereafter, the Authority and Cook, DuPage, Kane, Lake, McHenry, and Will Counties must certify to the Department of Transportation, in the form and manner required by the Department, whether they have an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed under this Act to include tax on aviation fuel. On or before October 1, 2017, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the Authority.

The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the Authority), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the Authority), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the Authority), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, that charge may be stated in combination in a single amount with State tax that servicemen are authorized to collect under the Service Use Tax Act, under any bracket schedules the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

Nothing in this paragraph shall be construed to authorize the Authority to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(g) If a tax has been imposed under paragraph (e), a tax shall also be imposed upon the privilege of using in the metropolitan region, any item of tangible personal property that is purchased outside the metropolitan region at retail from a retailer, and that is titled or registered with an agency of this State's government. In Cook County the tax rate shall be 1% of the selling price of the tangible personal property, as "selling price" is defined in the Use Tax Act. In DuPage, Kane, Lake, McHenry and Will counties the tax rate shall be 0.75% of the selling price of the tangible personal property, as "selling price" is defined in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the metropolitan region. The tax shall be collected by the Department of

Revenue for the Regional Transportation Authority. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department shall have full power to administer and enforce this paragraph; to collect all taxes, penalties and interest due hereunder; to dispose of taxes, penalties and interest collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty or interest hereunder. In the administration of and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3 through 3-80 (except provisions pertaining to the State rate of tax, and except provisions concerning collection or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions pertaining to claims by retailers and except the last paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act, and are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

(h) The Authority may impose a replacement vehicle tax of \$50 on any passenger car as defined in Section 1-157 of the Illinois Vehicle Code purchased within the metropolitan region by or on behalf of an insurance company to replace a passenger car of an insured person in settlement of a total loss claim. The tax imposed may not become effective before the first day of the month following the passage of the ordinance imposing the tax and receipt of a certified copy of the ordinance by the Department of Revenue. The Department of Revenue shall collect the tax for the Authority in accordance with Sections 3-2002 and 3-2003 of the Illinois Vehicle Code.

Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes collected hereunder. Taxes and penalties collected in DuPage, Kane, Lake, McHenry and Will Counties on aviation fuel sold on or after December 1, 2017 from the 0.50% of the 0.75% rate shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the Authority.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the Authority. The amount to be paid to the Authority shall be the amount collected hereunder during the second preceding calendar month by the Department, less any amount determined by the Department to be necessary for the payment of refunds, and less any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the Authority provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for that amount in accordance with the directions contained in the certification.

(i) The Board may not impose any other taxes except as it may from time to time be authorized by law to impose.

(j) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (c), (f) or (g) of this Section and no additional registration shall be required under the tax. A certificate issued under the Use Tax Act

or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(k) The provisions of any tax imposed under paragraph (c) of this Section shall conform as closely as may be practicable to the provisions of the Use Tax Act, including without limitation conformity as to penalties with respect to the tax imposed and as to the powers of the State Department of Revenue to promulgate and enforce rules and regulations relating to the administration and enforcement of the provisions of the tax imposed. The taxes shall be imposed only on use within the metropolitan region and at rates as provided in the paragraph.

(l) The Board in imposing any tax as provided in paragraphs (b) and (c) of this Section, shall, after seeking the advice of the State Department of Revenue, provide means for retailers, users or purchasers of motor fuel for purposes other than those with regard to which the taxes may be imposed as provided in those paragraphs to receive refunds of taxes improperly paid, which provisions may be at variance with the refund provisions as applicable under the Municipal Retailers Occupation Tax Act. The State Department of Revenue may provide for certificates of registration for users or purchasers of motor fuel for purposes other than those with regard to which taxes may be imposed as provided in paragraphs (b) and (c) of this Section to facilitate the reporting and nontaxability of the exempt sales or uses.

(m) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the Regional Transportation Authority as of September 1 next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing, increasing, decreasing, or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department, whereupon the Department shall proceed to administer and enforce this Section as of the first day of the first month to occur not less than 60 days following such adoption and filing. Any ordinance or resolution of the Authority imposing a tax under this Section and in effect on August 1, 2007 shall remain in full force and effect and shall be administered by the Department of Revenue under the terms and conditions and rates of tax established by such ordinance or resolution until the Department begins administering and enforcing an increased tax under this Section as authorized by Public Act 95-708. The tax rates authorized by Public Act 95-708 are effective only if imposed by ordinance of the Authority.

(n) Except as otherwise provided in this subsection (n), the State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the Authority. The taxes shall be held in a trust fund outside the State Treasury. On or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois and to the Authority (i) the amount of taxes collected in each County other than Cook County in the metropolitan region, (ii) the amount of taxes collected within the City of Chicago, and (iii) the amount collected in that portion of Cook County outside of Chicago, each amount less the amount necessary for the payment of refunds to taxpayers located in those areas described in items (i), (ii), and (iii), and less 2% of the remainder, which shall be transferred from the trust fund into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the Authority, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the certification of the amounts, the Comptroller shall cause an order to be drawn for the transfer of the amount certified into the Tax Compliance and Administration Fund and the payment of two-thirds of the amounts certified in item (i) of this subsection to the Authority and one-third of the amounts certified in item (i) of this subsection to the respective counties other than Cook County and the amount certified in items (ii) and (iii) of this subsection to the Authority.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in July 1991 and each year thereafter to the Regional Transportation Authority. The allocation shall be made in an amount equal to the average monthly distribution during the preceding calendar year (excluding the 2 months of lowest receipts) and the allocation shall include the amount of average monthly distribution from the Regional Transportation Authority Occupation and Use Tax Replacement Fund. The distribution made in July 1992 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department of Revenue shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

(o) Failure to adopt a budget ordinance or otherwise to comply with Section 4.01 of this Act or to adopt a Five-year Capital Program or otherwise to comply with paragraph (b) of Section 2.01 of this Act shall not affect the validity of any tax imposed by the Authority otherwise in conformity with law.

(p) At no time shall a public transportation tax or motor vehicle parking tax authorized under paragraphs (b), (c) and (d) of this Section be in effect at the same time as any retailers' occupation, use or service occupation tax authorized under paragraphs (e), (f) and (g) of this Section is in effect.

Any taxes imposed under the authority provided in paragraphs (b), (c) and (d) shall remain in effect only until the time as any tax authorized by paragraphs (e), (f) or (g) of this Section are imposed and becomes effective. Once any tax authorized by paragraphs (e), (f) or (g) is imposed the Board may not reimpose taxes as authorized in paragraphs (b), (c) and (d) of the Section unless any tax authorized by paragraphs (e), (f) or (g) of this Section becomes ineffective by means other than an ordinance of the Board.

(q) Any existing rights, remedies and obligations (including enforcement by the Regional Transportation Authority) arising under any tax imposed under paragraphs (b), (c) or (d) of this Section shall not be affected by the imposition of a tax under paragraphs (e), (f) or (g) of this Section.

(Source: P.A. 99-180, eff. 7-29-15; 99-217, eff. 7-31-15; 99-642, eff. 7-28-16; 100-23, eff. 7-6-17.)

(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 the ADA Paratransit Fund described in Section 2.01d, the amount required to be deposited into the Suburban Community Mobility Fund described in Section 2.01e, and the amount required to be deposited into 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.

(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.

(h) Moneys may be appropriated from the Public Transportation Fund to the Office of the Executive Inspector General for the costs incurred by the Executive Inspector General while serving as the inspector general for the Authority and each of the Service Boards. Beginning December 31, 2012, and each year thereafter, the Office of the Executive Inspector General shall annually report to the General Assembly the expenses incurred while serving as the inspector general for the Authority and each of the Service Boards.

(Source: P.A. 97-399, eff. 8-16-11; 97-641, eff. 12-19-11.)

Section 75. The Water Commission Act of 1985 is amended by changing Section 4 as follows:  
(70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

Sec. 4. Taxes.

(a) The board of commissioners of any county water commission may, by ordinance, impose throughout the territory of the commission any or all of the taxes provided in this Section for its corporate purposes. However, no county water commission may impose any such tax unless the commission certifies the proposition of imposing the tax to the proper election officials, who shall submit the proposition to the voters residing in the territory at an election in accordance with the general election law, and the proposition has been approved by a majority of those voting on the proposition.

The proposition shall be in the form provided in Section 5 or shall be substantially in the following form:

-----  
 Shall the (insert corporate  
 name of county water commission)                      YES  
 impose (state type of tax or  
 taxes to be imposed) at the                      NO  
 rate of 1/4%?  
 -----

Taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes.

(b) The board of commissioners may impose a County Water Commission Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the territory of

the commission at a rate of 1/4% of the gross receipts from the sales made in the course of such business within the territory. The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax except that food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicine, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, shall not be subject to tax hereunder), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel sold on or after December 1, 2017), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act and under subsection (e) of Section 4.03 of the Regional Transportation Authority Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of a county water commission tax fund established under subsection paragraph (g) of this Section.

For the purpose of determining whether a tax authorized under this paragraph is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsections (c) and (d) of this Section.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this paragraph shall be construed to authorize a county water commission to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(c) If a tax has been imposed under subsection (b), a County Water Commission Service Occupation Tax shall also be imposed upon all persons engaged, in the territory of the commission, in the business of making sales of service, who, as an incident to making the sales of service, transfer tangible personal property within the territory. The tax rate shall be 1/4% of the selling price of tangible personal property so transferred within the territory. The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the territory of the commission), 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax except that food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs,

medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, shall not be subject to tax hereunder), 4 (except that the reference to the State shall be to the territory of the commission), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the commission), 9 (except as to the disposition of taxes and penalties collected and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel sold on or after December 1, 2017), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the territory of the commission), the first paragraph of Section 15, 15.5, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, and any tax for which servicemen may be liable under subsection (f) of Section 4.03 of the Regional Transportation Authority Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of a county water commission tax fund established under subsection paragraph (g) of this Section.

Nothing in this paragraph shall be construed to authorize a county water commission to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(d) If a tax has been imposed under subsection (b), a tax shall also be imposed upon the privilege of using, in the territory of the commission, any item of tangible personal property that is purchased outside the territory at retail from a retailer, and that is titled or registered with an agency of this State's government, at a rate of 1/4% of the selling price of the tangible personal property within the territory, as "selling price" is defined in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the territory. The tax shall be collected by the Department of Revenue for a county water commission. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department shall have full power to administer and enforce this paragraph; to collect all taxes, penalties, and interest due hereunder; to dispose of taxes, penalties, and interest so collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty, or interest hereunder. In the administration of  $\tau$  and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3 through 3-80 (except provisions pertaining to the State rate of tax, and except provisions concerning collection or refunding of the tax by retailers, and except that food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, shall not be subject to tax hereunder), 4, 11, 12, 12a, 14, 15, 19 (except the portions pertaining to claims by retailers and except the last paragraph concerning refunds), 20, 21, and 22 of the Use Tax Act and Section 3-7 of the Uniform Penalty and Interest Act that are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of a county water commission tax fund established under subsection paragraph (g) of this Section.



(e) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under subsection paragraphs (b), (c) ~~2~~ or (d) of this Section and no additional registration shall be required under the tax. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under subsection paragraph (c) of this Section.

(f) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the county water commission as of September 1 next following the adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing.

(g) The State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the commission. The taxes shall be held in a trust fund outside the State Treasury.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the commission, which shall be the amount (not including credit memoranda) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including any amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the commission, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the commission, and less any amounts that are transferred to the STAR Bonds Revenue Fund, less 2% of the remainder, which shall be transferred into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the commission, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the commission and the Tax Compliance and Administration Fund, the Comptroller shall cause an order to be drawn for the payment for the amount in accordance with the direction in the certification.

(h) Beginning June 1, 2016, any tax imposed pursuant to this Section may no longer be imposed or collected, unless a continuation of the tax is approved by the voters at a referendum as set forth in this Section.

(Source: P.A. 99-217, eff. 7-31-15; 99-642, eff. 7-28-16; 100-23, eff. 7-6-17; revised 10-3-17.)

Section 80. The Environmental Impact Fee Law is amended by changing Sections 315 and 320 as follows:

(415 ILCS 125/315)

(Section scheduled to be repealed on January 1, 2025)

Sec. 315. Fee on receivers of fuel for sale or use; collection and reporting. A person that is required to pay the fee imposed by this Law shall pay the fee to the Department by return showing all fuel purchased, acquired, or received and sold, distributed or used during the preceding calendar month, including losses of fuel as the result of evaporation or shrinkage due to temperature variations, and such other reasonable information as the Department may require. Losses of fuel as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of the month, plus the receipts of gallonage during the month, minus the gallonage remaining in storage at the end of the month. Any loss reported that is in excess of this amount shall be subject to the fee imposed by Section 310 of this Law. On and after July 1, 2001, for each 6-month period January through June, net losses of

[May 31, 2018]

fuel (for each category of fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each January, plus the receipts of gallonage each January through June, minus the gallonage remaining in storage at the end of each June. On and after July 1, 2001, for each 6-month period July through December, net losses of fuel (for each category of fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each July, plus the receipts of gallonage each July through December, minus the gallonage remaining in storage at the end of each December. Any net loss reported that is in excess of this amount shall be subject to the fee imposed by Section 310 of this Law. For purposes of this Section, "net loss" means the number of gallons gained through temperature variations minus the number of gallons lost through temperature variations or evaporation for each of the respective 6-month periods.

The return shall be prescribed by the Department and shall be filed between the 1st and 20th days of each calendar month. The Department may, in its discretion, combine the return filed under this Law with the return filed under Section 2b of the Motor Fuel Tax Law. If the return is timely filed, the receiver may take a discount of 2% through June 30, 2003 and 1.75% thereafter to reimburse himself for the expenses incurred in keeping records, preparing and filing returns, collecting and remitting the fee, and supplying data to the Department on request. However, the discount applies only to the amount of the fee payment that accompanies a return that is timely filed in accordance with this Section. The discount is not permitted on fees paid on aviation fuel sold or used on and after December 1, 2017. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47017 (b) and 49 U.S.C. §47133 are binding on the State.

Beginning on January 1, 2018, each retailer required or authorized to collect the fee imposed by this Act on aviation fuel at retail in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, file an aviation fuel tax return with the Department, on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, retailers collecting fees on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel fee payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

(Source: P.A. 92-30, eff. 7-1-01; 93-32, eff. 6-20-03.)

(415 ILCS 125/320)

(Section scheduled to be repealed on January 1, 2025)

Sec. 320. Deposit of fee receipts. Except as otherwise provided in this paragraph, all All money received by the Department under this Law shall be deposited in the Underground Storage Tank Fund created by Section 57.11 of the Environmental Protection Act. All money received for aviation fuel by the Department under this Law on or after December 1, 2017, shall be immediately paid over by the Department to the State Aviation Program Fund. The Department shall only pay such moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. §47107(b) and 49 U.S.C. §47133 are binding on the State. For purposes of this section, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

(Source: P.A. 89-428, eff. 1-1-96; 89-457, eff. 5-22-96; 90-14, eff. 7-1-97.)

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

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

### AMENDMENT NO. 3 TO SENATE BILL 482

AMENDMENT NO. 3. Amend Senate Bill 482, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, by replacing everything from line 1 on page 2 through line 1 on page 3 with the following:

"(30 ILCS 105/6z-20.1 new)

Sec. 6z-20.1. The State Aviation Program Fund. The State Aviation Program Fund is created as a special fund in the State Treasury. Moneys in the Fund shall be used by the Department of Transportation for the purposes of administering a State Aviation Program. Moneys in the Fund are subject to appropriation by the General Assembly."; and

[May 31, 2018]

on page 23, line 25, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 24, line 2, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 33, line 18, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 52, lines 9 and 12, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 62, line 2, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 75, lines 1 and 5, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 84, line 3, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 92, lines 15 and 19, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 101, line 17, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 114, lines 4 and 8, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 115, lines 2 and 6, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 124, line 4, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 135, lines 7 and 11, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 136, lines 5 and 9, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 145, line 7, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 174, lines 12, 13, and 16, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 175, lines 14 and 18, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 185, line 14, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 212, lines 23 and 24, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 213, lines 1 and 25, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 214, line 3, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 223, line 25, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 242, line 1, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 246, lines 4 and 9, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 255, lines 11 and 12, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 269, line 21, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 272, line 8, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 275, lines 4 and 20, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 280, line 13, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 282, line 26, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 283, line 24, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 293, line 19, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 296, line 12, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 299, line 4, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 300, lines 2 and 3, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 305, line 18, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 308, line 2, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 312, lines 7 and 24, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 313, lines 1 and 2, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 319, line 1, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 321, line 25, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 322, line 23, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 326, line 23, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 329, line 25, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 336, line 5, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 337, line 22, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 339, lines 2 and 3, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 342, by replacing line 6 and 7 with the following:  
"On or before July 15, 2018, and on or before each May 1 and November 1 thereafter, each county must certify to the"; and  
on page 343, line 19, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 346, line 12, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 347, line 10, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 353, line 15, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 356, line 2, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 359, line 26, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 362, line 22, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 362, line 22, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 363, lines 20 and 21, by replacing "December 31, 2017" with "July 1, 2018"; and  
on page 365, line 24, by replacing "December 31, 2017" with "July 1, 2018"; and  
[May 31, 2018]

on page 368, line 19, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 369, line 17, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 372, line 12, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 375, line 12, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 376, lines 10 and 11, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 378, line 7, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 381, line 6, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 382, lines 4 and 5, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 388, line 5, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 388, by replacing lines 24 and 25 with the following:  
"On or before July 15, 2018, and on or before each May 1 and November 1 thereafter, each municipality (and District in"; and

on page 391, line 10, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 393, line 21, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 394, line 20, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 395, line 2, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 398, line 21, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 401, line 16, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 402, lines 15, 16, and 19, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 416, line 2, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 416, by replacing lines 12 and 13 with the following:  
"On or before July 15, 2018, and on or before each May 1 and November 1 thereafter, the Authority must certify to the"; and

on page 419, line 15, by replacing "December 31, 2017" with "July 1, 2018"; and

by replacing everything from line 26 on page 419 through line 1 on page 420 with the following:  
"on aviation fuel. On or before August 1, 2018, and on or before each June 1 and December 1 thereafter, the Department of"; and

on page 425, lines 7 and 20, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 427, line 8, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 429, lines 16 and 17, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 433, lines 5, 6, and 9, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 436, line 7, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 439, line 14, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 429, by replacing lines 24 and 25 with the following:

"On or before July 15, 2018, and on or before each May 1 and November 1 thereafter, the Board must certify to the"; and

on page 442, lines 20 and 21, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 443, line 22, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 447, line 1, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 451, line 4, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 451, by replacing lines 18 and 19 with the following:

"On or before July 1, 2018, and on or before each May 1 and November 1 thereafter, each Metro-East Mass Transit"; and

on page 462, line 7, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 464, line 5, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 465, line 3, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 469, line 4, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 473, line 15, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 473, by replacing lines 22 and 23 with the following:

"On or before July 1, 2018, and on or before each May 1 and November 1 thereafter, the Authority and Cook, DuPage,"; and

on page 479, line 8, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 492, line 24, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 496, line 4, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 504, line 10, by replacing "December 31, 2017" with "July 1, 2018"; and

on page 505, line 10, by replacing "December 31, 2017" with "July 1, 2018".

Under the rules, the foregoing **Senate Bill No. 482**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2655

A bill for AN ACT concerning juveniles.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2655

Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 2655**

[May 31, 2018]

AMENDMENT NO. 1. Amend Senate Bill 2655 on page 32, immediately below line 11, by inserting the following:

"Section 6. The Custody Relinquishment Prevention Act is amended by adding Sections 25, 30, and 40 as follows:

(20 ILCS 540/25 new)

Sec. 25. Specialized Family Support Program. For purposes of addressing the problem of children remaining in psychiatric hospitals beyond medical necessity, a child under 18 years of age who has been diagnosed with a serious mental illness or serious emotional disturbance and has been reported to, or is at risk of being reported to the Department of Children and Family Services Child Abuse Hotline as a minor at risk of custody relinquishment shall be eligible for emergency access to the Specialized Family Support Program for 90 days for purposes of stabilizing the child and family, preventing a psychiatric lockout, or custody relinquishment that leads to a hospital stay beyond medical necessity.

(20 ILCS 540/30 new)

Sec. 30. Transition bed capacity.

(a) The Department of Healthcare and Family Services shall use unspent or lapsed Individual Care Grant funds and Family Support and Specialized Family Support Program funds to address the shortage of Specialized Family Support Program transition bed services for children that are appropriate for the acuity level of the child's needs. The Department of Healthcare and Family Services shall pay for increased capacity of Specialized Family Support Program transition bed services beginning in fiscal year 2019 using the Medicaid rate for residential treatment plus consideration of an increased rate for capacity building purposes. The Department of Healthcare and Family Services shall work to develop this capacity in regions across the State to ensure that a child is placed in a residential treatment facility close to where the family resides to foster family reunification. Within 60 days after the effective date of this amendatory Act of the 100th General Assembly, the Department of Healthcare and Family Services shall develop a plan for increasing capacity for transitional bed services and community-based treatment for the Family Support Program and Specialized Family Support Program services that address the acuity level of children in or at risk of psychiatric lockout to ensure that the purchase of Specialized Family Support Program transition bed services does not diminish the capacity of longer term therapeutic residential treatment beds for youth with high behavioral health needs. This report shall be submitted to the General Assembly within 90 days after the effective date of this amendatory Act of the 100th General Assembly. The report to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(b) Within 30 days after the effective date of this amendatory Act of the 100th General Assembly the Department of Children and Family Services shall increase its guaranteed residential bed capacity by utilizing Department Rule Part 356 or the Illinois Purchased Care Review Board Rule.

(20 ILCS 540/40 new)

Sec. 40. Increasing awareness of the Family Support Program.

(a) The Department of Healthcare and Family Services shall undertake a one-year awareness campaign to educate hospitals with in-patient psychiatric units for children on the availability of services through the Family Support Program and the Specialized Family Support Program for support of a child with serious mental health needs. The campaign shall include marketing materials for the programs, eligibility criteria, information about the application process, and the value the programs can bring to families to avoid psychiatric crises. The Department shall begin this awareness campaign within 180 days after the effective date of this amendatory Act of the 100th General Assembly.

(b) This Section is repealed on July 15, 2020.

Section 7. The Mental Health and Developmental Disabilities Administrative Act is amended by changing Section 7.1 as follows:

(20 ILCS 1705/7.1) (from Ch. 91 1/2, par. 100-7.1)

Sec. 7.1. Individual Care Grants.

(a) For the purposes of this Section 7.1, "Department" means the Department of Healthcare and Family Services.

(b) To assist families in seeking intensive community-based services or residential placement for children with mental illness, for whom no appropriate care is available in State-operated facilities, the Department shall supplement the amount a family is able to pay, as determined by the Department and the amount available from other sources, provided the Department's share shall not exceed a uniform maximum rate to be determined from time to time by the Department. The Department may exercise the authority under this Section as is necessary to implement the provisions of Section 5-5.23 of the Illinois

Public Aid Code and to administer Individual Care Grants. The Department shall work collaboratively with stakeholders and family representatives in the implementation of this Section.

(c) A child shall continue to be eligible for an Individual Care Grant if the child is placed in the temporary custody of the Department of Children and Family Services under Article II of the Juvenile Care Act of 1987 because the child was left at a psychiatric hospital beyond medical necessity and an application for the Family Support Program was pending with the Department or an active application was being reviewed by the Department when the petition under the Juvenile Court Act of 1987 was filed.

(d) If the Department determines that the child meets all the eligibility criteria for Family Support Services and approves the application, the Department shall notify the parents and the Department of Children and Family Services. The court hearing the child's case under the Juvenile Court Act of 1987 shall conduct a hearing within 14 days after all parties have been notified and determine whether to vacate the custody or guardianship of the Department of Children and Family Services and return the child to the custody of his or her parents with Family Support Services in place or whether the child shall continue in the custody of the Department of Children and Family Services and decline the Family Support Program. The court shall conduct the hearing under Section 2-4b of the Juvenile Court Act of 1987. If the court vacates the custody or guardianship of the Department of Children and Family Services and returns the child to the custody of the respondent with Family Support Services, the Department shall become fiscally responsible for providing services to the child. If the court determines that the child shall continue in the custody of the Department of Children and Family Services, the Department of Children and Family Services shall remain fiscally responsible for providing services to the child, the Family Support Services shall be declined, and the child shall no longer be eligible for Family Support Services.

(e) The Department shall provide an expedited review process for applications for minors in the custody or guardianship of the Department of Children and Family Services who continue to remain eligible for Individual Care Grants. The Department shall work collaboratively with stakeholders, including legal representatives of minors in care, providers of residential treatment services, and with the Department of Children and Family Services, to ensure that minors who are recipients of Individual Care Grants under this Section and Section 2-4b of the Juvenile Court Act of 1987 do not experience a disruption in services if the minor transitions from one program to another. The Department shall adopt rules to implement this Section no later than July 1, 2019.

(Source: P.A. 99-479, eff. 9-10-15.); and

on page 32, by replacing line 13 with "changing Sections 2-23 and 2-28 and by adding Section 2-4b as follows:

(705 ILCS 405/2-4b new)

Sec. 2-4b. Family Support Program services; hearing.

(a) Any minor who is placed in the custody or guardianship of the Department of Children and Family Services under Article II of this Act on the basis of a petition alleging that the minor is dependent because the minor was left at a psychiatric hospital beyond medical necessity, and for whom an application for the Family Support Program was pending with the Department of Healthcare and Family Services or an active application was being reviewed by the Department of Healthcare and Family Services at the time the petition was filed, shall continue to be considered eligible for services if all other eligibility criteria are met.

(b) The court shall conduct a hearing within 14 days upon notification to all parties that an application for the Family Support Program services has been approved and services are available. At the hearing, the court shall determine whether to vacate the custody or guardianship of the Department of Children and Family Services and return the minor to the custody of the respondent with Family Support Program services or whether the minor shall continue to be in the custody or guardianship of the Department of Children and Family Services and decline the Family Support Program services. In making its determination, the court shall consider the minor's best interest, the involvement of the respondent in proceedings under this Act, the involvement of the respondent in the minor's treatment, the relationship between the minor and the respondent, and any other factor the court deems relevant. If the court vacates the custody or guardianship of the Department of Children and Family Services and returns the minor to the custody of the respondent with Family Support Services, the Department of Healthcare and Family Services shall become fiscally responsible for providing services to the minor. If the court determines that the minor shall continue in the custody of the Department of Children and Family Services, the Department of Children and Family Services shall remain fiscal responsibility for providing services to the minor, the Family Support Services shall be declined, and the minor shall no longer be eligible for Family Support Services.

(c) This Section does not apply to a minor:

[May 31, 2018]



(1) for whom a petition has been filed under this Act alleging that he or she is an abused or neglected minor;

(2) for whom the court has made a finding that he or she is an abused or neglected minor under this Act; or

(3) who is in the temporary custody of the Department of Children and Family Services and the minor has been the subject of an indicated allegation of abuse or neglect, other than for psychiatric lock-out, where a respondent was the perpetrator within 5 years of the filing of the pending petition.

(705 ILCS 405/2-23) (from Ch. 37, par. 802-23)

Sec. 2-23. Kinds of dispositional orders.

(1) The following kinds of orders of disposition may be made in respect of wards of the court:

(a) A minor under 18 years of age found to be neglected or abused under Section 2-3 or dependent under Section 2-4 may be (1) continued in the custody of his or her parents, guardian or legal custodian; (2) placed in accordance with Section 2-27; (3) restored to the custody of the parent, parents, guardian, or legal custodian, provided the court shall order the parent, parents, guardian, or legal custodian to cooperate with the Department of Children and Family Services and comply with the terms of an after-care plan or risk the loss of custody of the child and the possible termination of their parental rights; or (4) ordered partially or completely emancipated in accordance with the provisions of the Emancipation of Minors Act.

However, in any case in which a minor is found by the court to be neglected or abused under Section 2-3 of this Act, custody of the minor shall not be restored to any parent, guardian or legal custodian whose acts or omissions or both have been identified, pursuant to subsection (1) of Section 2-21, as forming the basis for the court's finding of abuse or neglect, until such time as a hearing is held on the issue of the best interests of the minor and the fitness of such parent, guardian or legal custodian to care for the minor without endangering the minor's health or safety, and the court enters an order that such parent, guardian or legal custodian is fit to care for the minor.

(b) A minor under 18 years of age found to be dependent under Section 2-4 may be (1) placed in accordance with Section 2-27 or (2) ordered partially or completely emancipated in accordance with the provisions of the Emancipation of Minors Act.

However, in any case in which a minor is found by the court to be dependent under Section 2-4 of this Act, custody of the minor shall not be restored to any parent, guardian or legal custodian whose acts or omissions or both have been identified, pursuant to subsection (1) of Section 2-21, as forming the basis for the court's finding of dependency, until such time as a hearing is held on the issue of the fitness of such parent, guardian or legal custodian to care for the minor without endangering the minor's health or safety, and the court enters an order that such parent, guardian or legal custodian is fit to care for the minor.

(b-1) A minor between the ages of 18 and 21 may be placed pursuant to Section 2-27 of this Act if (1) the court has granted a supplemental petition to reinstate wardship of the minor pursuant to subsection (2) of Section 2-33, ~~or~~ (2) the court has adjudicated the minor a ward of the court, permitted the minor to return home under an order of protection, and subsequently made a finding that it is in the minor's best interest to vacate the order of protection and commit the minor to the Department of Children and Family Services for care and service, ~~or~~ (3) the court returned the minor to the custody of the respondent under Section 2-4b of this Act without terminating the proceedings under Section 2-31 of this Act, and subsequently made a finding that it is in the minor's best interest to commit the minor to the Department of Children and Family Services for care and services.

(c) When the court awards guardianship to the Department of Children and Family Services, the court shall order the parents to cooperate with the Department of Children and Family Services, comply with the terms of the service plans, and correct the conditions that require the child to be in care, or risk termination of their parental rights.

(2) Any order of disposition may provide for protective supervision under Section 2-24 and may include an order of protection under Section 2-25.

Unless the order of disposition expressly so provides, it does not operate to close proceedings on the pending petition, but is subject to modification, not inconsistent with Section 2-28, until final closing and discharge of the proceedings under Section 2-31.

(3) The court also shall enter any other orders necessary to fulfill the service plan, including, but not limited to, (i) orders requiring parties to cooperate with services, (ii) restraining orders controlling the conduct of any party likely to frustrate the achievement of the goal, and (iii) visiting orders. When the child is placed separately from a sibling, the court shall review the Sibling Contact Support Plan developed under subsection (f) of Section 7.4 of the Children and Family Services Act, if applicable. If the Department has not convened a meeting to develop a Sibling Contact Support Plan, or if the court finds

that the existing Plan is not in the child's best interest, the court may enter an order requiring the Department to develop and implement a Sibling Contact Support Plan under subsection (f) of Section 7.4 of the Children and Family Services Act or order mediation. Unless otherwise specifically authorized by law, the court is not empowered under this subsection (3) to order specific placements, specific services, or specific service providers to be included in the plan. If, after receiving evidence, the court determines that the services contained in the plan are not reasonably calculated to facilitate achievement of the permanency goal, the court shall put in writing the factual basis supporting the determination and enter specific findings based on the evidence. The court also shall enter an order for the Department to develop and implement a new service plan or to implement changes to the current service plan consistent with the court's findings. The new service plan shall be filed with the court and served on all parties within 45 days after the date of the order. The court shall continue the matter until the new service plan is filed. Except as authorized by subsection (3.5) of this Section or authorized by law, the court is not empowered under this Section to order specific placements, specific services, or specific service providers to be included in the service plan.

(3.5) If, after reviewing the evidence, including evidence from the Department, the court determines that the minor's current or planned placement is not necessary or appropriate to facilitate achievement of the permanency goal, the court shall put in writing the factual basis supporting its determination and enter specific findings based on the evidence. If the court finds that the minor's current or planned placement is not necessary or appropriate, the court may enter an order directing the Department to implement a recommendation by the minor's treating clinician or a clinician contracted by the Department to evaluate the minor or a recommendation made by the Department. If the Department places a minor in a placement under an order entered under this subsection (3.5), the Department has the authority to remove the minor from that placement when a change in circumstances necessitates the removal to protect the minor's health, safety, and best interest. If the Department determines removal is necessary, the Department shall notify the parties of the planned placement change in writing no later than 10 days prior to the implementation of its determination unless remaining in the placement poses an imminent risk of harm to the minor, in which case the Department shall notify the parties of the placement change in writing immediately following the implementation of its decision. The Department shall notify others of the decision to change the minor's placement as required by Department rule.

(4) In addition to any other order of disposition, the court may order any minor adjudicated neglected with respect to his or her own injurious behavior to make restitution, in monetary or non-monetary form, under the terms and conditions of Section 5-5-6 of the Unified Code of Corrections, except that the "presentence hearing" referred to therein shall be the dispositional hearing for purposes of this Section. The parent, guardian or legal custodian of the minor may pay some or all of such restitution on the minor's behalf.

(5) Any order for disposition where the minor is committed or placed in accordance with Section 2-27 shall provide for the parents or guardian of the estate of such minor to pay to the legal custodian or guardian of the person of the minor such sums as are determined by the custodian or guardian of the person of the minor as necessary for the minor's needs. Such payments may not exceed the maximum amounts provided for by Section 9.1 of the Children and Family Services Act.

(6) Whenever the order of disposition requires the minor to attend school or participate in a program of training, the truant officer or designated school official shall regularly report to the court if the minor is a chronic or habitual truant under Section 26-2a of the School Code.

(7) The court may terminate the parental rights of a parent at the initial dispositional hearing if all of the conditions in subsection (5) of Section 2-21 are met.

(Source: P.A. 100-45, eff. 8-11-17.); and

on page 48, immediately below line 21, by inserting the following:

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

Under the rules, the foregoing **Senate Bill No. 2655**, with House Amendment No. 1, was referred to the Secretary's Desk.

#### JOINT ACTION MOTION FILED

The following Joint Action Motion to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

[May 31, 2018]

Motion to Concur in House Amendment 1 to Senate Bill 2655

**CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON  
SECRETARY'S DESK**

On motion of Senator Barickman, **Senate Bill No. 585**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Barickman moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Manar	Rose
Anderson	Cunningham	McCann	Sandoval
Aquino	Curran	McConnaughay	Schimpf
Barickman	Fowler	McGuire	Silverstein
Bennett	Haine	Morrison	Sims
Bertino-Tarrant	Hastings	Mulroe	Stadelman
Biss	Holmes	Muñoz	Steans
Bivins	Hunter	Murphy	Syverson
Brady	Hutchinson	Nybo	Tracy
Bush	Jones, E.	Oberweis	Van Pelt
Castro	Koehler	Raoul	Weaver
Clayborne	Landek	Rezin	Mr. President
Collins	Lightford	Righter	
Connelly	Link	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 585**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Mulroe, **Senate Bill No. 682**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Mulroe moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 55; NAYS None.

The following voted in the affirmative:

Althoff	Cullerton, T.	Manar	Rooney
Anderson	Cunningham	Martinez	Rose
Aquino	Curran	McCann	Sandoval
Barickman	Fowler	McConnaughay	Schimpf
Bennett	Haine	McGuire	Silverstein
Bertino-Tarrant	Hastings	Morrison	Sims
Biss	Holmes	Mulroe	Stadelman
Bivins	Hunter	Muñoz	Steans
Brady	Hutchinson	Murphy	Syverson
Bush	Jones, E.	Nybo	Tracy
Castro	Koehler	Oberweis	Van Pelt
Clayborne	Landek	Raoul	Weaver

[May 31, 2018]

Collins	Lightford	Rezin	Mr. President
Connelly	Link	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 682**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **Senate Bill No. 1707**, with House Amendment No. 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Raoul moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Sandoval
Anderson	Curran	McCann	Silverstein
Aquino	Fowler	McConnaughay	Sims
Barickman	Haine	McGuire	Stadelman
Bennett	Hastings	Morrison	Steans
Bertino-Tarrant	Holmes	Mulroe	Syverson
Biss	Hunter	Muñoz	Tracy
Brady	Hutchinson	Murphy	Van Pelt
Bush	Jones, E.	Nybo	Weaver
Castro	Koehler	Oberweis	Mr. President
Clayborne	Landek	Raoul	
Collins	Lightford	Rezin	
Connelly	Link	Rooney	
Cullerton, T.	Manar	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 3 to **Senate Bill No. 1707**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hutchinson, **Senate Bill No. 1758**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Hutchinson moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS None.

The following voted in the affirmative:

Althoff	Curran	McCann	Sandoval
Anderson	Fowler	McConnaughay	Schimpf
Aquino	Haine	McGuire	Silverstein
Barickman	Hastings	Morrison	Sims
Bennett	Holmes	Mulroe	Stadelman
Bertino-Tarrant	Hunter	Muñoz	Steans
Biss	Hutchinson	Murphy	Syverson
Bivins	Jones, E.	Nybo	Tracy
Brady	Koehler	Oberweis	Van Pelt
Bush	Landek	Raoul	Weaver
Castro	Lightford	Rezin	Mr. President

Clayborne	Link	Righter
Connelly	Manar	Rooney
Cunningham	Martinez	Rose

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 1758**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 1851**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Fowler	McConnaughay	Schimpf
Anderson	Haine	McGuire	Silverstein
Aquino	Hastings	Morrison	Sims
Barickman	Holmes	Mulroe	Stadelman
Bertino-Tarrant	Hunter	Muñoz	Steans
Biss	Hutchinson	Murphy	Syverson
Bivins	Jones, E.	Nybo	Tracy
Brady	Koehler	Oberweis	Van Pelt
Bush	Landek	Raoul	Weaver
Castro	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Connelly	Manar	Rooney	
Cunningham	Martinez	Rose	
Curran	McCann	Sandoval	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 3 to **Senate Bill No. 1851**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Cunningham, **Senate Bill No. 1979**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cunningham moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Steans
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt

Castro	Landek	Raoul	Weaver
Clayborne	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Connelly	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1979**.

Ordered that the Secretary inform the House of Representatives thereof.

### MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 336

A bill for AN ACT concerning regulation.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 2 to SENATE BILL NO. 336

Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

### AMENDMENT NO. 2 TO SENATE BILL 336

AMENDMENT NO. 2. Amend Senate Bill 336 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be referred to as the Alternatives to Opioids Act of 2018.

Section 10. The Illinois Procurement Code is amended by changing Section 1-10 as follows:  
(30 ILCS 500/1-10)

Sec. 1-10. Application.

(a) This Code applies only to procurements for which bidders, offerors, potential contractors, or contractors were first solicited on or after July 1, 1998. This Code shall not be construed to affect or impair any contract, or any provision of a contract, entered into based on a solicitation prior to the implementation date of this Code as described in Article 99, including but not limited to any covenant entered into with respect to any revenue bonds or similar instruments. All procurements for which contracts are solicited between the effective date of Articles 50 and 99 and July 1, 1998 shall be substantially in accordance with this Code and its intent.

(b) This Code shall apply regardless of the source of the funds with which the contracts are paid, including federal assistance moneys. This Code shall not apply to:

(1) Contracts between the State and its political subdivisions or other governments, or between State governmental bodies, except as specifically provided in this Code.

(2) Grants, except for the filing requirements of Section 20-80.

(3) Purchase of care, except as provided in Section 5-30.6 of the Illinois Public Aid Code and this Section.

(4) Hiring of an individual as employee and not as an independent contractor, whether pursuant to an employment code or policy or by contract directly with that individual.

(5) Collective bargaining contracts.

(6) Purchase of real estate, except that notice of this type of contract with a value of more than \$25,000 must be published in the Procurement Bulletin within 10 calendar days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.

(7) Contracts necessary to prepare for anticipated litigation, enforcement actions, or investigations, provided that the chief legal counsel to the Governor shall give his or her prior approval when the procuring agency is one subject to the jurisdiction of the Governor, and provided that the chief

[May 31, 2018]

legal counsel of any other procuring entity subject to this Code shall give his or her prior approval when the procuring entity is not one subject to the jurisdiction of the Governor.

(8) (Blank).

(9) Procurement expenditures by the Illinois Conservation Foundation when only private funds are used.

(10) (Blank).

(11) Public-private agreements entered into according to the procurement requirements of Section 20 of the Public-Private Partnerships for Transportation Act and design-build agreements entered into according to the procurement requirements of Section 25 of the Public-Private Partnerships for Transportation Act.

(12) Contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 by the Illinois Finance Authority in which the State of Illinois is not obligated. Such contracts shall be awarded through a competitive process authorized by the Board of the Illinois Finance Authority and are subject to Sections 5-30, 20-160, 50-13, 50-20, 50-35, and 50-37 of this Code, as well as the final approval by the Board of the Illinois Finance Authority of the terms of the contract.

(13) Contracts for services, commodities, and equipment to support the delivery of timely forensic science services in consultation with and subject to the approval of the Chief Procurement Officer as provided in subsection (d) of Section 5-4-3a of the Unified Code of Corrections, except for the requirements of Sections 20-60, 20-65, 20-70, and 20-160 and Article 50 of this Code; however, the Chief Procurement Officer may, in writing with justification, waive any certification required under Article 50 of this Code. For any contracts for services which are currently provided by members of a collective bargaining agreement, the applicable terms of the collective bargaining agreement concerning subcontracting shall be followed.

On and after January 1, 2019, this paragraph (13), except for this sentence, is inoperative.

(14) Contracts for participation expenditures required by a domestic or international trade show or exhibition of an exhibitor, member, or sponsor.

(15) Contracts with a railroad or utility that requires the State to reimburse the railroad or utilities for the relocation of utilities for construction or other public purpose. Contracts included within this paragraph (15) shall include, but not be limited to, those associated with: relocations, crossings, installations, and maintenance. For the purposes of this paragraph (15), "railroad" means any form of non-highway ground transportation that runs on rails or electromagnetic guideways and "utility" means: (1) public utilities as defined in Section 3-105 of the Public Utilities Act, (2) telecommunications carriers as defined in Section 13-202 of the Public Utilities Act, (3) electric cooperatives as defined in Section 3.4 of the Electric Supplier Act, (4) telephone or telecommunications cooperatives as defined in Section 13-212 of the Public Utilities Act, (5) rural water or waste water systems with 10,000 connections or less, (6) a holder as defined in Section 21-201 of the Public Utilities Act, and (7) municipalities owning or operating utility systems consisting of public utilities as that term is defined in Section 11-117-2 of the Illinois Municipal Code.

(16) Procurement expenditures necessary for the Department of Agriculture, the Department of Financial and Professional Regulation, the Department of Human Services, and the Department of Public Health to implement the Compassionate Use of Medical Cannabis Pilot Program and Opioid Alternative Pilot Program requirements and ensure access to medical cannabis for patients with debilitating medical conditions in accordance with the Compassionate Use of Medical Cannabis Pilot Program Act.

Notwithstanding any other provision of law, for contracts entered into on or after October 1, 2017 under an exemption provided in any paragraph of this subsection (b), except paragraph (1), (2), or (5), each State agency shall post to the appropriate procurement bulletin the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. The chief procurement officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the chief procurement officer.

(c) This Code does not apply to the electric power procurement process provided for under Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act.

(d) Except for Section 20-160 and Article 50 of this Code, and as expressly required by Section 9.1 of the Illinois Lottery Law, the provisions of this Code do not apply to the procurement process provided for under Section 9.1 of the Illinois Lottery Law.

(e) This Code does not apply to the process used by the Capital Development Board to retain a person or entity to assist the Capital Development Board with its duties related to the determination of costs of a

clean coal SNG brownfield facility, as defined by Section 1-10 of the Illinois Power Agency Act, as required in subsection (h-3) of Section 9-220 of the Public Utilities Act, including calculating the range of capital costs, the range of operating and maintenance costs, or the sequestration costs or monitoring the construction of clean coal SNG brownfield facility for the full duration of construction.

(f) (Blank).

(g) (Blank).

(h) This Code does not apply to the process to procure or contracts entered into in accordance with Sections 11-5.2 and 11-5.3 of the Illinois Public Aid Code.

(i) Each chief procurement officer may access records necessary to review whether a contract, purchase, or other expenditure is or is not subject to the provisions of this Code, unless such records would be subject to attorney-client privilege.

(j) This Code does not apply to the process used by the Capital Development Board to retain an artist or work or works of art as required in Section 14 of the Capital Development Board Act.

(k) This Code does not apply to the process to procure contracts, or contracts entered into, by the State Board of Elections or the State Electoral Board for hearing officers appointed pursuant to the Election Code.

(l) This Code does not apply to the processes used by the Illinois Student Assistance Commission to procure supplies and services paid for from the private funds of the Illinois Prepaid Tuition Fund. As used in this subsection (l), "private funds" means funds derived from deposits paid into the Illinois Prepaid Tuition Trust Fund and the earnings thereon.

(Source: P.A. 99-801, eff. 1-1-17; 100-43, eff. 8-9-17; 100-580, eff. 3-12-18.)

Section 15. The Compassionate Use of Medical Cannabis Pilot Program Act is amended by changing Sections 5, 7, 10, 35, 55, 60, 65, 75, 130, and 160 and by adding Sections 36 and 62 as follows:

(410 ILCS 130/5)

(Section scheduled to be repealed on July 1, 2020)

Sec. 5. Findings.

(a) The recorded use of cannabis as a medicine goes back nearly 5,000 years. Modern medical research has confirmed the beneficial uses of cannabis in treating or alleviating the pain, nausea, and other symptoms associated with a variety of debilitating medical conditions, including cancer, multiple sclerosis, and HIV/AIDS, as found by the National Academy of Sciences' Institute of Medicine in March 1999.

(b) Studies published since the 1999 Institute of Medicine report continue to show the therapeutic value of cannabis in treating a wide array of debilitating medical conditions. These include relief of the neuropathic pain caused by multiple sclerosis, HIV/AIDS, and other illnesses that often fail to respond to conventional treatments and relief of nausea, vomiting, and other side effects of drugs used to treat HIV/AIDS and hepatitis C, increasing the chances of patients continuing on life-saving treatment regimens.

(c) Cannabis has many currently accepted medical uses in the United States, having been recommended by thousands of licensed physicians to at least 600,000 patients in states with medical cannabis laws. The medical utility of cannabis is recognized by a wide range of medical and public health organizations, including the American Academy of HIV Medicine, the American College of Physicians, the American Nurses Association, the American Public Health Association, the Leukemia & Lymphoma Society, and many others.

(d) Data from the Federal Bureau of Investigation's Uniform Crime Reports and the Compendium of Federal Justice Statistics show that approximately 99 out of every 100 cannabis arrests in the U.S. are made under state law, rather than under federal law. Consequently, changing State law will have the practical effect of protecting from arrest the vast majority of seriously ill patients who have a medical need to use cannabis.

(d-5) In 2014, the Task Force on Veterans' Suicide was created by the Illinois General Assembly to gather data on veterans' suicide prevention. Data from a U.S. Department of Veterans Affairs study indicates that 22 veterans commit suicide each day.

(d-10) According to the State of Illinois Opioid Action Plan released in September 2017, "The opioid epidemic is the most significant public health and public safety crisis facing Illinois". According to the Action Plan, "Fueled by the growing opioid epidemic, drug overdoses have now become the leading cause of death nationwide for people under the age of 50. In Illinois, opioid overdoses have killed nearly 11,000 people since 2008. Just last year, nearly 1,900 people died of overdoses—almost twice the number of fatal car accidents. Beyond these deaths are thousands of emergency department visits, hospital stays, as well as the pain suffered by individuals, families, and communities".



According to the Action Plan, "At the current rate, the opioid epidemic will claim the lives of more than 2,700 Illinoisans in 2020".

Further, the Action Plan states, "Physical tolerance to opioids can begin to develop as early as two to three days following the continuous use of opioids, which is a large factor that contributes to their addictive potential".

The 2017 State of Illinois Opioid Action Plan also states, "The increase in OUD [opioid use disorder] and opioid overdose deaths is largely due to the dramatic rise in the rate and amount of opioids prescribed for pain over the past decades".

Further, according to the Action Plan, "In the absence of alternative treatments, reducing the supply of prescription opioids too abruptly may drive more people to switch to using illicit drugs (including heroin), thus increasing the risk of overdose".

(e) Alaska, Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, New Mexico, Oregon, Rhode Island, Vermont, Washington, and Washington, D.C. have removed state-level criminal penalties from the medical use and cultivation of cannabis. Illinois joins in this effort for the health and welfare of its citizens.

(f) States are not required to enforce federal law or prosecute people for engaging in activities prohibited by federal law. Therefore, compliance with this Act does not put the State of Illinois in violation of federal law.

(g) State law should make a distinction between the medical and non-medical uses of cannabis. Hence, the purpose of this Act is to protect patients with debilitating medical conditions, as well as their physicians and providers, from arrest and prosecution, criminal and other penalties, and property forfeiture if the patients engage in the medical use of cannabis.

(Source: P.A. 98-122, eff. 1-1-14; 99-519, eff. 6-30-16.)

(410 ILCS 130/7)

(Section scheduled to be repealed on July 1, 2020)

Sec. 7. Lawful user and lawful products. For the purposes of this Act and to clarify the legislative findings on the lawful use of cannabis:

(1) A cardholder under this Act shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her qualifying patient or designated caregiver status.

(2) All medical cannabis products purchased by a qualifying patient at a licensed dispensing organization shall be lawful products and a distinction shall be made between medical and non-medical uses of cannabis as a result of the qualifying patient's cardholder status, provisional registration for qualifying patient cardholder status, or participation in the Opioid Alternative Pilot Program under the authorized use granted under State law.

(3) An individual with a provisional registration for qualifying patient cardholder status, a qualifying patient in the medical cannabis pilot program, or an Opioid Alternative Pilot Program participant under Section 62 shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her application to or participation in the program.

(Source: P.A. 99-519, eff. 6-30-16.)

(410 ILCS 130/10)

(Section scheduled to be repealed on July 1, 2020)

Sec. 10. Definitions. The following terms, as used in this Act, shall have the meanings set forth in this Section:

(a) "Adequate supply" means:

(1) 2.5 ounces of usable cannabis during a period of 14 days and that is derived solely from an intrastate source.

(2) Subject to the rules of the Department of Public Health, a patient may apply for a waiver where a physician provides a substantial medical basis in a signed, written statement asserting that, based on the patient's medical history, in the physician's professional judgment, 2.5 ounces is an insufficient adequate supply for a 14-day period to properly alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition.

(3) This subsection may not be construed to authorize the possession of more than 2.5 ounces at any time without authority from the Department of Public Health.

(4) The pre-mixed weight of medical cannabis used in making a cannabis infused product shall apply toward the limit on the total amount of medical cannabis a registered qualifying patient may possess at any one time.

(b) "Cannabis" has the meaning given that term in Section 3 of the Cannabis Control Act.

(c) "Cannabis plant monitoring system" means a system that includes, but is not limited to, testing and data collection established and maintained by the registered cultivation center and available to the

Department for the purposes of documenting each cannabis plant and for monitoring plant development throughout the life cycle of a cannabis plant cultivated for the intended use by a qualifying patient from seed planting to final packaging.

(d) "Cardholder" means a qualifying patient or a designated caregiver who has been issued and possesses a valid registry identification card by the Department of Public Health.

(e) "Cultivation center" means a facility operated by an organization or business that is registered by the Department of Agriculture to perform necessary activities to provide only registered medical cannabis dispensing organizations with usable medical cannabis.

(f) "Cultivation center agent" means a principal officer, board member, employee, or agent of a registered cultivation center who is 21 years of age or older and has not been convicted of an excluded offense.

(g) "Cultivation center agent identification card" means a document issued by the Department of Agriculture that identifies a person as a cultivation center agent.

(h) "Debilitating medical condition" means one or more of the following:

(1) cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, hepatitis C, amyotrophic lateral sclerosis, Crohn's disease, agitation of Alzheimer's disease, cachexia/wasting syndrome, muscular dystrophy, severe fibromyalgia, spinal cord disease, including but not limited to arachnoiditis, Tarlov cysts, hydromyelia, syringomyelia, Rheumatoid arthritis, fibrous dysplasia, spinal cord injury, traumatic brain injury and post-concussion syndrome, Multiple Sclerosis, Arnold-Chiari malformation and Syringomyelia, Spinocerebellar Ataxia (SCA), Parkinson's, Tourette's, Myoclonus, Dystonia, Reflex Sympathetic Dystrophy, RSD (Complex Regional Pain Syndromes Type I), Causalgia, CRPS (Complex Regional Pain Syndromes Type II), Neurofibromatosis, Chronic Inflammatory Demyelinating Polyneuropathy, Sjogren's syndrome, Lupus, Interstitial Cystitis, Myasthenia Gravis, Hydrocephalus, nail-patella syndrome, residual limb pain, seizures (including those characteristic of epilepsy), post-traumatic stress disorder (PTSD), or the treatment of these conditions;

(1.5) terminal illness with a diagnosis of 6 months or less; if the terminal illness is not one of the qualifying debilitating medical conditions, then the physician shall on the certification form identify the cause of the terminal illness; or

(2) any other debilitating medical condition or its treatment that is added by the Department of Public Health by rule as provided in Section 45.

(i) "Designated caregiver" means a person who: (1) is at least 21 years of age; (2) has agreed to assist with a patient's medical use of cannabis; (3) has not been convicted of an excluded offense; and (4) assists no more than one registered qualifying patient with his or her medical use of cannabis.

(j) "Dispensing organization agent identification card" means a document issued by the Department of Financial and Professional Regulation that identifies a person as a medical cannabis dispensing organization agent.

(k) "Enclosed, locked facility" means a room, greenhouse, building, or other enclosed area equipped with locks or other security devices that permit access only by a cultivation center's agents or a dispensing organization's agent working for the registered cultivation center or the registered dispensing organization to cultivate, store, and distribute cannabis for registered qualifying patients.

(l) "Excluded offense" for cultivation center agents and dispensing organizations means:

(1) a violent crime defined in Section 3 of the Rights of Crime Victims and Witnesses Act or a substantially similar offense that was classified as a felony in the jurisdiction where the person was convicted; or

(2) a violation of a state or federal controlled substance law, the Cannabis Control Act, or the Methamphetamine Control and Community Protection Act that was classified as a felony in the jurisdiction where the person was convicted, except that the registering Department may waive this restriction if the person demonstrates to the registering Department's satisfaction that his or her conviction was for the possession, cultivation, transfer, or delivery of a reasonable amount of cannabis intended for medical use. This exception does not apply if the conviction was under state law and involved a violation of an existing medical cannabis law.

For purposes of this subsection, the Department of Public Health shall determine by emergency rule within 30 days after the effective date of this amendatory Act of the 99th General Assembly what constitutes a "reasonable amount".

(l-5) (Blank). "~~Excluded offense" for a qualifying patient or designated caregiver means a violation of state or federal controlled substance law, the Cannabis Control Act, or the Methamphetamine and Community Protection Act that was classified as a felony in the jurisdiction where the person was convicted, except that the registering Department may waive this restriction if the person demonstrates to~~

the registering Department's satisfaction that his or her conviction was for the possession, cultivation, transfer, or delivery of a reasonable amount of cannabis intended for medical use. This exception does not apply if the conviction was under state law and involved a violation of an existing medical cannabis law. For purposes of this subsection, the Department of Public Health shall determine by emergency rule within 30 days after the effective date of this amendatory Act of the 99th General Assembly what constitutes a "reasonable amount".

(l-10) "Illinois Cannabis Tracking System" means a web-based system established and maintained by the Department of Public Health that is available to the Department of Agriculture, the Department of Financial and Professional Regulation, the Illinois State Police, and registered medical cannabis dispensing organizations on a 24-hour basis to upload written certifications for Opioid Alternative Pilot Program participants, to verify Opioid Alternative Pilot Program participants, to verify Opioid Alternative Pilot Program participants' available cannabis allotment and assigned dispensary, and the tracking of the date of sale, amount, and price of medical cannabis purchased by an Opioid Alternative Pilot Program participant.

(m) "Medical cannabis cultivation center registration" means a registration issued by the Department of Agriculture.

(n) "Medical cannabis container" means a sealed, traceable, food compliant, tamper resistant, tamper evident container, or package used for the purpose of containment of medical cannabis from a cultivation center to a dispensing organization.

(o) "Medical cannabis dispensing organization", or "dispensing organization", or "dispensary organization" means a facility operated by an organization or business that is registered by the Department of Financial and Professional Regulation to acquire medical cannabis from a registered cultivation center for the purpose of dispensing cannabis, paraphernalia, or related supplies and educational materials to registered qualifying patients, individuals with a provisional registration for qualifying patient cardholder status, or an Opioid Alternative Pilot Program participant.

(p) "Medical cannabis dispensing organization agent" or "dispensing organization agent" means a principal officer, board member, employee, or agent of a registered medical cannabis dispensing organization who is 21 years of age or older and has not been convicted of an excluded offense.

(q) "Medical cannabis infused product" means food, oils, ointments, or other products containing usable cannabis that are not smoked.

(r) "Medical use" means the acquisition; administration; delivery; possession; transfer; transportation; or use of cannabis to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition.

(r-5) "Opioid" means a narcotic drug or substance that is a Schedule II controlled substance under paragraph (1), (2), (3), or (5) of subsection (b) or under subsection (c) of Section 206 of the Illinois Controlled Substances Act.

(r-10) "Opioid Alternative Pilot Program participant" means an individual who has received a valid written certification to participate in the Opioid Alternative Pilot Program for a medical condition for which an opioid has been or could be prescribed by a physician based on generally accepted standards of care.

(s) "Physician" means a doctor of medicine or doctor of osteopathy licensed under the Medical Practice Act of 1987 to practice medicine and who has a controlled substances license under Article III of the Illinois Controlled Substances Act. It does not include a licensed practitioner under any other Act including but not limited to the Illinois Dental Practice Act.

(s-5) "Provisional registration" means a document issued by the Department of Public Health to a qualifying patient who has submitted: (1) an online application and paid a fee to participate in Compassionate Use of Medical Cannabis Pilot Program pending approval or denial of the patient's application; or (2) a completed application for terminal illness.

(t) "Qualifying patient" means a person who has been diagnosed by a physician as having a debilitating medical condition.

(u) "Registered" means licensed, permitted, or otherwise certified by the Department of Agriculture, Department of Public Health, or Department of Financial and Professional Regulation.

(v) "Registry identification card" means a document issued by the Department of Public Health that identifies a person as a registered qualifying patient or registered designated caregiver.

(w) "Usable cannabis" means the seeds, leaves, buds, and flowers of the cannabis plant and any mixture or preparation thereof, but does not include the stalks, and roots of the plant. It does not include the weight of any non-cannabis ingredients combined with cannabis, such as ingredients added to prepare a topical administration, food, or drink.

(x) "Verification system" means a Web-based system established and maintained by the Department of Public Health that is available to the Department of Agriculture, the Department of Financial and Professional Regulation, law enforcement personnel, and registered medical cannabis dispensing organization agents on a 24-hour basis for the verification of registry identification cards, the tracking of delivery of medical cannabis to medical cannabis dispensing organizations, and the tracking of the date of sale, amount, and price of medical cannabis purchased by a registered qualifying patient.

(y) "Written certification" means a document dated and signed by a physician, stating (1) that the qualifying patient has a debilitating medical condition and specifying the debilitating medical condition the qualifying patient has; and (2) that (A) the physician is treating or managing treatment of the patient's debilitating medical condition; or (B) an Opioid Alternative Pilot Program participant has a medical condition for which opioids have been or could be prescribed. A written certification shall be made only in the course of a bona fide physician-patient relationship, after the physician has completed an assessment of either a the qualifying patient's medical history or Opioid Alternative Pilot Program participant, reviewed relevant records related to the patient's debilitating condition, and conducted a physical examination.

(z) "Bona fide physician-patient relationship" means a relationship established at a hospital, physician's office, or other health care facility in which the physician has an ongoing responsibility for the assessment, care, and treatment of a patient's debilitating medical condition or a symptom of the patient's debilitating medical condition.

A veteran who has received treatment at a VA hospital shall be deemed to have a bona fide physician-patient relationship with a VA physician if the patient has been seen for his or her debilitating medical condition at the VA Hospital in accordance with VA Hospital protocols.

A bona fide physician-patient relationship under this subsection is a privileged communication within the meaning of Section 8-802 of the Code of Civil Procedure.

(Source: P.A. 98-122, eff. 1-1-14; 98-775, eff. 1-1-15; 99-519, eff. 6-30-16.)

(410 ILCS 130/35)

(Section scheduled to be repealed on July 1, 2020)

Sec. 35. Physician requirements.

(a) A physician who certifies a debilitating medical condition for a qualifying patient shall comply with all of the following requirements:

(1) The Physician shall be currently licensed under the Medical Practice Act of 1987 to practice medicine in all its branches and in good standing, and must hold a controlled substances license under Article III of the Illinois Controlled Substances Act.

(2) A physician certifying a patient's condition shall comply with generally accepted standards of medical practice, the provisions of the Medical Practice Act of 1987 and all applicable rules.

(3) The physical examination required by this Act may not be performed by remote means, including telemedicine.

(4) The physician shall maintain a record-keeping system for all patients for whom the physician has certified the patient's medical condition. These records shall be accessible to and subject to review by the Department of Public Health and the Department of Financial and Professional Regulation upon request.

(b) A physician may not:

(1) accept, solicit, or offer any form of remuneration from or to a qualifying patient, primary caregiver, cultivation center, or dispensing organization, including each principal officer, board member, agent, and employee, to certify a patient, other than accepting payment from a patient for the fee associated with the required examination;

(2) offer a discount of any other item of value to a qualifying patient who uses or agrees to use a particular primary caregiver or dispensing organization to obtain medical cannabis;

(3) conduct a personal physical examination of a patient for purposes of diagnosing a debilitating medical condition at a location where medical cannabis is sold or distributed or at the address of a principal officer, agent, or employee or a medical cannabis organization;

(4) hold a direct or indirect economic interest in a cultivation center or dispensing organization if he or she recommends the use of medical cannabis to qualified patients or is in a partnership or other fee or profit-sharing relationship with a physician who recommends medical cannabis, except for the limited purpose of performing a medical cannabis related research study;

(5) serve on the board of directors or as an employee of a cultivation center or dispensing organization;

(6) refer patients to a cultivation center, a dispensing organization, or a registered

designated caregiver; or

(7) advertise in a cultivation center or a dispensing organization.

(c) The Department of Public Health may with reasonable cause refer a physician, who has certified a debilitating medical condition of a patient, to the Illinois Department of Financial and Professional Regulation for potential violations of this Section.

(d) Any violation of this Section or any other provision of this Act or rules adopted under this Act is a violation of the Medical Practice Act of 1987.

(e) A physician who certifies a debilitating medical condition for a qualifying patient may notify the Department of Public Health in writing: (1) if the physician has reason to believe either that the registered qualifying patient has ceased to suffer from a debilitating medical condition; (2) that the bona fide physician-patient relationship has terminated; or (3) that continued use of medical cannabis would result in contraindication with the patient's other medication. The registered qualifying patient's registry identification card shall be revoked by the Department of Public Health after receiving the physician's notification.

(Source: P.A. 98-122, eff. 1-1-14; 98-1172, eff. 1-12-15; 99-519, eff. 6-30-16.)

(410 ILCS 130/36 new)

Sec. 36. Written certification.

(a) A certification confirming a patient's debilitating medical condition shall be written on a form provided by the Department of Public Health and shall include, at a minimum, the following:

(1) the qualifying patient's name, date of birth, home address, and primary telephone number;

(2) the physician's name, address, telephone number, email address, medical license number, and active controlled substances license under the Illinois Controlled Substances Act and indication of specialty or primary area of clinical practice, if any;

(3) the qualifying patient's debilitating medical condition;

(4) a statement that the physician has confirmed a diagnosis of a debilitating condition; is treating or managing treatment of the patient's debilitating condition; has a bona fide physician-patient relationship; has conducted an in-person physical examination; and has conducted a review of the patient's medical history, including reviewing medical records from other treating physicians, if any, from the previous 12 months;

(5) the physician's signature and date of certification; and

(6) a statement that a participant in possession of a written certification indicating a debilitating medical condition shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her pending application to or participation in the Compassionate Use of Medical Cannabis Pilot Program.

(b) A written certification does not constitute a prescription for medical cannabis.

(c) Applications for qualifying patients under 18 years old shall require a written certification from a physician and a reviewing physician.

(d) A certification confirming the patient's eligibility to participate in the Opioid Alternative Pilot Program shall be written on a form provided by the Department of Public Health and shall include, at a minimum, the following:

(1) the participant's name, date of birth, home address, and primary telephone number;

(2) the physician's name, address, telephone number, email address, medical license number, and active controlled substances license under the Illinois Controlled Substances Act and indication of specialty or primary area of clinical practice, if any;

(3) the physician's signature and date;

(4) the length of participation in the program, which shall be limited to no more than 90 days;

(5) a statement identifying the patient has been diagnosed with and is currently undergoing treatment for a medical condition where an opioid has been or could be prescribed; and

(6) a statement that a participant in possession of a written certification indicating eligibility to participate in the Opioid Alternative Pilot Program shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her eligibility or participation in the program.

(e) The Department of Public Health may provide a single certification form for subsections (a) and (d) of this Section, provided that all requirements of those subsections are included on the form.

(f) The Department of Public Health shall not include the word "cannabis" on any application forms or written certification forms that it issues under this Section.

(g) A written certification does not constitute a prescription.

(h) It is unlawful for any person to knowingly submit a fraudulent certification to be a qualifying patient in the Compassionate Use of Medical Cannabis Pilot Program or an Opioid Alternative Pilot Program participant. A violation of this subsection shall result in the person who has knowingly submitted the

fraudulent certification being permanently banned from participating in the Compassionate Use of Medical Cannabis Pilot Program or the Opioid Alternative Pilot Program.

(410 ILCS 130/55)

(Section scheduled to be repealed on July 1, 2020)

Sec. 55. Registration of qualifying patients and designated caregivers.

(a) The Department of Public Health shall issue registry identification cards to qualifying patients and designated caregivers who submit a completed application, and at minimum, the following, in accordance with Department of Public Health rules:

(1) A written certification, on a form developed by the Department of Public Health consistent with Section 36 and

issued by a physician, within 90 days immediately preceding the date of an application;

(2) upon the execution of applicable privacy waivers, the patient's medical documentation related to his or her debilitating condition and any other information that may be reasonably required by the Department of Public Health to confirm that the physician and patient have a bona fide physician-patient relationship, that the qualifying patient is in the physician's care for his or her debilitating medical condition, and to substantiate the patient's diagnosis;

(3) the application or renewal fee as set by rule;

(4) the name, address, date of birth, and social security number of the qualifying patient, except that if the applicant is homeless no address is required;

(5) the name, address, and telephone number of the qualifying patient's physician;

(6) the name, address, and date of birth of the designated caregiver, if any, chosen by the qualifying patient;

(7) the name of the registered medical cannabis dispensing organization the qualifying patient designates;

(8) signed statements from the patient and designated caregiver asserting that they will not divert medical cannabis; and

(9) ~~(blank). completed background checks for the patient and designated caregiver.~~

(b) Notwithstanding any other provision of this Act, a person provided a written certification for a debilitating medical condition who has submitted a completed online application to the Department of Public Health shall receive a provisional registration and be entitled to purchase medical cannabis from a specified licensed dispensing organization for a period of 90 days or until his or her application has been denied or he or she receives a registry identification card, whichever is earlier. However, a person may obtain an additional provisional registration after the expiration of 90 days after the date of application if the Department of Public Health does not provide the individual with a registry identification card or deny the individual's application within those 90 days.

The provisional registration may not be extended if the individual does not respond to the Department of Public Health's request for additional information or corrections to required application documentation.

In order for a person to receive medical cannabis under this subsection, a person must present his or her provisional registration along with a valid driver's license or State identification card to the licensed dispensing organization specified in his or her application. The dispensing organization shall verify the person's provisional registration through the Department of Public Health's online verification system.

Upon verification of the provided documents, the dispensing organization shall dispense no more than 2.5 ounces of medical cannabis during a 14-day period to the person for a period of 90 days, until his or her application has been denied, or until he or she receives a registry identification card from the Department of Public Health, whichever is earlier.

Persons with provisional registrations must keep their provisional registration in his or her possession at all times when transporting or engaging in the medical use of cannabis.

(c) No person or business shall charge a fee for assistance in the preparation, compilation, or submission of an application to the Compassionate Use of Medical Cannabis Pilot Program or the Opioid Alternative Pilot Program. A violation of this subsection is a Class C misdemeanor, for which restitution to the applicant and a fine of up to \$1,500 may be imposed. All fines shall be deposited into the Compassionate Use of Medical Cannabis Fund after restitution has been made to the applicant. The Department of Public Health shall refer individuals making complaints against a person or business under this Section to the Illinois State Police, who shall enforce violations of this provision. All application forms issued by the Department shall state that no person or business may charge a fee for assistance in the preparation, compilation, or submission of an application to the Compassionate Use of Medical Cannabis Pilot Program or the Opioid Alternative Pilot Program.

(Source: P.A. 98-122, eff. 1-1-14.)

(410 ILCS 130/60)

[May 31, 2018]

(Section scheduled to be repealed on July 1, 2020)

Sec. 60. Issuance of registry identification cards.

(a) Except as provided in subsection (b), the Department of Public Health shall:

(1) verify the information contained in an application or renewal for a registry identification card submitted under this Act, and approve or deny an application or renewal, within ~~90~~ 90 days of receiving a completed application or renewal application and all supporting documentation specified in Section 55;

(2) issue registry identification cards to a qualifying patient and his or her designated caregiver, if any, within 15 business days of approving the application or renewal;

(3) enter the registry identification number of the registered dispensing organization the patient designates into the verification system; and

(4) allow for an electronic application process, and provide a confirmation by electronic or other methods that an application has been submitted.

(b) The Department of Public Health may not issue a registry identification card to a qualifying patient who is under 18 years of age, unless that patient suffers from seizures, including those characteristic of epilepsy, or as provided by administrative rule. The Department of Public Health shall adopt rules for the issuance of a registry identification card for qualifying patients who are under 18 years of age and suffering from seizures, including those characteristic of epilepsy. The Department of Public Health may adopt rules to allow other individuals under 18 years of age to become registered qualifying patients under this Act with the consent of a parent or legal guardian. Registered qualifying patients under 18 years of age shall be prohibited from consuming forms of cannabis other than medical cannabis infused products and purchasing any usable cannabis.

(c) A veteran who has received treatment at a VA hospital is deemed to have a bona fide physician-patient relationship with a VA physician if the patient has been seen for his or her debilitating medical condition at the VA hospital in accordance with VA hospital protocols. All reasonable inferences regarding the existence of a bona fide physician-patient relationship shall be drawn in favor of an applicant who is a veteran and has undergone treatment at a VA hospital.

(c-10) An individual who submits an application as someone who is terminally ill shall have all fees and fingerprinting requirements waived. The Department of Public Health shall within 30 days after this amendatory Act of the 99th General Assembly adopt emergency rules to expedite approval for terminally ill individuals. These rules shall include, but not be limited to, rules that provide that applications by individuals with terminal illnesses shall be approved or denied within 14 days of their submission.

(d) Upon the approval of the registration and issuance of a registry card under this Section, the Department of Public Health shall forward the designated caregiver or registered qualified patient's driver's registration number to the Secretary of State and certify that the individual is permitted to engage in the medical use of cannabis. For the purposes of law enforcement, the Secretary of State shall make a notation on the person's driving record stating the person is a registered qualifying patient who is entitled to the lawful medical use of cannabis. If the person no longer holds a valid registry card, the Department shall notify the Secretary of State and the Secretary of State shall remove the notation from the person's driving record. The Department and the Secretary of State may establish a system by which the information may be shared electronically.

(e) Upon the approval of the registration and issuance of a registry card under this Section, the Department of Public Health shall electronically forward the registered qualifying patient's identification card information to the Prescription Monitoring Program established under the Illinois Controlled Substances Act and certify that the individual is permitted to engage in the medical use of cannabis. For the purposes of patient care, the Prescription Monitoring Program shall make a notation on the person's prescription record stating that the person is a registered qualifying patient who is entitled to the lawful medical use of cannabis. If the person no longer holds a valid registry card, the Department of Public Health shall notify the Prescription Monitoring Program and Department of Human Services to remove the notation from the person's record. The Department of Human Services and the Prescription Monitoring Program shall establish a system by which the information may be shared electronically. This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.

(f) ~~(Blank). All applicants for a registry card shall be fingerprinted as part of the application process if they are a first-time applicant, if their registry card has already expired, or if they previously have had their registry card revoked or otherwise denied. At renewal, cardholders whose registry cards have not yet expired, been revoked, or otherwise denied shall not be subject to fingerprinting. Registry cards shall be revoked by the Department of Public Health if the Department of Public Health is notified by the Secretary of State that a cardholder has been convicted of an excluded offense. For purposes of enforcing this~~

subsection, the Department of Public Health and Secretary of State shall establish a system by which violations reported to the Secretary of State under paragraph 18 of subsection (a) of Section 6-205 of the Illinois Vehicle Code shall be shared with the Department of Public Health.

(Source: P.A. 98-122, eff. 1-1-14; 98-775, eff. 1-1-15; 99-519, eff. 6-30-16.)

(410 ILCS 130/62 new)

**Sec. 62. Opioid Alternative Pilot Program.**

(a) The Department of Public Health shall establish the Opioid Alternative Pilot Program. Licensed dispensing organizations shall allow persons with a written certification from a licensed physician under Section 36 to purchase medical cannabis upon enrollment in the Opioid Alternative Pilot Program. For a person to receive medical cannabis under this Section, the person must present the written certification along with a valid driver's license or state identification card to the licensed dispensing organization specified in his or her application. The dispensing organization shall verify the person's status as an Opioid Alternative Pilot Program participant through the Department of Public Health's online verification system.

(b) The Opioid Alternative Pilot Program shall be limited to participation by Illinois residents age 21 and older.

(c) The Department of Financial and Professional Regulation shall specify that all licensed dispensing organizations participating in the Opioid Alternative Pilot Program use the Illinois Cannabis Tracking System. The Department of Public Health shall establish and maintain the Illinois Cannabis Tracking System. The Illinois Cannabis Tracking System shall be used to collect information about all persons participating in the Opioid Alternative Pilot Program and shall be used to track the sale of medical cannabis for verification purposes.

Each dispensing organization shall retain a copy of the Opioid Alternative Pilot Program certification and other identifying information as required by the Department of Financial and Professional Regulation, the Department of Public Health, and the Illinois State Police in the Illinois Cannabis Tracking System.

The Illinois Cannabis Tracking System shall be accessible to the Department of Financial and Professional Regulation, Department of Public Health, Department of Agriculture, and the Illinois State Police.

The Department of Financial and Professional Regulation in collaboration with the Department of Public Health shall specify the data requirements for the Opioid Alternative Pilot Program by licensed dispensing organizations; including, but not limited to, the participant's full legal name, address, and date of birth, date on which the Opioid Alternative Pilot Program certification was issued, length of the participation in the Program, including the start and end date to purchase medical cannabis, name of the issuing physician, copy of the participant's current driver's license or State identification card, and phone number.

The Illinois Cannabis Tracking System shall provide verification of a person's participation in the Opioid Alternative Pilot Program for law enforcement at any time and on any day.

(d) The certification for Opioid Alternative Pilot Program participant must be issued by a physician licensed to practice in Illinois under the Medical Practice Act of 1987 and in good standing who holds a controlled substances license under Article III of the Illinois Controlled Substance Act.

The certification for an Opioid Alternative Pilot Program participant shall be written within 90 days before the participant submits his or her certification to the dispensing organization.

The written certification uploaded to the Illinois Cannabis Tracking System shall be accessible to the Department of Public Health.

(e) Upon verification of the individual's valid certification and enrollment in the Illinois Cannabis Tracking System, the dispensing organization may dispense the medical cannabis, in amounts not exceeding 2.5 ounces of medical cannabis per 14-day period to the participant at the participant's specified dispensary for no more than 90 days.

An Opioid Alternative Pilot Program participant shall not be registered as a medical cannabis cardholder. The dispensing organization shall verify that the person is not an active registered qualifying patient prior to enrollment in the Opioid Alternative Pilot Program and each time medical cannabis is dispensed.

Upon receipt of a written certification under the Opioid Alternative Pilot Program, the Department of Public Health shall electronically forward the patient's identification information to the Prescription Monitoring Program established under the Illinois Controlled Substances Act and certify that the individual is permitted to engage in the medical use of cannabis. For the purposes of patient care, the Prescription Monitoring Program shall make a notation on the person's prescription record stating that the person has a written certification under the Opioid Alternative Pilot Program and is a patient who is entitled to the lawful medical use of cannabis. If the person is no longer authorized to engage in the medical use



of cannabis, the Department of Public Health shall notify the Prescription Monitoring Program and Department of Human Services to remove the notation from the person's record. The Department of Human Services and the Prescription Monitoring Program shall establish a system by which the information may be shared electronically. This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.

(f) An Opioid Alternative Pilot Program participant shall not be considered a qualifying patient with a debilitating medical condition under this Act and shall be provided access to medical cannabis solely for the duration of the participant's certification. Nothing in this Section shall be construed to limit or prohibit an Opioid Alternative Pilot Program participant who has a debilitating medical condition from applying to the Compassionate Use of Medical Cannabis Pilot Program.

(g) A person with a provisional registration under Section 55 shall not be considered an Opioid Alternative Pilot Program participant.

(h) The Department of Financial and Professional Regulation and the Department of Public Health shall submit emergency rulemaking to implement the changes made by this amendatory Act of the 100th General Assembly by December 1, 2018. The Department of Financial and Professional Regulation, the Department of Agriculture, the Department of Human Services, the Department of Public Health, and the Illinois State Police shall utilize emergency purchase authority for 12 months after the effective date of this amendatory Act of the 100th General Assembly for the purpose of implementing the changes made by this amendatory Act of the 100th General Assembly.

(i) Dispensing organizations are not authorized to dispense medical cannabis to Opioid Alternative Pilot Program participants until administrative rules are approved by the Joint Committee on Administrative Rules and go into effect.

(j) The provisions of this Section are inoperative on and after July 1, 2020.

(410 ILCS 130/65)

(Section scheduled to be repealed on July 1, 2020)

Sec. 65. Denial of registry identification cards.

(a) The Department of Public Health may deny an application or renewal of a qualifying patient's registry identification card only if the applicant:

- (1) did not provide the required information and materials;
- (2) previously had a registry identification card revoked;
- (3) did not meet the requirements of this Act; or
- (4) provided false or falsified information; or -
- (5) violated any requirement of this Act.

(b) (Blank). Except as provided in subsection (b-5) of this Section, no person who has been convicted of a felony under the Illinois Controlled Substances Act, Cannabis Control Act, or Methamphetamine Control and Community Protection Act, or similar provision in a local ordinance or other jurisdiction is eligible to receive a registry identification card.

(b-5) (Blank). If a person was convicted of a felony under the Cannabis Control Act or a similar provision of a local ordinance or of a law of another jurisdiction, and the action warranting that felony is no longer considered a felony after the effective date of this amendatory Act of the 99th General Assembly, that person shall be eligible to receive a registry identification card.

(c) The Department of Public Health may deny an application or renewal for a designated caregiver chosen by a qualifying patient whose registry identification card was granted only if:

- (1) the designated caregiver does not meet the requirements of subsection (i) of Section 10;
- (2) the applicant did not provide the information required;
- (3) the prospective patient's application was denied;
- (4) the designated caregiver previously had a registry identification card revoked; or
- (5) the applicant or the designated caregiver provided false or falsified information; or -
- (6) violated any requirement of this Act.

(d) (Blank). The Department of Public Health through the Department of State Police shall conduct a background check of the prospective qualifying patient and designated caregiver in order to carry out this Section. The Department of State Police shall charge a fee for conducting the criminal history record check, which shall be deposited in the State Police Services Fund and shall not exceed the actual cost of the record check. Each person applying as a qualifying patient or a designated caregiver shall submit a full set of fingerprints to the Department of State Police for the purpose of obtaining a State and federal criminal records check. These fingerprints shall be checked against the fingerprint records now and hereafter, to the extent allowed by law, filed in the Department of State Police and Federal Bureau of Investigation criminal history records databases. The Department of State Police shall furnish, following

[May 31, 2018]

~~positive identification, all Illinois conviction information to the Department of Public Health. The Department of Public Health may waive the submission of a qualifying patient's complete fingerprints based on (1) the severity of the patient's illness and (2) the inability of the qualifying patient to supply those fingerprints, provided that a complete criminal background check is conducted by the Department of State Police prior to the issuance of a registry identification card.~~

(e) The Department of Public Health shall notify the qualifying patient who has designated someone to serve as his or her designated caregiver if a registry identification card will not be issued to the designated caregiver.

(f) Denial of an application or renewal is considered a final Department action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the Circuit Court.

(Source: P.A. 98-122, eff. 1-1-14; 98-1172, eff. 1-12-15; 99-697, eff. 7-29-16.)

(410 ILCS 130/75)

(Section scheduled to be repealed on July 1, 2020)

Sec. 75. Notifications to Department of Public Health and responses; civil penalty.

(a) The following notifications and Department of Public Health responses are required:

(1) A registered qualifying patient shall notify the Department of Public Health of any change in his or her name or address, or if the registered qualifying patient ceases to have his or her debilitating medical condition, within 10 days of the change.

(2) A registered designated caregiver shall notify the Department of Public Health of any change in his or her name or address, or if the designated caregiver becomes aware the registered qualifying patient passed away, within 10 days of the change.

(3) Before a registered qualifying patient changes his or her designated caregiver, the qualifying patient must notify the Department of Public Health.

(4) If a cardholder loses his or her registry identification card, he or she shall notify the Department within 10 days of becoming aware the card has been lost.

(b) When a cardholder notifies the Department of Public Health of items listed in subsection (a), but remains eligible under this Act, the Department of Public Health shall issue the cardholder a new registry identification card with a new random alphanumeric identification number within 15 business days of receiving the updated information and a fee as specified in Department of Public Health rules. If the person notifying the Department of Public Health is a registered qualifying patient, the Department shall also issue his or her registered designated caregiver, if any, a new registry identification card within 15 business days of receiving the updated information.

(c) If a registered qualifying patient ceases to be a registered qualifying patient or changes his or her registered designated caregiver, the Department of Public Health shall promptly notify the designated caregiver. The registered designated caregiver's protections under this Act as to that qualifying patient shall expire 15 days after notification by the Department.

(d) A cardholder who fails to make a notification to the Department of Public Health that is required by this Section is subject to a civil infraction, punishable by a penalty of no more than \$150.

(e) A registered qualifying patient shall notify the Department of Public Health of any change to his or her designated registered dispensing organization. Registered dispensing organizations must comply with all requirements of this Act.

(f) If the registered qualifying patient's certifying physician notifies the Department in writing that either the registered qualifying patient has ceased to suffer from a debilitating medical condition, that the bona fide physician-patient relationship has terminated, or that continued use of medical cannabis would result in contraindication with the patient's other medication, the card shall become null and void. However, the registered qualifying patient shall have 15 days to destroy his or her remaining medical cannabis and related paraphernalia.

(Source: P.A. 98-122, eff. 1-1-14; 99-519, eff. 6-30-16.)

(410 ILCS 130/130)

(Section scheduled to be repealed on July 1, 2020)

Sec. 130. Requirements; prohibitions; penalties; dispensing organizations.

(a) The Department of Financial and Professional Regulation shall implement the provisions of this Section by rule.

(b) A dispensing organization shall maintain operating documents which shall include procedures for the oversight of the registered dispensing organization and procedures to ensure accurate recordkeeping.

(c) A dispensing organization shall implement appropriate security measures, as provided by rule, to deter and prevent the theft of cannabis and unauthorized entrance into areas containing cannabis.

(d) A dispensing organization may not be located within 1,000 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group

day care home, or part day child care facility. A registered dispensing organization may not be located in a house, apartment, condominium, or an area zoned for residential use.

(e) A dispensing organization is prohibited from acquiring cannabis from anyone other than a registered cultivation center. A dispensing organization is prohibited from obtaining cannabis from outside the State of Illinois.

(f) A registered dispensing organization is prohibited from dispensing cannabis for any purpose except to assist registered qualifying patients with the medical use of cannabis directly or through the qualifying patients' designated caregivers.

(g) The area in a dispensing organization where medical cannabis is stored can only be accessed by dispensing organization agents working for the dispensing organization, Department of Financial and Professional Regulation staff performing inspections, law enforcement or other emergency personnel, and contractors working on jobs unrelated to medical cannabis, such as installing or maintaining security devices or performing electrical wiring.

(h) A dispensing organization may not dispense more than 2.5 ounces of cannabis to a registered qualifying patient, directly or via a designated caregiver, in any 14-day period unless the qualifying patient has a Department of Public Health-approved quantity waiver.

(i) Except as provided in subsection (i-5), before ~~Before~~ medical cannabis may be dispensed to a designated caregiver or a registered qualifying patient, a dispensing organization agent must determine that the individual is a current cardholder in the verification system and must verify each of the following:

(1) that the registry identification card presented to the registered dispensing organization is valid;

(2) that the person presenting the card is the person identified on the registry identification card presented to the dispensing organization agent;

(3) that the dispensing organization is the designated dispensing organization for the registered qualifying patient who is obtaining the cannabis directly or via his or her designated caregiver; and

(4) that the registered qualifying patient has not exceeded his or her adequate supply.

(i-5) A dispensing organization may dispense medical cannabis to an Opioid Alternative Pilot Program participant under Section 62 and to a person presenting proof of provisional registration under Section 55. Before dispensing medical cannabis, the dispensing organization shall comply with the requirements of Section 62 or Section 55, whichever is applicable, and verify the following:

(1) that the written certification presented to the registered dispensing organization is valid and an original document;

(2) that the person presenting the written certification is the person identified on the written certification; and

(3) that the participant has not exceeded his or her adequate supply.

(j) Dispensing organizations shall ensure compliance with this limitation by maintaining internal, confidential records that include records specifying how much medical cannabis is dispensed to the registered qualifying patient and whether it was dispensed directly to the registered qualifying patient or to the designated caregiver. Each entry must include the date and time the cannabis was dispensed. Additional recordkeeping requirements may be set by rule.

(k) The physician-patient privilege as set forth by Section 8-802 of the Code of Civil Procedure shall apply between a qualifying patient and a registered dispensing organization and its agents with respect to communications and records concerning qualifying patients' debilitating conditions.

(l) A dispensing organization may not permit any person to consume cannabis on the property of a medical cannabis organization.

(m) A dispensing organization may not share office space with or refer patients to a physician.

(n) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, the Department of Financial and Professional Regulation may revoke, suspend, place on probation, reprimand, refuse to issue or renew, or take any other disciplinary or non-disciplinary action as the Department of Financial and Professional Regulation may deem proper with regard to the registration of any person issued under this Act to operate a dispensing organization or act as a dispensing organization agent, including imposing fines not to exceed \$10,000 for each violation, for any violations of this Act and rules adopted in accordance with this Act. The procedures for disciplining a registered dispensing organization shall be determined by rule. All final administrative decisions of the Department of Financial and Professional Regulation are subject to judicial review under the Administrative Review Law and its rules. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure.

(o) Dispensing organizations are subject to random inspection and cannabis testing by the Department of Financial and Professional Regulation and State Police as provided by rule.

(Source: P.A. 98-122, eff. 1-1-14.)

(410 ILCS 130/160)

(Section scheduled to be repealed on July 1, 2020)

Sec. 160. Annual reports. (a) The Department of Public Health shall submit to the General Assembly a report, by September 30 of each year, that does not disclose any identifying information about registered qualifying patients, registered caregivers, or physicians, but does contain, at a minimum, all of the following information based on the fiscal year for reporting purposes:

- (1) the number of applications and renewals filed for registry identification cards or registrations;
  - (2) the number of qualifying patients and designated caregivers served by each dispensary during the report year;
  - (3) the nature of the debilitating medical conditions of the qualifying patients;
  - (4) the number of registry identification cards or registrations revoked for misconduct;
  
  - (5) the number of physicians providing written certifications for qualifying patients;
- and
- (6) the number of registered medical cannabis cultivation centers or registered dispensing organizations; -
  - (7) the number of Opioid Alternative Pilot Program participants.

(Source: P.A. 98-122, eff. 1-1-14; revised 11-8-17.)

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

Under the rules, the foregoing **Senate Bill No. 336**, with House Amendment No. 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 426

A bill for AN ACT concerning local government.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 2 to SENATE BILL NO. 426

House Amendment No. 3 to SENATE BILL NO. 426

Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

#### AMENDMENT NO. 2 TO SENATE BILL 426

AMENDMENT NO. 2. Amend Senate Bill 426 by replacing everything after the enacting clause with the following:

"Section 5. The Sanitary District Act of 1917 is amended by changing Section 3 as follows:

(70 ILCS 2405/3) (from Ch. 42, par. 301)

Sec. 3. Board of trustees; creation; term. A board of trustees shall be created, consisting of 5 members in any sanitary district which includes one or more municipalities with a population of over 90,000 but less than 500,000 according to the most recent Federal census, and consisting of 3 members in any other district. However, the board of trustees for the Fox River Water Reclamation District, the Sanitary District of Decatur, and the Northern Moraine Wastewater Reclamation District shall each consist of 5 members. Each board of trustees shall be created for the government, control and management of the affairs and business of each sanitary district organized under this Act shall be created in the following manner:

- (1) If the district's corporate boundaries are located wholly within a single county, the presiding officer of the county board, with the advice and consent of the county board, shall appoint the trustees for the district;
- (2) If the district's corporate boundaries are located in more than one county, the

[May 31, 2018]

members of the General Assembly whose legislative districts encompass any portion of the district shall appoint the trustees for the district.

In any sanitary district which shall have a 3 member board of trustees, within 60 days after the adoption of such act, the appropriate appointing authority shall appoint three trustees not more than 2 of whom shall be from one incorporated city, town or village in districts in which are included 2 or more incorporated cities, towns or villages, or parts of 2 or more incorporated cities, towns or villages, who shall hold their office respectively for 1, 2 and 3 years, from the first Monday of May next after their appointment and until their successors are appointed and have qualified, and thereafter on or before the second Monday in April of each year the appropriate appointing authority shall appoint one trustee whose term shall be for 3 years commencing the first Monday in May of the year in which he is appointed. The length of the term of the first trustees shall be determined by lot at their first meeting.

In the case of any sanitary district created after January 1, 1978 in which a 5 member board of trustees is required, the appropriate appointing authority shall appoint 5 trustees, one of whom shall hold office for one year, two of whom shall hold office for 2 years, and 2 of whom shall hold office for 3 years from the first Monday of May next after their respective appointments and until their successors are appointed and have qualified. Thereafter, on or before the second Monday in April of each year the appropriate appointing authority shall appoint one trustee or 2 trustees, as shall be necessary to maintain a 5 member board of trustees, whose terms shall be for 3 years commencing the first Monday in May of the year in which they are respectively appointed. The length of the terms of the first trustees shall be determined by lot at their first meeting.

In any sanitary district created prior to January 1, 1978 in which a 5 member board of trustees is required as of January 1, 1978, the two trustees already serving terms which do not expire on May 1, 1978 shall continue to hold office for the remainders of their respective terms, and 3 trustees shall be appointed by the appropriate appointing authority by April 10, 1978 and shall hold office for terms beginning May 1, 1978. Of the three new trustees, one shall hold office for 2 years and 2 shall hold office for 3 years from May 1, 1978 and until their successors are appointed and have qualified. Thereafter, on or before the second Monday in April of each year the appropriate appointing authority shall appoint one trustee or 2 trustees, as shall be necessary to maintain a 5 member board of trustees, whose terms shall be for 3 years commencing the first Monday in May of the year in which they are respectively appointed. The lengths of the terms of the trustees who are to hold office beginning May 1, 1978 shall be determined by lot at their first meeting after May 1, 1978.

No more than 3 members of a 5 member board of trustees may be of the same political party; except that in any sanitary district which otherwise meets the requirements of this Section and which lies within 4 counties of the State of Illinois or, prior to April 30, 2008, in the Fox River Water Reclamation District; the appointments of the 5 members of the board of trustees shall be made without regard to political party. Beginning with the appointments made on April 30, 2008, all appointments to the board of trustees of the Fox River Water Reclamation District shall be made so that no more than 3 of the 5 members are from the same political party.

Notwithstanding any other provision of this Act, vacancies on the board of trustees of the Thorn Creek Basin Sanitary District shall be appointed as provided in this paragraph. Upon the vacancy of a trustee, the mayors of each municipality located in whole or in part within the territory of the District shall recommend a candidate or candidates to fill the vacancy. A majority of the mayors must select an appropriate candidate to fill the vacancy from among those candidates recommended by the mayors.

Within 60 days after the release of Federal census statistics showing that a sanitary district having a 3 member board of trustees contains one or more municipalities with a population over 90,000 but less than 500,000, or, for the Northern Moraine Wastewater Reclamation District, within 60 days after the effective date of this amendatory Act of the 95th General Assembly, the appropriate appointing authority shall appoint 2 additional trustees to the board of trustees, one to hold office for 2 years and one to hold office for 3 years from the first Monday of May next after their appointment and until their successors are appointed and have qualified. The lengths of the terms of these two additional members shall be determined by lot at the first meeting of the board of trustees held after the additional members take office. The three trustees already holding office in the sanitary district shall continue to hold office for the remainders of their respective terms. Thereafter, on or before the second Monday in April of each year the appropriate appointing authority shall appoint one trustee or 2 trustees, as shall be necessary to maintain a 5 member board of trustees, whose terms shall be for 3 years commencing the first Monday in May of the year in which they are respectively appointed.

If any sanitary district having a 5 member board of trustees shall cease to contain one or more municipalities with a population over 90,000 but less than 500,000 according to the most recent Federal census, then, for so long as that sanitary district does not contain one or more such municipalities, on or

[May 31, 2018]

before the second Monday in April of each year the appropriate appointing authority shall appoint one trustee whose term shall be for 3 years commencing the first Monday in May of the year in which he is appointed. In districts which include 2 or more incorporated cities, towns, or villages, or parts of 2 or more incorporated cities, towns, or villages, all of the trustees shall not be from one incorporated city, town or village.

If a vacancy occurs on any board of trustees, the appropriate appointing authority shall within 60 days appoint a trustee who shall hold office for the remainder of the vacated term.

The appointing authority shall require each of the trustees to enter into bond, with security to be approved by the appointing authority, in such sum as the appointing authority may determine.

A majority of the board of trustees shall constitute a quorum but a smaller number may adjourn from day to day. No trustee or employee of such district shall be directly or indirectly interested in any contract, work or business of the district, or the sale of any article, the expense, price or consideration of which is paid by such district; nor in the purchase of any real estate or property belonging to the district, or which shall be sold for taxes or assessments, or by virtue of legal process at the suit of the district. Provided, that nothing herein shall be construed as prohibiting the appointment or selection of any person as trustee or employee whose only interest in the district is as owner of real estate in the district or of contributing to the payment of taxes levied by the district. The trustees shall have the power to provide and adopt a corporate seal for the district.

Notwithstanding any other provision in this Section, in any sanitary district created prior to the effective date of this amendatory Act of 1985, in which a five member board of trustees has been appointed and which currently includes one or more municipalities with a population of over 90,000 but less than 500,000, the board of trustees shall consist of five members.

Except as otherwise provided for vacancies, in the event that the appropriate appointing authority fails to appoint a trustee under this Section, the appropriate appointing authority shall reconvene and appoint a successor on or before July 1 of that year.

(Source: P.A. 98-407, eff. 1-1-14; 98-828, eff. 8-1-14.)".

#### **AMENDMENT NO. 3 TO SENATE BILL 426**

AMENDMENT NO. 3. Amend Senate Bill 426, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, by replacing line 20 on page 4 through line 2 on page 5 with the following:

"On and after the effective date of this amendatory Act of the 100th General Assembly, appointments to the board of trustees of the Thorn Creek Basin Sanitary District shall be made as provided in this paragraph. The mayor of each municipality located in whole or in part within the territory of the District shall recommend a candidate or candidates to be appointed to the position of trustee. A majority of the mayors must select an appropriate candidate to be appointed from among those candidates recommended by the mayors."

Under the rules, the foregoing **Senate Bill No. 426**, with House Amendments numbered 2 and 3, was referred to the Secretary's Desk.

#### **JOINT ACTION MOTION FILED**

The following Joint Action Motion to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendment 2 to Senate Bill 336

#### **COMMUNICATION**

**ILLINOIS STATE SENATE  
DON HARMON  
PRESIDENT PRO TEMPORE  
39TH DISTRICT**

May 31, 2018

[May 31, 2018]

Mr. Tim Anderson  
 Secretary of the Senate  
 401 State House  
 Springfield, IL 62706

Dear Secretary Anderson,

Pursuant to Senate Rule 5-1(b), I respectfully request that my Chief Co-Sponsor, Senator Steans, be allowed to present on my Motion to Concur on Senate Bill 336 for me on May 31, 2018.

Your consideration is appreciated.

Sincerely,  
 s/Don Harmon  
 Don Harmon

### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Morrison, **Senate Bill No. 2350**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Morrison moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Sandoval
Anderson	Curran	McCann	Schimpf
Aquino	Fowler	McConaughay	Silverstein
Barickman	Haine	McGuire	Sims
Bennett	Hastings	Morrison	Stadelman
Bertino-Tarrant	Holmes	Mulroe	Steans
Biss	Hunter	Muñoz	Syverson
Bivins	Hutchinson	Murphy	Tracy
Brady	Jones, E.	Nybo	Van Pelt
Bush	Koehler	Raoul	Weaver
Castro	Landek	Rezin	Mr. President
Clayborne	Lightford	Righter	
Collins	Link	Rooney	
Connelly	Manar	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2350**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator McGuire, **Senate Bill No. 2354**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator McGuire moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

[May 31, 2018]

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Steans
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt
Castro	Landek	Raoul	Weaver
Clayborne	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Connelly	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2354**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 2421**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 49; NAYS None.

The following voted in the affirmative:

Althoff	Curran	McCann	Sandoval
Anderson	Fowler	McConnaughay	Schimpf
Aquino	Haine	McGuire	Silverstein
Barickman	Hastings	Morrison	Sims
Bennett	Holmes	Mulroe	Stadelman
Bertino-Tarrant	Hunter	Muñoz	Steans
Biss	Hutchinson	Murphy	Tracy
Bivins	Jones, E.	Nybo	Van Pelt
Brady	Koehler	Oberweis	Weaver
Bush	Lightford	Raoul	Mr. President
Clayborne	Link	Rezin	
Connelly	Manar	Righter	
Cunningham	Martinez	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2421**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Murphy, **Senate Bill No. 2447**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Murphy moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS None.

[May 31, 2018]



The following voted in the affirmative:

Althoff	Cunningham	Martinez	Sandoval
Anderson	Curran	McCann	Schimpf
Aquino	Fowler	McConnaughay	Silverstein
Barickman	Haine	McGuire	Sims
Bennett	Hastings	Morrison	Stadelman
Bertino-Tarrant	Holmes	Mulroe	Stears
Biss	Hunter	Muñoz	Syverson
Bivins	Hutchinson	Murphy	Tracy
Brady	Jones, E.	Nybo	Van Pelt
Bush	Koehler	Oberweis	Weaver
Castro	Landek	Raoul	Mr. President
Clayborne	Lightford	Rezin	
Collins	Link	Rooney	
Connelly	Manar	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2447**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hastings, **Senate Bill No. 2481**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Hastings moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 42; NAYS 7.

The following voted in the affirmative:

Althoff	Cunningham	Lightford	Raoul
Anderson	Curran	Link	Rezin
Aquino	Fowler	Manar	Sandoval
Bennett	Haine	Martinez	Silverstein
Bertino-Tarrant	Hastings	McCann	Sims
Biss	Holmes	McGuire	Stadelman
Bush	Hunter	Morrison	Stears
Castro	Hutchinson	Mulroe	Van Pelt
Clayborne	Jones, E.	Muñoz	Mr. President
Collins	Koehler	Murphy	
Connelly	Landek	Nybo	

The following voted in the negative:

Barickman	Brady	Oberweis	Weaver
Bivins	McConnaughay	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 2481**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Barickman, **Senate Bill No. 2540**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Barickman moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

[May 31, 2018]

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Steans
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt
Castro	Landek	Raoul	Weaver
Clayborne	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Connelly	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2540**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Sims, **Senate Bill No. 2579**, with House Amendment No. 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Sims moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 51; NAYS None.

The following voted in the affirmative:

Althoff	Connelly	Martinez	Rooney
Anderson	Cunningham	McCann	Rose
Aquino	Curran	McConnaughay	Sandoval
Barickman	Fowler	McGuire	Schimpf
Bennett	Haine	Morrison	Silverstein
Bertino-Tarrant	Hastings	Mulroe	Sims
Biss	Hunter	Muñoz	Stadelman
Bivins	Jones, E.	Murphy	Steans
Brady	Koehler	Nybo	Syverson
Bush	Landek	Oberweis	Tracy
Castro	Lightford	Raoul	Van Pelt
Clayborne	Link	Rezin	Mr. President
Collins	Manar	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 3 to **Senate Bill No. 2579**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Althoff, **Senate Bill No. 2617**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Althoff moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

[May 31, 2018]

YEAS 53; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Sandoval
Anderson	Curran	McConnaughay	Schimpf
Aquino	Fowler	McGuire	Silverstein
Barickman	Haine	Morrison	Sims
Bennett	Hastings	Mulroe	Stadelman
Bertino-Tarrant	Hunter	Muñoz	Steans
Biss	Hutchinson	Murphy	Syverson
Bivins	Jones, E.	Nybo	Tracy
Brady	Koehler	Oberweis	Van Pelt
Bush	Landek	Raoul	Weaver
Castro	Lightford	Rezin	Mr. President
Clayborne	Link	Righter	
Collins	Manar	Rooney	
Connelly	Martinez	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2617**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Sims, **Senate Bill No. 2667**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Sims moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 51; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Manar	Righter
Anderson	Curran	Martinez	Rooney
Aquino	Fowler	McCann	Rose
Bennett	Haine	McConnaughay	Sandoval
Bertino-Tarrant	Hastings	McGuire	Silverstein
Biss	Holmes	Morrison	Sims
Bivins	Hunter	Mulroe	Stadelman
Brady	Hutchinson	Muñoz	Steans
Bush	Jones, E.	Murphy	Syverson
Castro	Koehler	Nybo	Van Pelt
Clayborne	Landek	Oberweis	Weaver
Collins	Lightford	Raoul	Mr. President
Connelly	Link	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2667**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Muñoz, **Senate Bill No. 2641**, with House Amendments numbered 2, 3 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Muñoz moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

[May 31, 2018]

YEAS 34; NAYS 7; Present 7.

The following voted in the affirmative:

Althoff	Hastings	Martinez	Rezin
Anderson	Hunter	McCann	Rose
Aquino	Hutchinson	McConnaughay	Sandoval
Bertino-Tarrant	Jones, E.	Morrison	Silverstein
Brady	Koehler	Mulroe	Sims
Castro	Landek	Muñoz	Tracy
Clayborne	Lightford	Murphy	Van Pelt
Collins	Link	Nybo	
Curran	Manar	Raoul	

The following voted in the negative:

Barickman	Cunningham	Haine	Righter
Biss	Fowler	Oberweis	

The following voted present:

Bennett	Holmes	Syverson	Mr. President
Connelly	Rooney	Weaver	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2, 3 and 4 to **Senate Bill No. 2641**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Righter, **Senate Bill No. 2804**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Righter moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS 2.

The following voted in the affirmative:

Althoff	Curran	McConnaughay	Schimpf
Anderson	Fowler	McGuire	Silverstein
Aquino	Haine	Morrison	Sims
Barickman	Holmes	Mulroe	Stadelman
Bennett	Hunter	Muñoz	Steans
Bertino-Tarrant	Hutchinson	Murphy	Syverson
Bivins	Jones, E.	Nybo	Tracy
Brady	Koehler	Oberweis	Van Pelt
Bush	Landek	Raoul	Weaver
Castro	Lightford	Rezin	Mr. President
Clayborne	Link	Righter	
Collins	Manar	Rooney	
Connelly	Martinez	Rose	
Cunningham	McCann	Sandoval	

The following voted in the negative:

Biss  
Hastings

[May 31, 2018]

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2804**.

Ordered that the Secretary inform the House of Representatives thereof.

### SENATE BILL RECALLED

On motion of Senator Muñoz, **Senate Bill No. 514** was recalled from the order of third reading to the order of second reading.

Floor Amendment No. 1 was held in the Committee on Assignments.

Senator Muñoz offered the following amendment and moved its adoption:

#### AMENDMENT NO. 2 TO SENATE BILL 514

AMENDMENT NO. 2. Amend Senate Bill 514 by replacing everything after the enacting clause with the following:

"Section 5. If and only if Senate Bill 2641 of the 100th General Assembly, as amended by House Amendment No. 3 and House Amendment No. 4, becomes law, then the Use Tax Act is amended by changing Section 3-5 as follows:

(35 ILCS 105/3-5)

Sec. 3-5. Exemptions. Use of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35) ~~this amendatory Act of the 92nd General Assembly~~, however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Personal property purchased by a governmental body, by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or by a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

(5) Until July 1, 2003, a passenger car that is a replacement vehicle to the extent that the purchase price of the car is subject to the Replacement Vehicle Tax.

(6) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order, certified by the purchaser to be used primarily for graphic arts production, and including machinery and equipment purchased for lease. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under paragraph (18).

(7) Farm chemicals.

(8) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(9) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(10) A motor vehicle that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act. This exemption does not include the purchase of a motor vehicle which will be used in a car facilitation transaction, as defined in Section 1-110.06 of the Illinois Vehicle Code.

(11) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (11). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (11) is exempt from the provisions of Section 3-90.

(12) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(13) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages purchased at retail from a retailer, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(14) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(15) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(16) Coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(17) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(18) Manufacturing and assembling machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether that sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether that sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption provided by this paragraph (18) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (18) includes, but is not limited to, graphic arts machinery and equipment, as defined in paragraph (6) of this Section.

(19) Personal property delivered to a purchaser or purchaser's donee inside Illinois when the purchase order for that personal property was received by a florist located outside Illinois who has a florist located inside Illinois deliver the personal property.

(20) Semen used for artificial insemination of livestock for direct agricultural production.

(21) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (21) is exempt from the provisions of Section 3-90, and the exemption provided for under this item (21) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008.

(22) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(23) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(24) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been

issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(25) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(26) Beginning July 1, 1999, game or game birds purchased at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-90.

(27) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(28) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-90.

(29) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-90.

(30) Beginning January 1, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(31) Beginning on August 2, 2001 (the effective date of Public Act 92-227) ~~this amendatory Act of the 92nd General Assembly~~, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is



not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(32) Beginning on August 2, 2001 (the effective date of Public Act 92-227) ~~this amendatory Act of the 92nd General Assembly~~, personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(33) On and after July 1, 2003 and through June 30, 2004, the use in this State of motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds and that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, the term "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise, whether for-hire or not.

(34) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-90.

(35) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the use of qualifying tangible personal property by persons who modify, refurbish, complete, repair, replace, or maintain aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (35) by Public Act 98-534 are declarative of existing law.

(36) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-90.

(37) Beginning January 1, 2017, menstrual pads, tampons, and menstrual cups.

(38) Merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental purchase agreement, as

defined in the Rental Purchase Agreement Act, and provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 3-90. (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16; 100-22, eff. 7-6-17; 100-437, eff. 1-1-18; revised 9-27-17.)

Section 10. If and only if Senate Bill 2641 of the 100th General Assembly, as amended by House Amendment No. 3 and House Amendment No. 4, becomes law, then the Retailers' Occupation Tax Act is amended by changing Section 2-5 as follows:

(35 ILCS 120/2-5)

Sec. 2-5. Exemptions. Gross receipts from proceeds from the sale of the following tangible personal property are exempt from the tax imposed by this Act:

(1) Farm chemicals.

(2) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (2). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed, if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (2) is exempt from the provisions of Section 2-70.

(3) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(4) Until July 1, 2003 and beginning again September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under paragraph (14).

(5) A motor vehicle that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 2-70. This exemption does not include the sale of a motor vehicle which will be used in a car facilitation transaction, as defined in Section 1-110.06 of the Illinois Vehicle Code.

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Until July 1, 2003, proceeds of that portion of the selling price of a passenger car the sale of which is subject to the Replacement Vehicle Tax.

(8) Personal property sold to an Illinois county fair association for use in conducting, operating, or promoting the county fair.

(9) Personal property sold to a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation

or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35) ~~this amendatory Act of the 92nd General Assembly~~, however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(10) Personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(11) Personal property sold to a governmental body, to a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or to a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active identification number issued by the Department.

(12) (Blank).

(12-5) On and after July 1, 2003 and through June 30, 2004, motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(13) Proceeds from sales to owners, lessors, or shippers of tangible personal property that is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(14) Machinery and equipment that will be used by the purchaser, or a lessee of the purchaser, primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether the sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether the sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption provided by this paragraph (14) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (14) includes, but is not limited to, graphic arts machinery and equipment, as defined in paragraph (4) of this Section.

(15) Proceeds of mandatory service charges separately stated on customers' bills for purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(16) Petroleum products sold to a purchaser if the seller is prohibited by federal law from charging tax to the purchaser.

(17) Tangible personal property sold to a common carrier by rail or motor that receives

the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.

(18) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(19) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(20) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(21) Coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(22) Until June 30, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(23) A transaction in which the purchase order is received by a florist who is located outside Illinois, but who has a florist located in Illinois deliver the property to the purchaser or the purchaser's donee in Illinois.

(24) Fuel consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property or the conveyance of persons for hire on rivers bordering on this State if the fuel is delivered by the seller to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river.

(25) Except as provided in item (25-5) of this Section, a motor vehicle sold in this State to a nonresident even though the motor vehicle is delivered to the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a drive-away permit is issued to the motor vehicle as provided in Section 3-603 of the Illinois Vehicle Code or if the nonresident purchaser has vehicle registration plates to transfer to the motor vehicle upon returning to his or her home state. The issuance of the drive-away permit or having the out-of-state registration plates to be transferred is prima facie evidence that the motor vehicle will not be titled in this State.

(25-5) The exemption under item (25) does not apply if the state in which the motor vehicle will be titled does not allow a reciprocal exemption for a motor vehicle sold and delivered in that state to an Illinois resident but titled in Illinois. The tax collected under this Act on the sale of a motor vehicle in this State to a resident of another state that does not allow a reciprocal exemption shall be imposed at a rate equal to the state's rate of tax on taxable property in the state in which the purchaser is a resident, except that the tax shall not exceed the tax that would otherwise be imposed under this Act. At the time of the sale, the purchaser shall execute a statement, signed under penalty of perjury, of his or her intent to title the vehicle in the state in which the purchaser is a resident within 30 days after the sale and of the fact of the payment to the State of Illinois of tax in an amount equivalent to the state's rate of tax on taxable property in his or her state of residence and shall submit the statement to the appropriate tax collection agency in his or her state of residence. In addition, the retailer must retain a

signed copy of the statement in his or her records. Nothing in this item shall be construed to require the removal of the vehicle from this state following the filing of an intent to title the vehicle in the purchaser's state of residence if the purchaser titles the vehicle in his or her state of residence within 30 days after the date of sale. The tax collected under this Act in accordance with this item (25-5) shall be proportionately distributed as if the tax were collected at the 6.25% general rate imposed under this Act.

(25-7) Beginning on July 1, 2007, no tax is imposed under this Act on the sale of an aircraft, as defined in Section 3 of the Illinois Aeronautics Act, if all of the following conditions are met:

(1) the aircraft leaves this State within 15 days after the later of either the issuance of the final billing for the sale of the aircraft, or the authorized approval for return to service, completion of the maintenance record entry, and completion of the test flight and ground test for inspection, as required by 14 C.F.R. 91.407;

(2) the aircraft is not based or registered in this State after the sale of the aircraft; and

(3) the seller retains in his or her books and records and provides to the Department a signed and dated certification from the purchaser, on a form prescribed by the Department, certifying that the requirements of this item (25-7) are met. The certificate must also include the name and address of the purchaser, the address of the location where the aircraft is to be titled or registered, the address of the primary physical location of the aircraft, and other information that the Department may reasonably require.

For purposes of this item (25-7):

"Based in this State" means hangared, stored, or otherwise used, excluding post-sale customizations as defined in this Section, for 10 or more days in each 12-month period immediately following the date of the sale of the aircraft.

"Registered in this State" means an aircraft registered with the Department of Transportation, Aeronautics Division, or titled or registered with the Federal Aviation Administration to an address located in this State.

This paragraph (25-7) is exempt from the provisions of Section 2-70.

(26) Semen used for artificial insemination of livestock for direct agricultural production.

(27) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (27) is exempt from the provisions of Section 2-70, and the exemption provided for under this item (27) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

(28) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(29) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(30) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(31) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(32) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 2-70.

(33) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(34) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 2-70.

(35) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 2-70.

(35-5) Beginning August 23, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(36) Beginning August 2, 2001, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(37) Beginning August 2, 2001, personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(38) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (38). The permit issued under this paragraph (38) shall authorize the holder, to the extent and in the manner

specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(39) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 2-70.

(40) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the sale of qualifying tangible personal property to persons who modify, refurbish, complete, replace, or maintain an aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (40) by Public Act 98-534 are declarative of existing law.

(41) Tangible personal property sold to a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 2-70.

(42) Beginning January 1, 2017, menstrual pads, tampons, and menstrual cups.

(43) Merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental purchase agreement, as defined in the Rental Purchase Agreement Act, and provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 2-70.

(Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16; 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-437, eff. 1-1-18; revised 9-26-17.)

Section 15. If and only if Senate Bill 2641 of the 100th General Assembly, as amended by House Amendment No. 3 and House Amendment No. 4, becomes law, then the Automobile Renting Occupation and Use Tax Act is amended by changing Section 2 as follows:

(35 ILCS 155/2) (from Ch. 120, par. 1702)

Sec. 2. Definitions. "Renting" means any transfer of the possession or right to possession of an automobile to a user for a valuable consideration for a period of one year or less, including the facilitation of the use of a privately-owned passenger motor vehicle ~~for use~~ by persons other than the vehicle's registered owner as a part of a car facilitation transaction, as defined in Section 1-110.06 of the Illinois Vehicle Code.

"Renting" does not include making a charge for the use of an automobile where the rentor, either himself or through an agent, furnishes a service of operating an automobile so that the rentor remains in possession of the automobile, because this does not constitute a transfer of possession or right to possession of the automobile.

"Renting" does not include the making of a charge by an automobile dealer for the use of an automobile as a demonstrator in connection with the dealer's business of selling, where the charge is merely made to

recover the costs of operating the automobile as a demonstrator and is not intended as a rental or leasing charge in the ordinary sense.

"Automobile" means (1) any motor vehicle of the first division, or (2) a motor vehicle of the second division which: (A) is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping or travel use, with direct walk through access to the living quarters from the driver's seat; (B) is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers, as defined in Section 1-146 of the Illinois Vehicle Code; or (C) has a Gross Vehicle Weight Rating, as defined in Section 1-124.5 of the Illinois Vehicle Code, of 8,000 pounds or less.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, conservator or other representative appointed by order of any court.

"Rentor" means any person, firm, corporation or association engaged in the business of renting or leasing automobiles to users. For this purpose, the objective of making a profit is not necessary to make the renting activity a business. "Rentor" includes a car facilitation company as defined in Section 1-110.05 of the Illinois Vehicle Code.

"Rentee" means any user to whom the possession, or the right to possession, of an automobile is transferred for a valuable consideration for a period of one year or less, whether paid for by the "rentee" or by someone else.

"Gross receipts" from the renting of tangible personal property or "rent" means the total rental price or leasing price. In the case of rental transactions in which the consideration is paid to the rentor on an installment basis, the amounts of such payments shall be included by the rentor in gross receipts or rent only as and when payments are received by the rentor.

"Gross receipts" does not include receipts received by an automobile dealer from a manufacturer or service contract provider for the use of an automobile by a person while that person's automobile is being repaired by that automobile dealer and the repair is made pursuant to a manufacturer's warranty or a service contract where a manufacturer or service contract provider reimburses that automobile dealer pursuant to a manufacturer's warranty or a service contract and the reimbursement is merely made to recover the costs of operating the automobile as a loaner vehicle.

"Rental price" means the consideration for renting or leasing an automobile valued in money, whether received in money or otherwise, including cash credits, property and services, and shall be determined without any deduction on account of the cost of the property rented, the cost of materials used, labor or service cost, or any other expense whatsoever, but does not include charges that are added by a rentor on account of the rentor's tax liability under this Act or on account of the rentor's duty to collect, from the rentee, the tax that is imposed by Section 4 of this Act. The phrase "rental price" does not include compensation paid to a rentor by a rentee in consideration of the waiver by the rentor of any right of action or claim against the rentee for loss or damage to the automobile rented and also does not include a separately stated charge for insurance or recovery of refueling costs or other separately stated charges that are not for the use of tangible personal property.  
(Source: 10000SB2641ham003.)

Section 20. If and only if Senate Bill 2641 of the 100th General Assembly, as amended by House Amendment No. 3 and House Amendment No. 4, becomes law, then the Counties Code is amended by changing Section 5-1032 as follows:

(55 ILCS 5/5-1032) (from Ch. 34, par. 5-1032)

Sec. 5-1032. County Automobile Renting Occupation Tax. The corporate authorities of a county may impose a tax upon all persons engaged in the business of renting automobiles in the county, but outside any municipality, at the rate of not to exceed 1% of the gross receipts from such business. For the purposes of imposing a tax under this Section, the facilitation of the use of a privately-owned passenger motor vehicle ~~for use~~ by a person other than the vehicle's registered owner as a part of a car facilitation transaction, as defined in Section 1-110.06 of the Illinois Vehicle Code, constitutes engaging in the business of renting automobiles in the county. The tax imposed by a county pursuant to this Section and all civil penalties that may be assessed as an Incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the "Retailers' Occupation Tax Act", approved June 23, 1933, as amended, or under the "Automobile Renting Occupation and Use Tax Act", enacted by the Eighty-Second General Assembly, shall permit such person to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect



all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 2 and 3 (in respect to all provisions therein other than the State rate of tax; and with relation to the provisions of the "Retailers' Occupation Tax" referred to therein, except as to the disposition of taxes and penalties collected, and except for the provision allowing retailers a deduction from the tax to cover certain costs, and except that credit memoranda issued hereunder may not be used to discharge any State tax liability) of the "Automobile Renting Occupation and Use Tax Act", as the same are now or may hereafter be amended, as fully as if provisions contained in those Sections of said Act were set forth herein.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the "Automobile Renting Occupation and Use Tax Act" pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the county automobile renting tax fund.

The Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes and penalties collected hereunder. On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named counties from which renters have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such county, less 2% of such balance, which sum shall be retained by the State Treasurer to cover the costs incurred by the Department in administering and enforcing this Section as provided herein. The Department at the time of each monthly disbursement to the counties shall prepare and certify to the Comptroller the amount, so retained by the State Treasurer, to be paid into the General Revenue Fund of the State Treasury. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the counties and the General Revenue Fund, provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing a tax hereunder or effecting a change in the rate thereof shall be effective on the first day of the calendar month next following the month in which such ordinance or resolution is passed. The corporate authorities of any county which levies a tax authorized by this Section shall transmit to the Department of Revenue on or not later than 5 days after passage of the ordinance or resolution a certified copy of the ordinance or resolution imposing such tax whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of such county as of the effective date of the ordinance or resolution. Upon a change in rate of a tax levied hereunder, or upon the discontinuance of the tax, the corporate authorities of the county shall on or not later than 5 days after passage of the ordinance or resolution discontinuing the tax or effecting a change in rate transmit to the Department of Revenue a certified copy of the ordinance or resolution effecting such change or discontinuance.

The Department of Revenue must upon the request of the County Clerk or County Board submit to a county a list of those persons who are registered with the Department to pay automobile renting occupation tax within the unincorporated area of that governmental unit. This list shall contain only the names of persons who have paid the tax and not the amount of tax paid by such person.

This Section shall be known and may be cited as the "County Automobile Renting Occupation Tax Law".

(Source: 10000SB2641ham003.)

Section 25. If and only if Senate Bill 2641 of the 100th General Assembly, as amended by House Amendment No. 3 and House Amendment No. 4, becomes law, then the Illinois Municipal Code is amended by changing Section 8-11-7 as follows:

(65 ILCS 5/8-11-7) (from Ch. 24, par. 8-11-7)

Sec. 8-11-7. The corporate authorities of a municipality may impose a tax upon all persons engaged in the business of renting automobiles in the municipality at the rate of not to exceed 1% of the gross receipts from such business. For the purposes of imposing a tax under this Section, the facilitation of ~~the use~~ of a privately-owned passenger motor vehicle ~~for use~~ by a person other than the vehicle's registered owner as a part of a car facilitation transaction, as defined in Section 1-110.06 of the Illinois Vehicle Code, constitutes engaging in the business of renting automobiles in the municipality. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Automobile Renting Occupation and Use Tax Act shall permit such person to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 2 and 3 (in respect to all provisions therein other than the State rate of tax; and with relation to the provisions of the "Retailers' Occupation Tax" referred to therein, except as to the disposition of taxes and penalties collected, and except for the provision allowing retailers a deduction from the tax to cover certain costs, and except that credit memoranda issued hereunder may not be used to discharge any State tax liability) of the Automobile Renting Occupation and Use Tax Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Automobile Renting Occupation and Use Tax Act pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the municipal automobile renting tax fund.

The Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes and penalties collected hereunder. On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which renters have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, less 1.6% of such balance, which sum shall be retained by the State Treasurer to cover the costs incurred by the Department in administering and enforcing this Section as provided herein. The Department at the time of each monthly disbursement to the municipalities shall prepare and certify to the Comptroller the amount, so retained by the State Treasurer, to be paid into the General Revenue Fund of the State Treasury. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities and the General Revenue Fund, provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing a tax hereunder or effecting a change in the rate thereof shall be effective on the first day of the calendar month next following publication as provided in Section 1-2-4.

[May 31, 2018]

The corporate authorities of any municipality which levies a tax authorized by this Section shall transmit to the Department of Revenue on or not later than 5 days after publication a certified copy of the ordinance or resolution imposing such tax whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of such municipality as of the effective date of the ordinance or resolution. Upon a change in rate of a tax levied hereunder, or upon the discontinuance of the tax, the corporate authorities of the municipality shall on or not later than 5 days after publication of the ordinance or resolution discontinuing the tax or effecting a change in rate transmit to the Department of Revenue a certified copy of the ordinance or resolution effecting such change or discontinuance.

The Department of Revenue must upon the request of the municipal clerk, city council or village board of trustees submit to a city, village or incorporated town a list of those persons who are registered with the Department to pay automobile renting occupation tax within that governmental unit. This list shall contain only the names of persons who have paid the tax and not the amount of tax paid by such person.

As used in this Section, "municipal" and "municipality" means a city, village or incorporated town, including an incorporated town which has superseded a civil township.

This Section shall be known and may be cited as the "Municipal Automobile Renting Occupation Tax Act".

(Source: 10000SB2641ham003.)

Section 30. If and only if Senate Bill 2641 of the 100th General Assembly, as amended by House Amendment No. 3 and House Amendment No. 4, becomes law, then the Illinois Vehicle Code is amended by changing Sections 11-208.6, 11-208.8, 11-208.9, and 11-1201.1 as follows:

(625 ILCS 5/11-208.6)

Sec. 11-208.6. Automated traffic law enforcement system.

(a) As used in this Section, "automated traffic law enforcement system" means a device with one or more motor vehicle sensors working in conjunction with a red light signal to produce recorded images of motor vehicles entering an intersection against a red signal indication in violation of Section 11-306 of this Code or a similar provision of a local ordinance.

An automated traffic law enforcement system is a system, in a municipality or county operated by a governmental agency, that produces a recorded image of a motor vehicle's violation of a provision of this Code or a local ordinance and is designed to obtain a clear recorded image of the vehicle and the vehicle's license plate. The recorded image must also display the time, date, and location of the violation.

(b) As used in this Section, "recorded images" means images recorded by an automated traffic law enforcement system on:

- (1) 2 or more photographs;
- (2) 2 or more microphotographs;
- (3) 2 or more electronic images; or
- (4) a video recording showing the motor vehicle and, on at least one image or portion of the recording, clearly identifying the registration plate number of the motor vehicle.

(b-5) A municipality or county that produces a recorded image of a motor vehicle's violation of a provision of this Code or a local ordinance must make the recorded images of a violation accessible to the alleged violator by providing the alleged violator with a website address, accessible through the Internet.

(c) Except as provided under Section 11-208.8 of this Code, a county or municipality, including a home rule county or municipality, may not use an automated traffic law enforcement system to provide recorded images of a motor vehicle for the purpose of recording its speed. Except as provided under Section 11-208.8 of this Code, the regulation of the use of automated traffic law enforcement systems to record vehicle speeds is an exclusive power and function of the State. This subsection (c) is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(c-5) A county or municipality, including a home rule county or municipality, may not use an automated traffic law enforcement system to issue violations in instances where the motor vehicle comes to a complete stop and does not enter the intersection, as defined by Section 1-132 of this Code, during the cycle of the red signal indication unless one or more pedestrians or bicyclists are present, even if the motor vehicle stops at a point past a stop line or crosswalk where a driver is required to stop, as specified in subsection (c) of Section 11-306 of this Code or a similar provision of a local ordinance.

(c-6) A county, or a municipality with less than 2,000,000 inhabitants, including a home rule county or municipality, may not use an automated traffic law enforcement system to issue violations in instances where a motorcyclist enters an intersection against a red signal indication when the red signal fails to change to a green signal within a reasonable period of time not less than 120 seconds because of a signal malfunction or because the signal has failed to detect the arrival of the motorcycle due to the motorcycle's size or weight.

(d) For each violation of a provision of this Code or a local ordinance recorded by an automatic traffic law enforcement system, the county or municipality having jurisdiction shall issue a written notice of the violation to the registered owner of the vehicle as the alleged violator. The notice shall be delivered to the registered owner of the vehicle, by mail, within 30 days after the Secretary of State notifies the municipality or county of the identity of the owner of the vehicle, but in no event later than 90 days after the violation.

The notice shall include:

- (1) the name and address of the registered owner of the vehicle;
- (2) the registration number of the motor vehicle involved in the violation;
- (3) the violation charged;
- (4) the location where the violation occurred;
- (5) the date and time of the violation;
- (6) a copy of the recorded images;
- (7) the amount of the civil penalty imposed and the requirements of any traffic education program imposed and the date by which the civil penalty should be paid and the traffic education program should be completed;
- (8) a statement that recorded images are evidence of a violation of a red light signal;
- (9) a warning that failure to pay the civil penalty, to complete a required traffic education program, or to contest liability in a timely manner is an admission of liability and may result in a suspension of the driving privileges of the registered owner of the vehicle;
- (10) a statement that the person may elect to proceed by:
  - (A) paying the fine, completing a required traffic education program, or both; or
  - (B) challenging the charge in court, by mail, or by administrative hearing; and
- (11) a website address, accessible through the Internet, where the person may view the recorded images of the violation.

(e) If a person charged with a traffic violation, as a result of an automated traffic law enforcement system, does not pay the fine or complete a required traffic education program, or both, or successfully contest the civil penalty resulting from that violation, the Secretary of State shall suspend the driving privileges of the registered owner of the vehicle under Section 6-306.5 of this Code for failing to complete a required traffic education program or to pay any fine or penalty due and owing, or both, as a result of a combination of 5 violations of the automated traffic law enforcement system or the automated speed enforcement system under Section 11-208.8 of this Code.

(f) Based on inspection of recorded images produced by an automated traffic law enforcement system, a notice alleging that the violation occurred shall be evidence of the facts contained in the notice and admissible in any proceeding alleging a violation under this Section.

(g) Recorded images made by an automatic traffic law enforcement system are confidential and shall be made available only to the alleged violator and governmental and law enforcement agencies for purposes of adjudicating a violation of this Section, for statistical purposes, or for other governmental purposes. Any recorded image evidencing a violation of this Section, however, may be admissible in any proceeding resulting from the issuance of the citation.

(h) The court or hearing officer may consider in defense of a violation:

- (1) that the motor vehicle or registration plates of the motor vehicle were stolen before the violation occurred and not under the control of or in the possession of the owner at the time of the violation;
- (2) that the driver of the vehicle passed through the intersection when the light was red either (i) in order to yield the right-of-way to an emergency vehicle or (ii) as part of a funeral procession; and
- (3) any other evidence or issues provided by municipal or county ordinance.

(i) To demonstrate that the motor vehicle or the registration plates were stolen before the violation occurred and were not under the control or possession of the owner at the time of the violation, the owner must submit proof that a report concerning the stolen motor vehicle or registration plates was filed with a law enforcement agency in a timely manner.

(j) Unless the driver of the motor vehicle received a Uniform Traffic Citation from a police officer at the time of the violation, the motor vehicle owner is subject to a civil penalty not exceeding \$100 or the completion of a traffic education program, or both, plus an additional penalty of not more than \$100 for failure to pay the original penalty or to complete a required traffic education program, or both, in a timely manner, if the motor vehicle is recorded by an automated traffic law enforcement system. A violation for which a civil penalty is imposed under this Section is not a violation of a traffic regulation governing the movement of vehicles and may not be recorded on the driving record of the owner of the vehicle.

(j-3) A registered owner who is a holder of a valid commercial driver's license is not required to complete a traffic education program.

(j-5) For purposes of the required traffic education program only, a registered owner may submit an affidavit to the court or hearing officer swearing that at the time of the alleged violation, the vehicle was in the custody and control of another person. The affidavit must identify the person in custody and control of the vehicle, including the person's name and current address. The person in custody and control of the vehicle at the time of the violation is required to complete the required traffic education program. If the person in custody and control of the vehicle at the time of the violation completes the required traffic education program, the registered owner of the vehicle is not required to complete a traffic education program.

(k) An intersection equipped with an automated traffic law enforcement system must be posted with a sign visible to approaching traffic indicating that the intersection is being monitored by an automated traffic law enforcement system.

(k-3) A municipality or county that has one or more intersections equipped with an automated traffic law enforcement system must provide notice to drivers by posting the locations of automated traffic law systems on the municipality or county website.

(k-5) An intersection equipped with an automated traffic law enforcement system must have a yellow change interval that conforms with the Illinois Manual on Uniform Traffic Control Devices (IMUTCD) published by the Illinois Department of Transportation.

(k-7) A municipality or county operating an automated traffic law enforcement system shall conduct a statistical analysis to assess the safety impact of each automated traffic law enforcement system at an intersection following installation of the system. The statistical analysis shall be based upon the best available crash, traffic, and other data, and shall cover a period of time before and after installation of the system sufficient to provide a statistically valid comparison of safety impact. The statistical analysis shall be consistent with professional judgment and acceptable industry practice. The statistical analysis also shall be consistent with the data required for valid comparisons of before and after conditions and shall be conducted within a reasonable period following the installation of the automated traffic law enforcement system. The statistical analysis required by this subsection (k-7) shall be made available to the public and shall be published on the website of the municipality or county. If the statistical analysis for the 36 month period following installation of the system indicates that there has been an increase in the rate of accidents at the approach to the intersection monitored by the system, the municipality or county shall undertake additional studies to determine the cause and severity of the accidents, and may take any action that it determines is necessary or appropriate to reduce the number or severity of the accidents at that intersection.

(l) The compensation paid for an automated traffic law enforcement system must be based on the value of the equipment or the services provided and may not be based on the number of traffic citations issued or the revenue generated by the system.

(m) This Section applies only to the counties of Cook, DuPage, Kane, Lake, Madison, McHenry, St. Clair, and Will and to municipalities located within those counties.

(n) The fee for participating in a traffic education program under this Section shall not exceed \$25.

A low-income individual required to complete a traffic education program under this Section who provides proof of eligibility for the federal earned income tax credit under Section 32 of the Internal Revenue Code or the Illinois earned income tax credit under Section 212 of the Illinois Income Tax Act shall not be required to pay any fee for participating in a required traffic education program.

(o) A municipality or county shall make a certified report to the Secretary of State pursuant to Section 6-306.5 of this Code whenever a registered owner of a vehicle has failed to pay any fine or penalty due and owing as a result of a combination of 5 offenses for automated traffic law or speed enforcement system violations.

(p) No person who is the lessor of a motor vehicle pursuant to a written lease agreement shall be liable for an automated speed or traffic law enforcement system violation involving such motor vehicle during the period of the lease; provided that upon the request of the appropriate authority received within 120 days after the violation occurred, the lessor provides within 60 days after such receipt the name and address of the lessee. The drivers license number of a lessee may be subsequently individually requested by the appropriate authority if needed for enforcement of this Section.

Upon the provision of information by the lessor pursuant to this subsection, the county or municipality may issue the violation to the lessee of the vehicle in the same manner as it would issue a violation to a registered owner of a vehicle pursuant to this Section, and the lessee may be held liable for the violation.

(q) A citation issued under this Section that is dismissed with respect to the registered owner of a vehicle under subsection (e) of Section 30 of the Renter's Financial Responsibility and Protection Act may be

issued and delivered by mail or other means to a car facilitation company identified in the registered owner's affidavit of non-liability.

(Source: P.A. 97-29, eff. 1-1-12; 97-627, eff. 1-1-12; 97-672, eff. 7-1-12; 97-762, eff. 7-6-12; 98-463, eff. 8-16-13.)

(625 ILCS 5/11-208.8)

Sec. 11-208.8. Automated speed enforcement systems in safety zones.

(a) As used in this Section:

"Automated speed enforcement system" means a photographic device, radar device, laser device, or other electrical or mechanical device or devices installed or utilized in a safety zone and designed to record the speed of a vehicle and obtain a clear photograph or other recorded image of the vehicle and the vehicle's registration plate while the driver is violating Article VI of Chapter 11 of this Code or a similar provision of a local ordinance.

An automated speed enforcement system is a system, located in a safety zone which is under the jurisdiction of a municipality, that produces a recorded image of a motor vehicle's violation of a provision of this Code or a local ordinance and is designed to obtain a clear recorded image of the vehicle and the vehicle's license plate. The recorded image must also display the time, date, and location of the violation.

"Owner" means the person or entity to whom the vehicle is registered.

"Recorded image" means images recorded by an automated speed enforcement system on:

- (1) 2 or more photographs;
- (2) 2 or more microphotographs;
- (3) 2 or more electronic images; or
- (4) a video recording showing the motor vehicle and, on at least one image or portion of the recording, clearly identifying the registration plate number of the motor vehicle.

"Safety zone" means an area that is within one-eighth of a mile from the nearest property line of any public or private elementary or secondary school, or from the nearest property line of any facility, area, or land owned by a school district that is used for educational purposes approved by the Illinois State Board of Education, not including school district headquarters or administrative buildings. A safety zone also includes an area that is within one-eighth of a mile from the nearest property line of any facility, area, or land owned by a park district used for recreational purposes. However, if any portion of a roadway is within either one-eighth mile radius, the safety zone also shall include the roadway extended to the furthest portion of the next furthest intersection. The term "safety zone" does not include any portion of the roadway known as Lake Shore Drive or any controlled access highway with 8 or more lanes of traffic.

(a-5) The automated speed enforcement system shall be operational and violations shall be recorded only at the following times:

(i) if the safety zone is based upon the property line of any facility, area, or land owned by a school district, only on school days and no earlier than 6 a.m. and no later than 8:30 p.m. if the school day is during the period of Monday through Thursday, or 9 p.m. if the school day is a Friday; and

(ii) if the safety zone is based upon the property line of any facility, area, or land owned by a park district, no earlier than one hour prior to the time that the facility, area, or land is open to the public or other patrons, and no later than one hour after the facility, area, or land is closed to the public or other patrons.

(b) A municipality that produces a recorded image of a motor vehicle's violation of a provision of this Code or a local ordinance must make the recorded images of a violation accessible to the alleged violator by providing the alleged violator with a website address, accessible through the Internet.

(c) Notwithstanding any penalties for any other violations of this Code, the owner of a motor vehicle used in a traffic violation recorded by an automated speed enforcement system shall be subject to the following penalties:

(1) if the recorded speed is no less than 6 miles per hour and no more than 10 miles per hour over the legal speed limit, a civil penalty not exceeding \$50, plus an additional penalty of not more than \$50 for failure to pay the original penalty in a timely manner; or

(2) if the recorded speed is more than 10 miles per hour over the legal speed limit, a civil penalty not exceeding \$100, plus an additional penalty of not more than \$100 for failure to pay the original penalty in a timely manner.

A penalty may not be imposed under this Section if the driver of the motor vehicle received a Uniform Traffic Citation from a police officer for a speeding violation occurring within one-eighth of a mile and 15 minutes of the violation that was recorded by the system. A violation for which a civil penalty is imposed under this Section is not a violation of a traffic regulation governing the movement of vehicles and may not be recorded on the driving record of the owner of the vehicle. A law enforcement officer is

[May 31, 2018]

not required to be present or to witness the violation. No penalty may be imposed under this Section if the recorded speed of a vehicle is 5 miles per hour or less over the legal speed limit. The municipality may send, in the same manner that notices are sent under this Section, a speed violation warning notice where the violation involves a speed of 5 miles per hour or less above the legal speed limit.

(d) The net proceeds that a municipality receives from civil penalties imposed under an automated speed enforcement system, after deducting all non-personnel and personnel costs associated with the operation and maintenance of such system, shall be expended or obligated by the municipality for the following purposes:

(i) public safety initiatives to ensure safe passage around schools, and to provide police protection and surveillance around schools and parks, including but not limited to: (1) personnel costs; and (2) non-personnel costs such as construction and maintenance of public safety infrastructure and equipment;

(ii) initiatives to improve pedestrian and traffic safety;

(iii) construction and maintenance of infrastructure within the municipality, including but not limited to roads and bridges; and

(iv) after school programs.

(e) For each violation of a provision of this Code or a local ordinance recorded by an automated speed enforcement system, the municipality having jurisdiction shall issue a written notice of the violation to the registered owner of the vehicle as the alleged violator. The notice shall be delivered to the registered owner of the vehicle, by mail, within 30 days after the Secretary of State notifies the municipality of the identity of the owner of the vehicle, but in no event later than 90 days after the violation.

(f) The notice required under subsection (e) of this Section shall include:

(1) the name and address of the registered owner of the vehicle;

(2) the registration number of the motor vehicle involved in the violation;

(3) the violation charged;

(4) the date, time, and location where the violation occurred;

(5) a copy of the recorded image or images;

(6) the amount of the civil penalty imposed and the date by which the civil penalty should be paid;

(7) a statement that recorded images are evidence of a violation of a speed restriction;

(8) a warning that failure to pay the civil penalty or to contest liability in a timely manner is an admission of liability and may result in a suspension of the driving privileges of the registered owner of the vehicle;

(9) a statement that the person may elect to proceed by:

(A) paying the fine; or

(B) challenging the charge in court, by mail, or by administrative hearing; and

(10) a website address, accessible through the Internet, where the person may view the recorded images of the violation.

(g) If a person charged with a traffic violation, as a result of an automated speed enforcement system, does not pay the fine or successfully contest the civil penalty resulting from that violation, the Secretary of State shall suspend the driving privileges of the registered owner of the vehicle under Section 6-306.5 of this Code for failing to pay any fine or penalty due and owing, or both, as a result of a combination of 5 violations of the automated speed enforcement system or the automated traffic law under Section 11-208.6 of this Code.

(h) Based on inspection of recorded images produced by an automated speed enforcement system, a notice alleging that the violation occurred shall be evidence of the facts contained in the notice and admissible in any proceeding alleging a violation under this Section.

(i) Recorded images made by an automated speed enforcement system are confidential and shall be made available only to the alleged violator and governmental and law enforcement agencies for purposes of adjudicating a violation of this Section, for statistical purposes, or for other governmental purposes. Any recorded image evidencing a violation of this Section, however, may be admissible in any proceeding resulting from the issuance of the citation.

(j) The court or hearing officer may consider in defense of a violation:

(1) that the motor vehicle or registration plates of the motor vehicle were stolen before the violation occurred and not under the control or in the possession of the owner at the time of the violation;

(2) that the driver of the motor vehicle received a Uniform Traffic Citation from a police officer for a speeding violation occurring within one-eighth of a mile and 15 minutes of the violation that was recorded by the system; and

(3) any other evidence or issues provided by municipal ordinance.

(k) To demonstrate that the motor vehicle or the registration plates were stolen before the violation occurred and were not under the control or possession of the owner at the time of the violation, the owner must submit proof that a report concerning the stolen motor vehicle or registration plates was filed with a law enforcement agency in a timely manner.

(l) A roadway equipped with an automated speed enforcement system shall be posted with a sign conforming to the national Manual on Uniform Traffic Control Devices that is visible to approaching traffic stating that vehicle speeds are being photo-enforced and indicating the speed limit. The municipality shall install such additional signage as it determines is necessary to give reasonable notice to drivers as to where automated speed enforcement systems are installed.

(m) A roadway where a new automated speed enforcement system is installed shall be posted with signs providing 30 days notice of the use of a new automated speed enforcement system prior to the issuance of any citations through the automated speed enforcement system.

(n) The compensation paid for an automated speed enforcement system must be based on the value of the equipment or the services provided and may not be based on the number of traffic citations issued or the revenue generated by the system.

(o) A municipality shall make a certified report to the Secretary of State pursuant to Section 6-306.5 of this Code whenever a registered owner of a vehicle has failed to pay any fine or penalty due and owing as a result of a combination of 5 offenses for automated speed or traffic law enforcement system violations.

(p) No person who is the lessor of a motor vehicle pursuant to a written lease agreement shall be liable for an automated speed or traffic law enforcement system violation involving such motor vehicle during the period of the lease; provided that upon the request of the appropriate authority received within 120 days after the violation occurred, the lessor provides within 60 days after such receipt the name and address of the lessee. The drivers license number of a lessee may be subsequently individually requested by the appropriate authority if needed for enforcement of this Section.

Upon the provision of information by the lessor pursuant to this subsection, the municipality may issue the violation to the lessee of the vehicle in the same manner as it would issue a violation to a registered owner of a vehicle pursuant to this Section, and the lessee may be held liable for the violation.

(q) A municipality using an automated speed enforcement system must provide notice to drivers by publishing the locations of all safety zones where system equipment is installed on the website of the municipality.

(r) A municipality operating an automated speed enforcement system shall conduct a statistical analysis to assess the safety impact of the system. The statistical analysis shall be based upon the best available crash, traffic, and other data, and shall cover a period of time before and after installation of the system sufficient to provide a statistically valid comparison of safety impact. The statistical analysis shall be consistent with professional judgment and acceptable industry practice. The statistical analysis also shall be consistent with the data required for valid comparisons of before and after conditions and shall be conducted within a reasonable period following the installation of the automated traffic law enforcement system. The statistical analysis required by this subsection shall be made available to the public and shall be published on the website of the municipality.

(s) This Section applies only to municipalities with a population of 1,000,000 or more inhabitants.

(t) A citation issued under this Section that is dismissed with respect to the registered owner of a vehicle under subsection (e) of Section 30 of the Renter's Financial Responsibility and Protection Act may be issued and delivered by mail or other means to a car facilitation company identified in the registered owner's affidavit of non-liability.

(Source: P.A. 97-672, eff. 7-1-12; 97-674, eff. 7-1-12; 98-463, eff. 8-16-13.)

(625 ILCS 5/11-208.9)

Sec. 11-208.9. Automated traffic law enforcement system; approaching, overtaking, and passing a school bus.

(a) As used in this Section, "automated traffic law enforcement system" means a device with one or more motor vehicle sensors working in conjunction with the visual signals on a school bus, as specified in Sections 12-803 and 12-805 of this Code, to produce recorded images of motor vehicles that fail to stop before meeting or overtaking, from either direction, any school bus stopped at any location for the purpose of receiving or discharging pupils in violation of Section 11-1414 of this Code or a similar provision of a local ordinance.

An automated traffic law enforcement system is a system, in a municipality or county operated by a governmental agency, that produces a recorded image of a motor vehicle's violation of a provision of this Code or a local ordinance and is designed to obtain a clear recorded image of the vehicle and the vehicle's license plate. The recorded image must also display the time, date, and location of the violation.



(b) As used in this Section, "recorded images" means images recorded by an automated traffic law enforcement system on:

- (1) 2 or more photographs;
- (2) 2 or more microphotographs;
- (3) 2 or more electronic images; or
- (4) a video recording showing the motor vehicle and, on at least one image or portion of the recording, clearly identifying the registration plate number of the motor vehicle.

(c) A municipality or county that produces a recorded image of a motor vehicle's violation of a provision of this Code or a local ordinance must make the recorded images of a violation accessible to the alleged violator by providing the alleged violator with a website address, accessible through the Internet.

(d) For each violation of a provision of this Code or a local ordinance recorded by an automated traffic law enforcement system, the county or municipality having jurisdiction shall issue a written notice of the violation to the registered owner of the vehicle as the alleged violator. The notice shall be delivered to the registered owner of the vehicle, by mail, within 30 days after the Secretary of State notifies the municipality or county of the identity of the owner of the vehicle, but in no event later than 90 days after the violation.

(e) The notice required under subsection (d) shall include:

- (1) the name and address of the registered owner of the vehicle;
- (2) the registration number of the motor vehicle involved in the violation;
- (3) the violation charged;
- (4) the location where the violation occurred;
- (5) the date and time of the violation;
- (6) a copy of the recorded images;
- (7) the amount of the civil penalty imposed and the date by which the civil penalty should be paid;
- (8) a statement that recorded images are evidence of a violation of overtaking or passing a school bus stopped for the purpose of receiving or discharging pupils;
- (9) a warning that failure to pay the civil penalty or to contest liability in a timely manner is an admission of liability and may result in a suspension of the driving privileges of the registered owner of the vehicle;
- (10) a statement that the person may elect to proceed by:
  - (A) paying the fine; or
  - (B) challenging the charge in court, by mail, or by administrative hearing; and
- (11) a website address, accessible through the Internet, where the person may view the recorded images of the violation.

(f) If a person charged with a traffic violation, as a result of an automated traffic law enforcement system under this Section, does not pay the fine or successfully contest the civil penalty resulting from that violation, the Secretary of State shall suspend the driving privileges of the registered owner of the vehicle under Section 6-306.5 of this Code for failing to pay any fine or penalty due and owing as a result of a combination of 5 violations of the automated traffic law enforcement system or the automated speed enforcement system under Section 11-208.8 of this Code.

(g) Based on inspection of recorded images produced by an automated traffic law enforcement system, a notice alleging that the violation occurred shall be evidence of the facts contained in the notice and admissible in any proceeding alleging a violation under this Section.

(h) Recorded images made by an automated traffic law enforcement system are confidential and shall be made available only to the alleged violator and governmental and law enforcement agencies for purposes of adjudicating a violation of this Section, for statistical purposes, or for other governmental purposes. Any recorded image evidencing a violation of this Section, however, may be admissible in any proceeding resulting from the issuance of the citation.

(i) The court or hearing officer may consider in defense of a violation:

- (1) that the motor vehicle or registration plates of the motor vehicle were stolen before the violation occurred and not under the control of or in the possession of the owner at the time of the violation;
- (2) that the driver of the motor vehicle received a Uniform Traffic Citation from a police officer for a violation of Section 11-1414 of this Code within one-eighth of a mile and 15 minutes of the violation that was recorded by the system;
- (3) that the visual signals required by Sections 12-803 and 12-805 of this Code were damaged, not activated, not present in violation of Sections 12-803 and 12-805, or inoperable; and
- (4) any other evidence or issues provided by municipal or county ordinance.

(j) To demonstrate that the motor vehicle or the registration plates were stolen before the violation occurred and were not under the control or possession of the owner at the time of the violation, the owner must submit proof that a report concerning the stolen motor vehicle or registration plates was filed with a law enforcement agency in a timely manner.

(k) Unless the driver of the motor vehicle received a Uniform Traffic Citation from a police officer at the time of the violation, the motor vehicle owner is subject to a civil penalty not exceeding \$150 for a first time violation or \$500 for a second or subsequent violation, plus an additional penalty of not more than \$100 for failure to pay the original penalty in a timely manner, if the motor vehicle is recorded by an automated traffic law enforcement system. A violation for which a civil penalty is imposed under this Section is not a violation of a traffic regulation governing the movement of vehicles and may not be recorded on the driving record of the owner of the vehicle, but may be recorded by the municipality or county for the purpose of determining if a person is subject to the higher fine for a second or subsequent offense.

(l) A school bus equipped with an automated traffic law enforcement system must be posted with a sign indicating that the school bus is being monitored by an automated traffic law enforcement system.

(m) A municipality or county that has one or more school buses equipped with an automated traffic law enforcement system must provide notice to drivers by posting a list of school districts using school buses equipped with an automated traffic law enforcement system on the municipality or county website. School districts that have one or more school buses equipped with an automated traffic law enforcement system must provide notice to drivers by posting that information on their websites.

(n) A municipality or county operating an automated traffic law enforcement system shall conduct a statistical analysis to assess the safety impact in each school district using school buses equipped with an automated traffic law enforcement system following installation of the system. The statistical analysis shall be based upon the best available crash, traffic, and other data, and shall cover a period of time before and after installation of the system sufficient to provide a statistically valid comparison of safety impact. The statistical analysis shall be consistent with professional judgment and acceptable industry practice. The statistical analysis also shall be consistent with the data required for valid comparisons of before and after conditions and shall be conducted within a reasonable period following the installation of the automated traffic law enforcement system. The statistical analysis required by this subsection shall be made available to the public and shall be published on the website of the municipality or county. If the statistical analysis for the 36-month period following installation of the system indicates that there has been an increase in the rate of accidents at the approach to school buses monitored by the system, the municipality or county shall undertake additional studies to determine the cause and severity of the accidents, and may take any action that it determines is necessary or appropriate to reduce the number or severity of the accidents involving school buses equipped with an automated traffic law enforcement system.

(o) The compensation paid for an automated traffic law enforcement system must be based on the value of the equipment or the services provided and may not be based on the number of traffic citations issued or the revenue generated by the system.

(p) No person who is the lessor of a motor vehicle pursuant to a written lease agreement shall be liable for an automated speed or traffic law enforcement system violation involving such motor vehicle during the period of the lease; provided that upon the request of the appropriate authority received within 120 days after the violation occurred, the lessor provides within 60 days after such receipt the name and address of the lessee. The drivers license number of a lessee may be subsequently individually requested by the appropriate authority if needed for enforcement of this Section.

Upon the provision of information by the lessor pursuant to this subsection, the county or municipality may issue the violation to the lessee of the vehicle in the same manner as it would issue a violation to a registered owner of a vehicle pursuant to this Section, and the lessee may be held liable for the violation.

(q) A municipality or county shall make a certified report to the Secretary of State pursuant to Section 6-306.5 of this Code whenever a registered owner of a vehicle has failed to pay any fine or penalty due and owing as a result of a combination of 5 offenses for automated traffic law or speed enforcement system violations.

(r) After a municipality or county enacts an ordinance providing for automated traffic law enforcement systems under this Section, each school district within that municipality or county's jurisdiction may implement an automated traffic law enforcement system under this Section. The elected school board for that district must approve the implementation of an automated traffic law enforcement system. The school district shall be responsible for entering into a contract, approved by the elected school board of that district, with vendors for the installation, maintenance, and operation of the automated traffic law enforcement system. The school district must enter into an intergovernmental agreement, approved by the

elected school board of that district, with the municipality or county with jurisdiction over that school district for the administration of the automated traffic law enforcement system. The proceeds from a school district's automated traffic law enforcement system's fines shall be divided equally between the school district and the municipality or county administering the automated traffic law enforcement system.

(s) A citation issued under this Section that is dismissed with respect to the registered owner of a vehicle under subsection (e) of Section 30 of the Renter's Financial Responsibility and Protection Act may be issued and delivered by mail or other means to a car facilitation company identified in the registered owner's affidavit of non-liability.

(Source: P.A. 98-556, eff. 1-1-14.)

(625 ILCS 5/11-1201.1)

Sec. 11-1201.1. Automated Railroad Crossing Enforcement System.

(a) For the purposes of this Section, an automated railroad grade crossing enforcement system is a system in a municipality or county operated by a governmental agency that produces a recorded image of a motor vehicle's violation of a provision of this Code or local ordinance and is designed to obtain a clear recorded image of the vehicle and vehicle's license plate. The recorded image must also display the time, date, and location of the violation.

As used in this Section, "recorded images" means images recorded by an automated railroad grade crossing enforcement system on:

- (1) 2 or more photographs;
- (2) 2 or more microphotographs;
- (3) 2 or more electronic images; or
- (4) a video recording showing the motor vehicle and, on at least one image or portion of the recording, clearly identifying the registration plate number of the motor vehicle.

(b) The Illinois Commerce Commission may, in cooperation with a local law enforcement agency, establish in any county or municipality an automated railroad grade crossing enforcement system at any railroad grade crossing equipped with a crossing gate designated by local authorities. Local authorities desiring the establishment of an automated railroad crossing enforcement system must initiate the process by enacting a local ordinance requesting the creation of such a system. After the ordinance has been enacted, and before any additional steps toward the establishment of the system are undertaken, the local authorities and the Commission must agree to a plan for obtaining, from any combination of federal, State, and local funding sources, the moneys required for the purchase and installation of any necessary equipment.

(b-1) (Blank.)

(c) For each violation of Section 11-1201 of this Code or a local ordinance recorded by an automated railroad grade crossing enforcement system, the county or municipality having jurisdiction shall issue a written notice of the violation to the registered owner of the vehicle as the alleged violator. The notice shall be delivered to the registered owner of the vehicle, by mail, no later than 90 days after the violation.

The notice shall include:

- (1) the name and address of the registered owner of the vehicle;
- (2) the registration number of the motor vehicle involved in the violation;
- (3) the violation charged;
- (4) the location where the violation occurred;
- (5) the date and time of the violation;
- (6) a copy of the recorded images;
- (7) the amount of the civil penalty imposed and the date by which the civil penalty should be paid;
- (8) a statement that recorded images are evidence of a violation of a railroad grade crossing;
- (9) a warning that failure to pay the civil penalty or to contest liability in a timely manner is an admission of liability and may result in a suspension of the driving privileges of the registered owner of the vehicle; and
- (10) a statement that the person may elect to proceed by:
  - (A) paying the fine; or
  - (B) challenging the charge in court, by mail, or by administrative hearing.

(d) If a person charged with a traffic violation, as a result of an automated railroad grade crossing enforcement system, does not pay or successfully contest the civil penalty resulting from that violation, the Secretary of State shall suspend the driving privileges of the registered owner of the vehicle under Section 6-306.5 of this Code for failing to pay any fine or penalty due and owing as a result of 5 violations of the automated railroad grade crossing enforcement system.

(d-1) (Blank.)

(d-2) (Blank.)

(e) Based on inspection of recorded images produced by an automated railroad grade crossing enforcement system, a notice alleging that the violation occurred shall be evidence of the facts contained in the notice and admissible in any proceeding alleging a violation under this Section.

(e-1) Recorded images made by an automated railroad grade crossing enforcement system are confidential and shall be made available only to the alleged violator and governmental and law enforcement agencies for purposes of adjudicating a violation of this Section, for statistical purposes, or for other governmental purposes. Any recorded image evidencing a violation of this Section, however, may be admissible in any proceeding resulting from the issuance of the citation.

(e-2) The court or hearing officer may consider the following in the defense of a violation:

(1) that the motor vehicle or registration plates of the motor vehicle were stolen before the violation occurred and not under the control of or in the possession of the owner at the time of the violation;

(2) that the driver of the motor vehicle received a Uniform Traffic Citation from a police officer at the time of the violation for the same offense;

(3) any other evidence or issues provided by municipal or county ordinance.

(e-3) To demonstrate that the motor vehicle or the registration plates were stolen before the violation occurred and were not under the control or possession of the owner at the time of the violation, the owner must submit proof that a report concerning the stolen motor vehicle or registration plates was filed with a law enforcement agency in a timely manner.

(f) Rail crossings equipped with an automatic railroad grade crossing enforcement system shall be posted with a sign visible to approaching traffic stating that the railroad grade crossing is being monitored, that citations will be issued, and the amount of the fine for violation.

(g) The compensation paid for an automated railroad grade crossing enforcement system must be based on the value of the equipment or the services provided and may not be based on the number of citations issued or the revenue generated by the system.

(h) (Blank.)

(i) If any part or parts of this Section are held by a court of competent jurisdiction to be unconstitutional, the unconstitutionality shall not affect the validity of the remaining parts of this Section. The General Assembly hereby declares that it would have passed the remaining parts of this Section if it had known that the other part or parts of this Section would be declared unconstitutional.

(j) Penalty. A civil fine of \$250 shall be imposed for a first violation of this Section, and a civil fine of \$500 shall be imposed for a second or subsequent violation of this Section.

(k) A citation issued under this Section that is dismissed with respect to the registered owner of a vehicle under subsection (e) of Section 30 of the Renter's Financial Responsibility and Protection Act may be issued and delivered by mail or other means to a car facilitation company identified in the registered owner's affidavit of non-liability.

(Source: P.A. 96-478, eff. 1-1-10.)

Section 35. If and only if Senate Bill 2641 of the 100th General Assembly, as amended by House Amendment No. 3 and House Amendment No. 4, becomes law, then the Automated Traffic Control Systems in Highway Construction or Maintenance Zones Act is amended by changing Section 45 as follows:

(625 ILCS 7/45)

Sec. 45. Vehicle rental or leasing company's identification of a renter or lessee.

(a) A Uniform Traffic Citation issued under this Act to a motor vehicle rental or leasing company shall be dismissed with respect to the rental or leasing company if:

(1) the company responds to the Uniform Traffic Citation by submitting, within 30 days of the mailing of the citation, an affidavit of non-liability stating that, at the time of the alleged speeding or other traffic violation, the vehicle was in the custody and control of a renter or lessee under the terms of a rental agreement or lease; and

(2) the company provides the driver's license number, name, and address of the renter or lessee.

(a-5) A Uniform Traffic Citation issued under this Act to the registered owner of a vehicle used in a car facilitation transaction, as defined in Section 1-110.06 of the Illinois Vehicle Code, shall be dismissed with respect to the registered owner if:

(1) the registered owner responds to the Uniform Traffic Citation by submitting, within

30 days of the mailing of the citation, an affidavit of non-liability stating that, at the time of the alleged speeding or other traffic violation, the vehicle was under the operation and control of a person other than the vehicle's registered owner under a car facilitation transaction facilitated by a car facilitation company; and

(2) the registered owner provides proof of the transaction facilitated by the car facilitation company between the registered owner of the vehicle and the driver of the vehicle during the alleged violation.

(b) A Uniform Traffic Citation dismissed with respect to a motor vehicle rental or leasing company in accordance with subsection (a) may then be issued and delivered by mail or other means to the renter or lessee identified in the affidavit of non-liability.

(c) A Uniform Traffic Citation that is dismissed with respect to the registered owner of a vehicle under subsection (a-5) may be issued and delivered by mail or other means to the car facilitation company identified in the registered owner's affidavit of non-liability.

(Source: 10000SB2641ham003.)

Section 40. If and only if Senate Bill 2641 of the 100th General Assembly, as amended by House Amendment No. 3 and House Amendment No. 4, becomes law, then the Renter's Financial Responsibility and Protection Act is amended by changing Section 30 as follows:

(625 ILCS 27/30)

Sec. 30. Car facilitation company obligations and liability.

(a) Notwithstanding any provision to the contrary, a rental company that is a car facilitation company shall, when applicable, be subject to the statutory and regulatory obligations pertaining to all motor vehicle rental companies.

(b) If any loss or injury occurs at any time a vehicle is under the operation and control of a person other than the vehicle's registered owner under a car facilitation transaction facilitated by a car facilitation company, the company shall assume all liability of the registered owner of the vehicle used in the car facilitation transaction and shall be considered the vehicle's owner for all purposes.

(c) A car facilitation company continues to be liable under subsection (b) of this Section until the vehicle is returned to a location designated by the company, and one of the following occur:

(1) the expiration of the car facilitation period established for the vehicle occurs;

(2) the intent to terminate the vehicle's car facilitation transaction is verifiably communicated to the company; or

(3) the vehicle's registered owner takes possession and control of the vehicle.

If any loss giving rise to a claim occurs, the car facilitation company shall initially assume liability for a claim in which a dispute exists as to who was in control of the vehicle and seek indemnification if it is later determined that the registered owner was in possession of the vehicle.

(d) At no time shall the registered owner of the vehicle or the owner's insurer be held liable for any loss, injury, damage, or violation involving his or her vehicle occurring during a car facilitation transaction unless it is shown that the registered owner was operating or in control of the vehicle at the time of the loss, injury, damage, or violation.

(e) Notwithstanding any provision to the contrary, for the purpose of the issuance of a civil penalty for a violation of Section 11-208.6, 11-208.8, 11-208.9, or 11-1201.1 of the Illinois Vehicle Code, the violation shall be dismissed with respect to the registered owner of the vehicle, and the car facilitation company shall be considered the vehicle's owner for purposes of violation, if:

(1) the registered owner responds to the citation by submitting, within 30 days of the mailing of the citation, an affidavit of non-liability stating that, at the time of the alleged violation, the vehicle was under the operation and control of a person other than the vehicle's registered owner under a car facilitation transaction facilitated by a car facilitation company; and

(2) the registered owner provides proof of the transaction facilitated by the car facilitation company with the driver of his or her vehicle during the alleged violation.

(f) Nothing in this Section shall limit the liability of the car facilitation company for any acts or omissions by the company that result in injury to any persons as a result of the use or operation of a vehicle during a car facilitation transaction.

(g) For the purpose of the allocation of liability for a private passenger vehicle used in relation to a motor vehicle rental company that is a car facilitation company, as defined in Section 1-110.05 of the Illinois Vehicle Code, the car facilitation company shall assume liability if any damaged to the vehicle occurs:

(1) at any time when the vehicle is not in possession of the vehicle's registered owner

and at the car facilitation company's designated location or other location designated for the car facilitation transaction while being made available to rent;

(2) under the operation and control of a person other than the vehicle's registered owner under a car facilitation transaction facilitated by that company; or

(3) at the car facilitation company's designated area or other location designated for the car facilitation transaction not being made available to rent, but not yet in the possession of the vehicle's registered owner.

Nothing in this subsection (g) prevents a car facilitation company from holding a renter in a car facilitation transaction liable to the extent permitted under this Section.

A car facilitation company continues to be liable under this subsection (g) until the end of the car facilitation transaction as described in subsection (c) of this Section or as described in this subsection (g). At no time shall the registered owner of the vehicle or the owner's insurer be liable for any exposure, including negligent entrustment, of the vehicle involved in a car facilitation transaction.

Except as otherwise provided in this Section or in Section 45 of the Automated Traffic Control Systems in Highway Construction or Maintenance Zones Act, nothing in this subsection shall be construed to relieve the registered owner of the vehicle from any liability imposed by any ordinance or resolution of a unit of local government.

(h) Notwithstanding any other law and unless otherwise excluded, an owner's insurer may exclude any and all coverage and the duty to defend or indemnify for any claim made under a car facilitation transaction.

(i) An owner's insurer that defends or indemnifies a claim against its insured that is determined to be excluded under the terms of its policy shall have the right to seek contribution against the insurer of the car facilitation company, if the claim is:

(1) made against the registered owner of the vehicle or renter in the car facilitation transaction for loss or injury that occurs during the car facilitation transaction; and

(2) excluded under the terms of the insurer's policy.

(j) Nothing in this Section invalidates or limits an exclusion contained in an owner's insurance policy for any coverage included in the policy.

(k) An owner's insurer may deny issuance of, cancel, void, terminate, rescind, or deny renewal of an insurance policy covering a motor vehicle that has been made available for a car facilitation transaction if the applicant or policyholder of the insurance policy fails to provide complete and accurate information about the use of a motor vehicle through a car facilitation transaction as requested by the insurer during the application or renewal process of the insurance policy.

(l) Nothing in this Section requires any owner's insurance policy to:

(1) provide primary or excess coverage during the car facilitation transaction;

(2) imply that any insurance policy provides coverage for a motor vehicle during the car facilitation transaction; or

(3) preclude an insurer from providing coverage for a vehicle while the vehicle is made available or used through a car facilitation transaction if the insurer elects to do so by contract or endorsement.

(m) The car facilitation company shall collect and verify records pertaining to the use of a vehicle, including, but not limited to, times used, fees paid by the rentor, and revenues received by the vehicle owner, and provide that information upon request to the registered owner of the vehicle, the owner's insurer, or and the insurer of a person operating the vehicle during the car facilitation transaction when a claim has been made against an insured involving a dispute as to whether the insurer's policy of the registered owner of the vehicle or the person operating the vehicle and shall retain the records for a reasonable period after the expiration of the applicable personal injury statute of limitations.

(n) The car facilitation company shall have sole responsibility for any equipment, such as a GPS system or other special equipment, that is put in or on the vehicle to monitor or facilitate the transaction, and shall agree to indemnify and hold harmless the vehicle owner for any damage to or theft of such equipment.

(o) The car facilitation company shall:

(1) verify that the registered vehicle does not have any safety recalls on the vehicle for which the repairs have not been made; and

(2) notify the owner of the registered vehicle of the requirements under subsection (p) of this Section.

(p) If the registered owner of the vehicle has received an actual notice of a safety recall on the motor vehicle, the registered owner of the vehicle may not make the motor vehicle available through the car facilitation company until the safety recall repair has been made.

If a registered owner of a vehicle receives an actual notice of a safety recall on a registered vehicle while the registered vehicle is made available or in use through the car facilitation company, the registered owner of the vehicle shall remove the shared motor vehicle from participation as soon as practicably possible, but no later than 72 hours after receiving the notice of the safety recall and shall not allow the vehicle to be used in a car facilitation transaction until the safety recall repair has been made.

(q) A citation for a violation of Section 11-208.6, 11-208.8, 11-208.9, or 11-1201.1 of the Illinois Vehicle Code that is dismissed with respect to the registered owner of a vehicle under subsection (e) of this Section may be issued and delivered by mail or other means to the car facilitation company identified in the registered owner's affidavit of non-liability.

(Source: 10000SB2641ham003; 10000SB2641ham004.)

Section 99. Effective date. This Act takes effect January 1, 2019."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

### READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Muñoz, **Senate Bill No. 514** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 49; NAYS None; Present 1.

The following voted in the affirmative:

Althoff	Connelly	Martinez	Rose
Anderson	Fowler	McCann	Sandoval
Aquino	Haine	McConnaughay	Silverstein
Barickman	Hastings	McGuire	Sims
Bennett	Holmes	Morrison	Stadelman
Bertino-Tarrant	Hunter	Mulroe	Steans
Biss	Hutchinson	Muñoz	Syverson
Bivins	Jones, E.	Murphy	Tracy
Brady	Koehler	Nybo	Van Pelt
Bush	Landek	Oberweis	Weaver
Castro	Lightford	Raoul	
Clayborne	Link	Rezin	
Collins	Manar	Rooney	

The following voted present:

Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Bertino-Tarrant, **Senate Bill No. 2838**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

[May 31, 2018]

Senator Bertino-Tarrant moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Steans
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt
Castro	Landek	Raoul	Weaver
Clayborne	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Connelly	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 2838**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Aquino, **Senate Bill No. 2844**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Aquino moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Steans
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt
Castro	Landek	Raoul	Mr. President
Clayborne	Lightford	Rezin	
Collins	Link	Righter	
Connelly	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2844**.

Ordered that the Secretary inform the House of Representatives thereof.



On motion of Senator Althoff, **Senate Bill No. 2864**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Althoff moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Stears
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt
Castro	Landek	Raoul	Weaver
Clayborne	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Connelly	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2864**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 2904**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Curran	McCann	Schimpf
Anderson	Fowler	McConnaughay	Silverstein
Aquino	Haine	McGuire	Sims
Barickman	Hastings	Morrison	Stadelman
Bennett	Holmes	Mulroe	Stears
Bertino-Tarrant	Hunter	Muñoz	Syverson
Biss	Hutchinson	Murphy	Tracy
Bivins	Jones, E.	Nybo	Van Pelt
Brady	Koehler	Oberweis	Weaver
Bush	Landek	Raoul	Mr. President
Castro	Lightford	Righter	
Clayborne	Link	Rooney	
Collins	Manar	Rose	
Connelly	Martinez	Sandoval	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2904**.

Ordered that the Secretary inform the House of Representatives thereof.

[May 31, 2018]

On motion of Senator Mulroe, **Senate Bill No. 2913**, with House Amendments numbered 1, 2 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Mulroe moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Steans
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt
Castro	Landek	Raoul	Weaver
Clayborne	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Connelly	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 4 to **Senate Bill No. 2913**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator McGuire, **Senate Bill No. 2927**, with House Amendments numbered 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator McGuire moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Steans
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt
Castro	Landek	Raoul	Weaver
Clayborne	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Connelly	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 3 to **Senate Bill No. 2927**.

[May 31, 2018]

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Van Pelt, **Senate Bill No. 2999**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Van Pelt moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Schimpf
Anderson	Curran	McCann	Silverstein
Aquino	Fowler	McConnaughay	Sims
Barickman	Haine	McGuire	Stadelman
Bennett	Hastings	Morrison	Steans
Bertino-Tarrant	Holmes	Mulroe	Syverson
Biss	Hunter	Muñoz	Tracy
Bivins	Hutchinson	Murphy	Van Pelt
Brady	Jones, E.	Nybo	Weaver
Bush	Koehler	Oberweis	Mr. President
Castro	Landek	Raoul	
Clayborne	Lightford	Rezin	
Collins	Link	Rose	
Connelly	Manar	Sandoval	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 2999**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Rose, **Senate Bill No. 3085**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Rose moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 50; NAY 1.

The following voted in the affirmative:

Althoff	Fowler	McCann	Sandoval
Anderson	Haine	McConnaughay	Schimpf
Aquino	Hastings	McGuire	Silverstein
Barickman	Holmes	Morrison	Sims
Bertino-Tarrant	Hunter	Mulroe	Stadelman
Bivins	Hutchinson	Muñoz	Steans
Brady	Jones, E.	Murphy	Syverson
Bush	Koehler	Nybo	Tracy
Clayborne	Landek	Oberweis	Van Pelt
Collins	Lightford	Raoul	Weaver
Connelly	Link	Rezin	Mr. President
Cunningham	Manar	Rooney	
Curran	Martinez	Rose	

The following voted in the negative:

Bennett

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3085**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Castro, **Senate Bill No. 3103**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Castro moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 32; NAYS 14.

The following voted in the affirmative:

Aquino	Haine	Martinez	Sims
Bennett	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Steans
Bush	Hutchinson	Mulroe	Van Pelt
Castro	Jones, E.	Muñoz	Mr. President
Clayborne	Koehler	Murphy	
Collins	Landek	Raoul	
Cunningham	Lightford	Rooney	
Curran	Link	Sandoval	

The following voted in the negative:

Althoff	Connelly	Rezin	Tracy
Barickman	McConnaughay	Rose	Weaver
Bivins	Nybo	Schimpf	
Brady	Oberweis	Syverson	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3103**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Martinez, **Senate Bill No. 3109**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Martinez moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 36; NAYS 10.

The following voted in the affirmative:

Althoff	Haine	McConnaughay	Silverstein
Aquino	Hastings	McGuire	Sims
Bennett	Holmes	Morrison	Stadelman
Bertino-Tarrant	Hunter	Mulroe	Steans
Biss	Hutchinson	Muñoz	Van Pelt
Bush	Jones, E.	Murphy	Mr. President
Castro	Koehler	Nybo	
Clayborne	Landek	Raoul	
Collins	Lightford	Rooney	
Cunningham	Link	Sandoval	

The following voted in the negative:

Barickman	Fowler	Schimpf	Weaver
Bivins	Oberweis	Syverson	
Brady	Rose	Tracy	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3109**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Martinez asked and obtained unanimous consent for the Journal to reflect her intention to have voted in the affirmative on **Senate Bill No. 3109**.

On motion of Senator Collins, **Senate Bill No. 3139**, with House Amendments numbered 1 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Collins moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Curran	McCann	Sandoval
Anderson	Fowler	McConnaughay	Schimpf
Aquino	Haine	McGuire	Silverstein
Barickman	Hastings	Morrison	Sims
Bennett	Holmes	Mulroe	Stadelman
Bertino-Tarrant	Hunter	Muñoz	Steans
Biss	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Van Pelt
Bush	Koehler	Oberweis	Weaver
Castro	Landek	Raoul	Mr. President
Clayborne	Lightford	Rezin	
Collins	Link	Righter	
Connelly	Manar	Rooney	
Cunningham	Martinez	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 3139**.

Ordered that the Secretary inform the House of Representatives thereof.

#### LEGISLATIVE MEASURES FILED

The following Floor amendment to the House Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Amendment No. 2 to House Bill 138

The following Floor amendments to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Amendment No. 1 to Senate Bill 38

Amendment No. 2 to Senate Bill 3577

#### MESSAGE FROM THE PRESIDENT

[May 31, 2018]

OFFICE OF THE SENATE PRESIDENT  
STATE OF ILLINOIS

JOHN J. CULLERTON  
SENATE PRESIDENT

327 STATE CAPITOL  
SPRINGFIELD, IL 62706  
217-782-2728

May 31, 2018

Mr. Tim Anderson  
Secretary of the Senate  
Room 403 State House  
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-5(c), I hereby appoint Senator Mattie Hunter to temporarily replace Senator Don Harmon as a member of the Senate Committee on Assignments. This appointment to the Senate Committee on Assignments will expire upon the end of the day of May 31, 2018.

Sincerely,  
s/John J. Cullerton  
John J. Cullerton  
Senate President

cc: Senate Republican Leader Bill Brady

**REPORT FROM COMMITTEE ON ASSIGNMENTS**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported that the Committee recommends that **Motion to Concur in House Amendments 2 and 3 to Senate Bill No. 904** be re-referred from the Committee on State Government to the Committee on Assignments.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported that the following Legislative Measure has been approved for consideration:

**House Joint Resolution No. 58**

The foregoing resolution was placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported that the following Legislative Measure has been approved for consideration:

**Floor Amendment No. 2 to House Bill 138**

The foregoing floor amendment was placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported that the following Legislative Measures have been approved for consideration:

**Motion to Concur in House Amendment 2 to Senate Bill 336**  
**Motion to Concur in House Amendment 1 to Senate Bill 452**  
**Motion to Concur in House Amendment 1 to Senate Bill 2589**

[May 31, 2018]

**Motion to Concur in House Amendment 2 to Senate Bill 2589**  
**Motion to Concur in House Amendment 1 to Senate Bill 2655**  
**Motion to Concur in House Amendment 1 to Senate Bill 2921**  
**Motion to Concur in House Amendment 1 to Senate Bill 3128**  
**Motion to Concur in House Amendment 2 to Senate Bill 3128**  
**Motion to Concur in House Amendment 3 to Senate Bill 3128**  
**Motion to Concur in House Amendment 1 to Senate Bill 3527**  
**Motion to Concur in House Amendment 3 to Senate Bill 3527**

The foregoing concurrences were placed on the Secretary's Desk.

### HOUSE BILL RECALLED

On motion of Senator Bush, **House Bill No. 138** was recalled from the order of third reading to the order of second reading.

Senator Bush offered the following amendment and moved its adoption:

#### AMENDMENT NO. 1 TO HOUSE BILL 138

AMENDMENT NO. 1. Amend House Bill 138 by replacing everything after the enacting clause with the following:

"Section 5. The State Officials and Employees Ethics Act is amended by changing Sections 20-20, 20-50, 20-85, 20-90, 25-5, 25-10, 25-15, 25-20, 25-50, 25-70, 25-85, 25-90, 25-95, and 50-5 and by adding Section 25-100 as follows:

(5 ILCS 430/20-20)

Sec. 20-20. Duties of the Executive Inspectors General. In addition to duties otherwise assigned by law, each Executive Inspector General shall have the following duties:

(1) To receive and investigate allegations of violations of this Act. An investigation may not be initiated more than one year after the most recent act of the alleged violation or of a series of alleged violations except where there is reasonable cause to believe that fraudulent concealment has occurred. To constitute fraudulent concealment sufficient to toll this limitations period, there must be an affirmative act or representation calculated to prevent discovery of the fact that a violation has occurred. The Executive Inspector General shall have the discretion to determine the appropriate means of investigation as permitted by law.

(2) To request information relating to an investigation from any person when the Executive Inspector General deems that information necessary in conducting an investigation.

(3) To issue subpoenas to compel the attendance of witnesses for the purposes of testimony and production of documents and other items for inspection and copying and to make service of those subpoenas and subpoenas issued under item (7) of Section 20-15.

(4) To submit reports as required by this Act.

(5) To file pleadings in the name of the Executive Inspector General with the Executive Ethics Commission, through the Attorney General, as provided in this Article if the Attorney General finds that reasonable cause exists to believe that a violation has occurred.

(6) To assist and coordinate the ethics officers for State agencies under the jurisdiction of the Executive Inspector General and to work with those ethics officers.

(7) To participate in or conduct, when appropriate, multi-jurisdictional investigations.

(8) To request, as the Executive Inspector General deems appropriate, from ethics officers of State agencies under his or her jurisdiction, reports or information on (i) the content of a State agency's ethics training program and (ii) the percentage of new officers and employees who have completed ethics training.

(9) To review hiring and employment files of each State agency within the Executive Inspector General's jurisdiction to ensure compliance with *Rutan v. Republican Party of Illinois*, 497 U.S. 62 (1990), and with all applicable employment laws.

(10) To establish a policy that ensures the appropriate handling and correct recording of all investigations conducted by the Office, and to ensure that the policy is accessible via the Internet in order that those seeking to report those allegations are familiar with the process and that the subjects of those allegations are treated fairly.

[May 31, 2018]

(11) To post information to the Executive Inspector General's website explaining to complainants and subjects of an investigation the legal limitations on the Executive Inspector General's ability to provide information to them and a general overview of the investigation process.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/20-50)

Sec. 20-50. Investigation reports.

(a) If an Executive Inspector General, upon the conclusion of an investigation, determines that reasonable cause exists to believe that a violation has occurred, then the Executive Inspector General shall issue a summary report of the investigation. The report shall be delivered to the appropriate ultimate jurisdictional authority and to the head of each State agency affected by or involved in the investigation, if appropriate. The appropriate ultimate jurisdictional authority or agency head shall respond to the summary report within 20 days, in writing, to the Executive Inspector General. The response shall include a description of any corrective or disciplinary action to be imposed. If the appropriate ultimate jurisdictional authority does not respond within 20 days, or within an extended time period as agreed to by the Executive Inspector General, an Executive Inspector General may proceed under subsection (c) as if a response had been received.

(b) The summary report of the investigation shall include the following:

(1) A description of any allegations or other information received by the Executive Inspector General pertinent to the investigation.

(2) A description of any alleged misconduct discovered in the course of the investigation.

(3) Recommendations for any corrective or disciplinary action to be taken in response to any alleged misconduct described in the report, including but not limited to discharge.

(4) Other information the Executive Inspector General deems relevant to the investigation or resulting recommendations.

(c) Within 30 days after receiving a response from the appropriate ultimate jurisdictional authority or agency head under subsection (a), the Executive Inspector General shall notify the Commission and the Attorney General if the Executive Inspector General believes that a complaint should be filed with the Commission. If the Executive Inspector General desires to file a complaint with the Commission, the Executive Inspector General shall submit the summary report and supporting documents to the Attorney General. If the Attorney General concludes that there is insufficient evidence that a violation has occurred, the Attorney General shall notify the Executive Inspector General and the Executive Inspector General shall deliver to the Executive Ethics Commission a copy of the summary report and response from the ultimate jurisdictional authority or agency head. If the Attorney General determines that reasonable cause exists to believe that a violation has occurred, then the Executive Inspector General, represented by the Attorney General, may file with the Executive Ethics Commission a complaint. The complaint shall set forth the alleged violation and the grounds that exist to support the complaint. The complaint must be filed with the Commission within 18 months after the most recent act of the alleged violation or of a series of alleged violations except where there is reasonable cause to believe that fraudulent concealment has occurred. To constitute fraudulent concealment sufficient to toll this limitations period, there must be an affirmative act or representation calculated to prevent discovery of the fact that a violation has occurred. If a complaint is not filed with the Commission within 6 months after notice by the Inspector General to the Commission and the Attorney General, then the Commission may set a meeting of the Commission at which the Attorney General shall appear and provide a status report to the Commission.

(c-5) Within 30 days after receiving a response from the appropriate ultimate jurisdictional authority or agency head under subsection (a), if the Executive Inspector General does not believe that a complaint should be filed, the Executive Inspector General shall deliver to the Executive Ethics Commission a statement setting forth the basis for the decision not to file a complaint and a copy of the summary report and response from the ultimate jurisdictional authority or agency head. An Inspector General may also submit a redacted version of the summary report and response from the ultimate jurisdictional authority if the Inspector General believes either contains information that, in the opinion of the Inspector General, should be redacted prior to releasing the report, may interfere with an ongoing investigation, or identifies an informant or complainant.

(c-10) If, after reviewing the documents, the Commission believes that further investigation is warranted, the Commission may request that the Executive Inspector General provide additional information or conduct further investigation. The Commission may also appoint a Special Executive Inspector General to investigate or refer the summary report and response from the ultimate jurisdictional authority to the Attorney General for further investigation or review. If the Commission requests the Attorney General to investigate or review, the Commission must notify the Attorney General and the

[May 31, 2018]



Inspector General. The Attorney General may not begin an investigation or review until receipt of notice from the Commission. If, after review, the Attorney General determines that reasonable cause exists to believe that a violation has occurred, then the Attorney General may file a complaint with the Executive Ethics Commission. If the Attorney General concludes that there is insufficient evidence that a violation has occurred, the Attorney General shall notify the Executive Ethics Commission and the appropriate Executive Inspector General.

(d) A copy of the complaint filed with the Executive Ethics Commission must be served on all respondents named in the complaint and on each respondent's ultimate jurisdictional authority in the same manner as process is served under the Code of Civil Procedure.

(e) A respondent may file objections to the complaint within 30 days after notice of the petition has been served on the respondent.

(f) The Commission shall meet, either in person or by telephone, at least 30 days after the complaint is served on all respondents in a closed session to review the sufficiency of the complaint. The Commission shall issue notice by certified mail, return receipt requested, to the Executive Inspector General, Attorney General, and all respondents of the Commission's ruling on the sufficiency of the complaint. If the complaint is deemed to sufficiently allege a violation of this Act, then the Commission shall include a hearing date scheduled within 4 weeks after the date of the notice, unless all of the parties consent to a later date. If the complaint is deemed not to sufficiently allege a violation, then the Commission shall send by certified mail, return receipt requested, a notice to the Executive Inspector General, Attorney General, and all respondents of the decision to dismiss the complaint.

(g) On the scheduled date the Commission shall conduct a closed meeting, either in person or, if the parties consent, by telephone, on the complaint and allow all parties the opportunity to present testimony and evidence. All such proceedings shall be transcribed.

(h) Within an appropriate time limit set by rules of the Executive Ethics Commission, the Commission shall (i) dismiss the complaint, (ii) issue a recommendation of discipline to the respondent and the respondent's ultimate jurisdictional authority, (iii) impose an administrative fine upon the respondent, (iv) issue injunctive relief as described in Section 50-10, or (v) impose a combination of (ii) through (iv).

(i) The proceedings on any complaint filed with the Commission shall be conducted pursuant to rules promulgated by the Commission.

(j) The Commission may designate hearing officers to conduct proceedings as determined by rule of the Commission.

(k) In all proceedings before the Commission, the standard of proof is by a preponderance of the evidence.

(l) Within 30 days after the issuance of a final administrative decision that concludes that a violation occurred, the Executive Ethics Commission shall make public the entire record of proceedings before the Commission, the decision, any recommendation, any discipline imposed, and the response from the agency head or ultimate jurisdictional authority to the Executive Ethics Commission.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/20-85)

Sec. 20-85. Monthly reports by Executive Inspector General. Each Executive Inspector General shall submit monthly reports to the appropriate executive branch constitutional officer, on dates determined by the executive branch constitutional officer, indicating:

(1) the total number of allegations received since the date of the last report and the total number of allegations received since the date of the last report by category of claim;

(2) the total number of investigations initiated since the date of the last report and the total number of investigations initiated since the date of the last report by category of claim;

(3) the total number of investigations concluded since the date of the last report and the total number of investigations concluded since the date of the last report by category of claim;

(4) the total number of investigations pending as of the reporting date and the total number of investigations pending as of the reporting date by category of claim;

(5) the total number of complaints forwarded to the Attorney General since the date of the last report;

(6) the total number of actions filed with the Executive Ethics Commission since the date of the last report, and the total number of actions pending before the Executive Ethics Commission as of the reporting date, the total number of actions filed with the Executive Ethics Commission since the date of the last report by category of claim, and the total number of actions pending before the Executive Ethics Commission as of the reporting date by category of claim; and

(7) the total number of allegations referred to any law enforcement agency since the date of the last report; -

(8) the total number of allegations referred to another investigatory body since the date of the last report; and

(9) the cumulative number of each of the foregoing for the current calendar year.

For the purposes of this Section, "category of claim" shall include discrimination claims, harassment claims, sexual harassment claims, retaliation claims, gift ban claims, prohibited political activity claims, revolving door prohibition claims, and other, miscellaneous, or uncharacterized claims.

The monthly report shall be available on the websites of the Executive Inspector General and the constitutional officer.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/20-90)

Sec. 20-90. Confidentiality.

(a) The identity of any individual providing information or reporting any possible or alleged misconduct to an Executive Inspector General or the Executive Ethics Commission shall be kept confidential and may not be disclosed without the consent of that individual, unless the individual consents to disclosure of his or her name or disclosure of the individual's identity is otherwise required by law. The confidentiality granted by this subsection does not preclude the disclosure of the identity of a person in any capacity other than as the source of an allegation.

(b) Subject to the provisions of Section 20-52, commissioners, employees, and agents of the Executive Ethics Commission, the Executive Inspectors General, and employees and agents of each Office of an Executive Inspector General, the Attorney General, and the employees and agents of the office of the Attorney General shall keep confidential and shall not disclose information exempted from disclosure under the Freedom of Information Act or by this Act, provided the identity of any individual providing information or reporting any possible or alleged misconduct to the Executive Inspector General for the Governor may be disclosed to an Inspector General appointed or employed by a Regional Transit Board in accordance with Section 75-10.

(c) In his or her discretion, an Executive Inspector General may notify complainants and subjects of an investigation with an update on the status of the respective investigation, including when the investigation is opened and closed.

(Source: P.A. 96-555, eff. 8-18-09; 96-1528, eff. 7-1-11.)

(5 ILCS 430/25-5)

Sec. 25-5. Legislative Ethics Commission.

(a) The Legislative Ethics Commission is created.

(b) The Legislative Ethics Commission shall consist of 8 commissioners appointed 2 each by the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives.

The terms of the initial commissioners shall commence upon qualification. Each appointing authority shall designate one appointee who shall serve for a 2-year term running through June 30, 2005. Each appointing authority shall designate one appointee who shall serve for a 4-year term running through June 30, 2007. The initial appointments shall be made within 60 days after the effective date of this Act.

After the initial terms, commissioners shall serve for 4-year terms commencing on July 1 of the year of appointment and running through June 30 of the fourth following year. Commissioners may be reappointed to one or more subsequent terms.

Vacancies occurring other than at the end of a term shall be filled by the appointing authority only for the balance of the term of the commissioner whose office is vacant.

Terms shall run regardless of whether the position is filled.

(c) The appointing authorities shall appoint commissioners who have experience holding governmental office or employment and may appoint commissioners who are members of the General Assembly as well as commissioners from the general public. A commissioner who is a member of the General Assembly must recuse himself or herself from participating in any matter relating to any investigation or proceeding in which he or she is the subject or is a complainant. A person is not eligible to serve as a commissioner if that person (i) has been convicted of a felony or a crime of dishonesty or moral turpitude, (ii) is, or was within the preceding 12 months, engaged in activities that require registration under the Lobbyist Registration Act, (iii) is a relative of the appointing authority, or (iv) is a State officer or employee other than a member of the General Assembly, or (v) is a candidate for statewide office, federal office, or judicial office.

(c-5) If a commissioner is required to recuse himself or herself from participating in a matter as provided in subsection (c), the recusal shall create a temporary vacancy for the limited purpose of consideration of the matter for which the commissioner recused himself or herself, and the appointing authority for the

recusing commissioner shall make a temporary appointment to fill the vacancy for consideration of the matter for which the commissioner recused himself or herself.

(d) The Legislative Ethics Commission shall have jurisdiction over current and former members of the General Assembly regarding events occurring during a member's term of office and current and former all State employees regarding events occurring during any period of employment where the State employee's whose ultimate jurisdictional authority is (i) a legislative leader, (ii) the Senate Operations Commission, or (iii) the Joint Committee on Legislative Support Services. The jurisdiction of the Commission is limited to matters arising under this Act.

An officer or executive branch State employee serving on a legislative branch board or commission remains subject to the jurisdiction of the Executive Ethics Commission and is not subject to the jurisdiction of the Legislative Ethics Commission.

(e) The Legislative Ethics Commission must meet, either in person or by other technological means, monthly or as often as necessary. At the first meeting of the Legislative Ethics Commission, the commissioners shall choose from their number a chairperson and other officers that they deem appropriate. The terms of officers shall be for 2 years commencing July 1 and running through June 30 of the second following year. Meetings shall be held at the call of the chairperson or any 3 commissioners. Official action by the Commission shall require the affirmative vote of 5 commissioners, and a quorum shall consist of 5 commissioners. Commissioners shall receive no compensation but may be reimbursed for their reasonable expenses actually incurred in the performance of their duties.

(f) No commissioner, other than a commissioner who is a member of the General Assembly, or employee of the Legislative Ethics Commission may during his or her term of appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
- (3) be actively involved in the affairs of any political party or political organization; or
- (4) advocate for the appointment of another person to an appointed or elected office or position or actively participate in any campaign for any elective office.

(f-5) No commissioner who is a member of the General Assembly may be a candidate for statewide office, federal office, or judicial office. If a commissioner who is a member of the General Assembly files petitions to be a candidate for a statewide office, federal office, or judicial office, he or she shall be deemed to have resigned from his or her position as a commissioner on the date his or her name is certified for the ballot by the State Board of Elections or local election authority and his or position as a commissioner shall be deemed vacant. Such person may not be reappointed to the Commission during any time he or she is a candidate for statewide office, federal office, or judicial office.

(g) An appointing authority may remove a commissioner only for cause.

(h) The Legislative Ethics Commission shall appoint an Executive Director subject to the approval of at least 3 of the 4 legislative leaders. The compensation of the Executive Director shall be as determined by the Commission. The Executive Director of the Legislative Ethics Commission may employ, subject to the approval of at least 3 of the 4 legislative leaders, and determine the compensation of staff, as appropriations permit.

(i) In consultation with the Legislative Inspector General, the Legislative Ethics Commission may develop comprehensive training for members and employees under its jurisdiction that includes, but is not limited to, sexual harassment, employment discrimination, and workplace civility. The training may be recommended to the ultimate jurisdictional authorities and may be approved by the Commission to satisfy the sexual harassment training required under Section 5-10.5 or be provided in addition to the annual sexual harassment training required under Section 5-10.5. The Commission may seek input from governmental agencies or private entities for guidance in developing such training.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/25-10)

Sec. 25-10. Office of Legislative Inspector General.

(a) The independent Office of the Legislative Inspector General is created. The Office shall be under the direction and supervision of the Legislative Inspector General and shall be a fully independent office with its own appropriation.

(b) The Legislative Inspector General shall be appointed without regard to political affiliation and solely on the basis of integrity and demonstrated ability. The Legislative Ethics Commission shall diligently search out qualified candidates for Legislative Inspector General and shall make recommendations to the

General Assembly. The Legislative Inspector General may serve in a full-time, part-time, or contractual capacity.

The Legislative Inspector General shall be appointed by a joint resolution of the Senate and the House of Representatives, which may specify the date on which the appointment takes effect. A joint resolution, or other document as may be specified by the Joint Rules of the General Assembly, appointing the Legislative Inspector General must be certified by the Speaker of the House of Representatives and the President of the Senate as having been adopted by the affirmative vote of three-fifths of the members elected to each house, respectively, and be filed with the Secretary of State. The appointment of the Legislative Inspector General takes effect on the day the appointment is completed by the General Assembly, unless the appointment specifies a later date on which it is to become effective.

The Legislative Inspector General shall have the following qualifications:

(1) has not been convicted of any felony under the laws of this State, another state, or the United States;

(2) has earned a baccalaureate degree from an institution of higher education; and

(3) has 5 or more years of cumulative service (A) with a federal, State, or local law enforcement agency, at least 2 years of which have been in a progressive investigatory capacity; (B) as a federal, State, or local prosecutor; (C) as a senior manager or executive of a federal, State, or local agency; (D) as a member, an officer, or a State or federal judge; or (E) representing any combination of (A) through (D).

The Legislative Inspector General may not be a relative of a commissioner.

The term of the initial Legislative Inspector General shall commence upon qualification and shall run through June 30, 2008.

After the initial term, the Legislative Inspector General shall serve for 5-year terms commencing on July 1 of the year of appointment and running through June 30 of the fifth following year. The Legislative Inspector General may be reappointed to one or more subsequent terms. Terms shall run regardless of whether the position is filled.

(b-5) A vacancy occurring other than at the end of a term shall be filled in the same manner as an appointment only for the balance of the term of the Legislative Inspector General whose office is vacant. Within 7 days of the Office becoming vacant or receipt of a Legislative Inspector General's prospective resignation, the vacancy shall be publicly posted on the Commission's website, along with a description of the requirements for the position and where applicants may apply.

Within 45 days of the vacancy, if the Office is vacant, or if a Legislative Inspector General resigns, the Commission shall designate an Acting Legislative Inspector General who shall serve until the vacancy is filled. The Commission shall file the designation in writing with the Secretary of State.

Within 60 days prior to the end of the term of the Legislative Inspector General or within 30 days of the occurrence of a vacancy in the Office of the Legislative Inspector General, the Legislative Ethics Commission shall establish a four-member search committee within the Commission for the purpose of conducting a search for qualified candidates to serve as Legislative Inspector General. The Speaker of the House of Representatives, Minority Leader of the House, Senate President, and Minority Leader of the Senate shall each appoint one member to the search committee. A member of the search committee shall be either a retired judge or former prosecutor and may not be a member or employee of the General Assembly or a registered lobbyist. If the Legislative Ethics Commission wishes to recommend that the Legislative Inspector General be re-appointed, a search committee does not need to be appointed.

The search committee shall conduct a search for qualified candidates, accept applications, and conduct interviews. The search committee shall recommend up to 3 candidates for Legislative Inspector General to the Legislative Ethics Commission. The search committee shall be disbanded upon an appointment of the Legislative Inspector General. Members of the search committee are not entitled to compensation but shall be entitled to reimbursement of reasonable expenses incurred in connection with the performance of their duties.

Within 30 days after the effective date of this amendatory Act of the 100th General Assembly, the Legislative Ethics Commission shall create a search committee in the manner provided for in this subsection to recommend up to 3 candidates for Legislative Inspector General to the Legislative Ethics Commission by October 31, 2018.

If a vacancy exists and the Commission has not appointed an Acting Legislative Inspector General, either the staff of the Office of the Legislative Inspector General, or if there is no staff, the Executive Director, shall advise the Commission of all open investigations and any new allegations or complaints received in the Office of the Inspector General. These reports shall not include the name of any person identified in the allegation or complaint, including, but not limited to, the subject of and the person filing

the allegation or complaint. Notification shall be made to the Commission on a weekly basis unless the Commission approves of a different reporting schedule.

If the Office of the Inspector General is vacant for 6 months or more beginning on or after January 1, 2019, and the Legislative Ethics Commission has not appointed an Acting Legislative Inspector General, all complaints made to the Legislative Inspector General or the Legislative Ethics Commission shall be directed to the Inspector General for the Auditor General, and he or she shall have the authority to act as provided in subsection (c) of this Section and Section 25-20 of this Act, and shall be subject to all laws and rules governing a Legislative Inspector General or Acting Legislative Inspector General. The authority for the Inspector General of the Auditor General under this paragraph shall terminate upon appointment of a Legislative Inspector General or an Acting Legislative Inspector General.

Terms shall run regardless of whether the position is filled.

(c) The Legislative Inspector General shall have jurisdiction over the current and former members of the General Assembly regarding events occurring during a member's term of office and current and former all State employees regarding events occurring during any period of employment where the State employee's whose ultimate jurisdictional authority is (i) a legislative leader, (ii) the Senate Operations Commission, or (iii) the Joint Committee on Legislative Support Services.

The jurisdiction of each Legislative Inspector General is to investigate allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of this Act or violations of other related laws and rules.

(d) The compensation of the Legislative Inspector General shall be the greater of an amount (i) determined by the Commission or (ii) by joint resolution of the General Assembly passed by a majority of members elected in each chamber. Subject to Section 25-45 of this Act, the Legislative Inspector General has full authority to organize the Office of the Legislative Inspector General, including the employment and determination of the compensation of staff, such as deputies, assistants, and other employees, as appropriations permit. Employment of staff is subject to the approval of at least 3 of the 4 legislative leaders.

(e) No Legislative Inspector General or employee of the Office of the Legislative Inspector General may, during his or her term of appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
- (3) be actively involved in the affairs of any political party or political organization; or
- (4) actively participate in any campaign for any elective office.

A full-time Legislative Inspector General shall not engage in the practice of law or any other business, employment, or vocation.

In this subsection an appointed public office means a position authorized by law that is filled by an appointing authority as provided by law and does not include employment by hiring in the ordinary course of business.

(e-1) No Legislative Inspector General or employee of the Office of the Legislative Inspector General may, for one year after the termination of his or her appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any elected public office; or
- (3) hold any appointed State, county, or local judicial office.

(e-2) The requirements of item (3) of subsection (e-1) may be waived by the Legislative Ethics Commission.

(f) The Commission may remove the Legislative Inspector General only for cause. At the time of the removal, the Commission must report to the General Assembly the justification for the removal.

(Source: P.A. 98-631, eff. 5-29-14.)

(5 ILCS 430/25-15)

Sec. 25-15. Duties of the Legislative Ethics Commission. In addition to duties otherwise assigned by law, the Legislative Ethics Commission shall have the following duties:

- (1) To promulgate rules governing the performance of its duties and the exercise of its powers and governing the investigations of the Legislative Inspector General. The rules shall be available on the Commission's website and any proposed changes to the rules must be made available to the public on the Commission's website no less than 7 days before the adoption of the changes. Any person shall be given an opportunity to provide written or oral testimony before the Commission in support of or opposition to proposed rules.
- (2) To conduct administrative hearings and rule on matters brought before the Commission

only upon the receipt of pleadings filed by the Legislative Inspector General and not upon its own prerogative, but may appoint special Legislative Inspectors General as provided in Section 25-21. Any other allegations of misconduct received by the Commission from a person other than the Legislative Inspector General shall be referred to the Office of the Legislative Inspector General.

(3) To prepare and publish manuals and guides and, working with the Office of the Attorney General, oversee training of employees under its jurisdiction that explains their duties.

(4) To prepare public information materials to facilitate compliance, implementation, and enforcement of this Act.

(5) To submit reports as required by this Act.

(6) To the extent authorized by this Act, to make rulings, issue recommendations, and impose administrative fines, if appropriate, in connection with the implementation and interpretation of this Act. The powers and duties of the Commission are limited to matters clearly within the purview of this Act.

(7) To issue subpoenas with respect to matters pending before the Commission, subject to the provisions of this Article and in the discretion of the Commission, to compel the attendance of witnesses for purposes of testimony and the production of documents and other items for inspection and copying.

(8) To appoint special Legislative Inspectors General as provided in Section 25-21.

(9) To conspicuously display on the Commission's website the procedures for reporting a violation of this Act, including how to report violations via email or online.

(10) To conspicuously display on the Commission's website any vacancies within the Office of the Legislative Inspector General.

(11) To appoint an Acting Legislative Inspector General in the event of a vacancy in the Office of the Legislative Inspector General.

(Source: P.A. 100-554, eff. 11-16-17.)

(5 ILCS 430/25-20)

Sec. 25-20. Duties of the Legislative Inspector General. In addition to duties otherwise assigned by law, the Legislative Inspector General shall have the following duties:

(1) To receive and investigate allegations of violations of this Act. Except as otherwise provided in paragraph (1.5), an investigation may not be initiated more than one year after the most recent act of the alleged violation or of a series of alleged violations except where there is reasonable cause to believe that fraudulent concealment has occurred. To constitute fraudulent concealment sufficient to toll this limitations period, there must be an affirmative act or representation calculated to prevent discovery of the fact that a violation has occurred. The Legislative Inspector General shall have the discretion to determine the appropriate means of investigation as permitted by law.

(1.5) Notwithstanding any provision of law to the contrary, the Legislative Inspector General, whether appointed by the Legislative Ethics Commission or the General Assembly, may initiate an investigation based on information provided to the Office of the Legislative Inspector General or the Legislative Ethics Commission during the period from December 1, 2014 through November 3, 2017. Any investigation initiated under this paragraph (1.5) must be initiated within one year after the effective date of this amendatory Act of the 100th General Assembly.

Notwithstanding any provision of law to the contrary, the Legislative Inspector General, through the Attorney General, shall have the authority to file a complaint related to any founded violations that occurred during the period December 1, 2014 through November 3, 2017 to the Legislative Ethics Commission, and the Commission shall have jurisdiction to conduct administrative hearings related to any pleadings filed by the Legislative Inspector General, provided the complaint is filed with the Commission no later than 6 months after the summary report is provided to the Attorney General in accordance with subsection (c) of Section 25-50.

(2) To request information relating to an investigation from any person when the Legislative Inspector General deems that information necessary in conducting an investigation.

(3) To issue subpoenas, with the advance approval of the Commission, to compel the attendance of witnesses for the purposes of testimony and production of documents and other items for inspection and copying and to make service of those subpoenas and subpoenas issued under item (7) of Section 25-15.

(4) To submit reports as required by this Act.

(5) To file pleadings in the name of the Legislative Inspector General with the Legislative Ethics Commission, through the Attorney General, as provided in this Article if the Attorney General finds that reasonable cause exists to believe that a violation has occurred.

(6) To assist and coordinate the ethics officers for State agencies under the jurisdiction of the Legislative Inspector General and to work with those ethics officers.

(7) To participate in or conduct, when appropriate, multi-jurisdictional investigations.

(8) To request, as the Legislative Inspector General deems appropriate, from ethics officers of State agencies under his or her jurisdiction, reports or information on (i) the content of a State agency's ethics training program and (ii) the percentage of new officers and employees who have completed ethics training.

(9) To establish a policy that ensures the appropriate handling and correct recording of all investigations of allegations and to ensure that the policy is accessible via the Internet in order that those seeking to report those allegations are familiar with the process and that the subjects of those allegations are treated fairly.

(10) To post information to the Legislative Inspector General's website explaining to complainants and subjects of an investigation the legal limitations on the Legislative Inspector General's ability to provide information to them and a general overview of the investigation process.

(Source: P.A. 100-553, eff. 11-16-17.)

(5 ILCS 430/25-50)

Sec. 25-50. Investigation reports.

(a) If the Legislative Inspector General, upon the conclusion of an investigation, determines that reasonable cause exists to believe that a violation has occurred, then the Legislative Inspector General shall issue a summary report of the investigation. The report shall be delivered to the appropriate ultimate jurisdictional authority, and to the head of each State agency affected by or involved in the investigation, if appropriate, and the member, if any, that is the subject of the report. The appropriate ultimate jurisdictional authority or agency head and the member, if any, that is the subject of the report shall respond to the summary report within 20 days, in writing, to the Legislative Inspector General. If the ultimate jurisdictional authority is the subject of the report, he or she may only respond to the summary report in his or her capacity as the subject of the report and shall not respond in his or her capacity as the ultimate jurisdictional authority. The response shall include a description of any corrective or disciplinary action to be imposed. If the appropriate ultimate jurisdictional authority or the member that is the subject of the report does not respond within 20 days, or within an extended time as agreed to by the Legislative Inspector General, the Legislative Inspector General may proceed under subsection (c) as if a response had been received. A member receiving and responding to a report under this Section shall be deemed to be acting in his or her official capacity.

(b) The summary report of the investigation shall include the following:

(1) A description of any allegations or other information received by the Legislative Inspector General pertinent to the investigation.

(2) A description of any alleged misconduct discovered in the course of the investigation.

(3) Recommendations for any corrective or disciplinary action to be taken in response to any alleged misconduct described in the report, including but not limited to discharge.

(4) Other information the Legislative Inspector General deems relevant to the investigation or resulting recommendations.

(c) Within 30 days after receiving a response from the appropriate ultimate jurisdictional authority or agency head under subsection (a), the Legislative Inspector General shall notify the Commission and the Attorney General if the Legislative Inspector General believes that a complaint should be filed with the Commission. If the Legislative Inspector General desires to file a complaint with the Commission, the Legislative Inspector General shall submit the summary report and supporting documents to the Attorney General. If the Attorney General concludes that there is insufficient evidence that a violation has occurred, the Attorney General shall notify the Legislative Inspector General and the Legislative Inspector General shall deliver to the Legislative Ethics Commission a copy of the summary report and response from the ultimate jurisdictional authority or agency head. If the Attorney General determines that reasonable cause exists to believe that a violation has occurred, then the Legislative Inspector General, represented by the Attorney General, may file with the Legislative Ethics Commission a complaint. The complaint shall set forth the alleged violation and the grounds that exist to support the complaint. Except as provided under subsection (1.5) of Section 20, the complaint must be filed with the Commission within 18 months after the most recent act of the alleged violation or of a series of alleged violations except where there is reasonable cause to believe that fraudulent concealment has occurred. To constitute fraudulent concealment sufficient to toll this limitations period, there must be an affirmative act or representation calculated to prevent discovery of the fact that a violation has occurred. If a complaint is not filed with the Commission within 6 months after notice by the Inspector General to the Commission and the Attorney

General, then the Commission may set a meeting of the Commission at which the Attorney General shall appear and provide a status report to the Commission.

(c-5) Within 30 days after receiving a response from the appropriate ultimate jurisdictional authority or agency head under subsection (a), if the Legislative Inspector General does not believe that a complaint should be filed, the Legislative Inspector General shall deliver to the Legislative Ethics Commission a statement setting forth the basis for the decision not to file a complaint and a copy of the summary report and response from the ultimate jurisdictional authority or agency head. The Inspector General may also submit a redacted version of the summary report and response from the ultimate jurisdictional authority if the Inspector General believes either contains information that, in the opinion of the Inspector General, should be redacted prior to releasing the report, may interfere with an ongoing investigation, or identifies an informant or complainant.

(c-10) If, after reviewing the documents, the Commission believes that further investigation is warranted, the Commission may request that the Legislative Inspector General provide additional information or conduct further investigation. The Commission may also refer the summary report and response from the ultimate jurisdictional authority to the Attorney General for further investigation or review. If the Commission requests the Attorney General to investigate or review, the Commission must notify the Attorney General and the Legislative Inspector General. The Attorney General may not begin an investigation or review until receipt of notice from the Commission. If, after review, the Attorney General determines that reasonable cause exists to believe that a violation has occurred, then the Attorney General may file a complaint with the Legislative Ethics Commission. If the Attorney General concludes that there is insufficient evidence that a violation has occurred, the Attorney General shall notify the Legislative Ethics Commission and the appropriate Legislative Inspector General.

(d) A copy of the complaint filed with the Legislative Ethics Commission must be served on all respondents named in the complaint and on each respondent's ultimate jurisdictional authority in the same manner as process is served under the Code of Civil Procedure.

(e) A respondent may file objections to the complaint within 30 days after notice of the petition has been served on the respondent.

(f) The Commission shall meet, at least 30 days after the complaint is served on all respondents either in person or by telephone, in a closed session to review the sufficiency of the complaint. The Commission shall issue notice by certified mail, return receipt requested, to the Legislative Inspector General, the Attorney General, and all respondents of the Commission's ruling on the sufficiency of the complaint. If the complaint is deemed to sufficiently allege a violation of this Act, then the Commission shall include a hearing date scheduled within 4 weeks after the date of the notice, unless all of the parties consent to a later date. If the complaint is deemed not to sufficiently allege a violation, then the Commission shall send by certified mail, return receipt requested, a notice to the Legislative Inspector General, the Attorney General, and all respondents the decision to dismiss the complaint.

(g) On the scheduled date the Commission shall conduct a closed meeting, either in person or, if the parties consent, by telephone, on the complaint and allow all parties the opportunity to present testimony and evidence. All such proceedings shall be transcribed.

(h) Within an appropriate time limit set by rules of the Legislative Ethics Commission, the Commission shall (i) dismiss the complaint, (ii) issue a recommendation of discipline to the respondent and the respondent's ultimate jurisdictional authority, (iii) impose an administrative fine upon the respondent, (iv) issue injunctive relief as described in Section 50-10, or (v) impose a combination of (ii) through (iv).

(i) The proceedings on any complaint filed with the Commission shall be conducted pursuant to rules promulgated by the Commission.

(j) The Commission may designate hearing officers to conduct proceedings as determined by rule of the Commission.

(k) In all proceedings before the Commission, the standard of proof is by a preponderance of the evidence.

(l) Within 30 days after the issuance of a final administrative decision that concludes that a violation occurred, the Legislative Ethics Commission shall make public the entire record of proceedings before the Commission, the decision, any recommendation, any discipline imposed, and the response from the agency head or ultimate jurisdictional authority to the Legislative Ethics Commission.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/25-70)

Sec. 25-70. Cooperation in investigations. It is the duty of every officer and employee under the jurisdiction of the Legislative Inspector General, including any inspector general serving in any State agency under the jurisdiction of the Legislative Inspector General, to cooperate with the Legislative Inspector General and the Attorney General in any investigation undertaken pursuant to this Act. Failure



to cooperate includes, but is not limited to, intentional omissions and knowing false statements. Failure to cooperate with an investigation of the Legislative Inspector General or the Attorney General is grounds for disciplinary action, including dismissal. Nothing in this Section limits or alters a person's existing rights or privileges under State or federal law.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/25-85)

Sec. 25-85. Quarterly reports by the Legislative Inspector General. The Legislative Inspector General shall submit quarterly reports of claims within his or her jurisdiction filed with the Office of the Legislative Inspector General to the General Assembly and the Legislative Ethics Commission, on dates determined by the Legislative Ethics Commission, indicating:

(1) the total number of allegations received since the date of the last report and the total number of allegations received since the date of the last report by category of claim;

(2) the total number of investigations initiated since the date of the last report and the total number of investigations initiated since the date of the last report by category of claim;

(3) the total number of investigations concluded since the date of the last report and the total number of investigations concluded since the date of the last report by category of claim;

(4) the total number of investigations pending as of the reporting date and the total number of investigations pending as of the reporting date by category of claim;

(5) the total number of complaints forwarded to the Attorney General since the date of the last report; ~~and~~

(6) the total number of actions filed with the Legislative Ethics Commission since the date of the last report, ~~and the total number of actions pending before the Legislative Ethics Commission as of the reporting date, the total number of actions filed with the Legislative Ethics Commission since the date of the last report by category of claim, and the total number of actions pending before the Legislative Ethics Commission as of the reporting date by category of claim;~~

(7) the number of allegations referred to any law enforcement agency since the date of the last report;

(8) the total number of allegations referred to another investigatory body since the date of the last report; and

(9) the cumulative number of each of the foregoing for the current calendar year.

For the purposes of this Section, "category of claim" shall include discrimination claims, harassment claims, sexual harassment claims, retaliation claims, gift ban claims, prohibited political activity claims, revolving door prohibition claims, and other, miscellaneous, or uncharacterized claims.

The quarterly report shall be available on the website of the Legislative Inspector General.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/25-90)

Sec. 25-90. Confidentiality.

(a) The identity of any individual providing information or reporting any possible or alleged misconduct to the Legislative Inspector General or the Legislative Ethics Commission shall be kept confidential and may not be disclosed without the consent of that individual, unless the individual consents to disclosure of his or her name or disclosure of the individual's identity is otherwise required by law. The confidentiality granted by this subsection does not preclude the disclosure of the identity of a person in any capacity other than as the source of an allegation.

(b) Subject to the provisions of Section 25-50(c), commissioners, employees, and agents of the Legislative Ethics Commission, the Legislative Inspector General, and employees and agents of the Office of the Legislative Inspector General shall keep confidential and shall not disclose information exempted from disclosure under the Freedom of Information Act or by this Act.

(c) In his or her discretion, the Legislative Inspector General may notify complainants and subjects of an investigation with an update on the status of the respective investigation, including when the investigation is opened and closed.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/25-95)

Sec. 25-95. Exemptions.

(a) Documents generated by an ethics officer under this Act, except Section 5-50, are exempt from the provisions of the Freedom of Information Act.

(a-5) Requests from ethics officers, members, and State employees to the Office of the Legislative Inspector General, a Special Legislative Inspector General, the Legislative Ethics Commission, an ethics officer, or a person designated by a legislative leader for guidance on matters involving the interpretation or application of this Act or rules promulgated under this Act are exempt from the provisions of the Freedom of Information Act. Guidance provided to an ethics officer, member, or State employee at the

request of an ethics officer, member, or State employee by the Office of the Legislative Inspector General, a Special Legislative Inspector General, the Legislative Ethics Commission, an ethics officer, or a person designated by a legislative leader on matters involving the interpretation or application of this Act or rules promulgated under this Act is exempt from the provisions of the Freedom of Information Act.

(b) Summary investigation reports released by the Legislative Ethics Commission as provided in Section 25-52 are public records. Otherwise, any allegations and related documents submitted to the Legislative Inspector General and any pleadings and related documents brought before the Legislative Ethics Commission are exempt from the provisions of the Freedom of Information Act so long as the Legislative Ethics Commission does not make a finding of a violation of this Act. If the Legislative Ethics Commission finds that a violation has occurred, the entire record of proceedings before the Commission, the decision and recommendation, and the mandatory report from the agency head or ultimate jurisdictional authority to the Legislative Ethics Commission are not exempt from the provisions of the Freedom of Information Act but information contained therein that is exempt from the Freedom of Information Act must be redacted before disclosure as provided in Section 8 of the Freedom of Information Act.

(c) Meetings of the Commission are exempt from the provisions of the Open Meetings Act.

(d) Unless otherwise provided in this Act, all investigatory files and reports of the Office of the Legislative Inspector General, other than ~~quarterly~~ ~~monthly~~ reports under Section 25-85, are confidential, are exempt from disclosure under the Freedom of Information Act, and shall not be divulged to any person or agency, except as necessary (i) to the appropriate law enforcement authority if the matter is referred pursuant to this Act, (ii) to the ultimate jurisdictional authority, or (iii) to the Legislative Ethics Commission, or (iv) to the Executive Director of the Legislative Ethics Commission to the extent necessary to advise the Commission of all open investigations and any new allegations or complaints received in the Office of the Inspector General when there is a vacancy in the Office of Inspector General pursuant to subparagraph (b-5) of Section 25-10.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/25-100 new)

Sec. 25-100. Reports.

(a) Within 30 days of the effective date of this amendatory Act of the 100th General Assembly, for the period beginning November 4, 2017 until the date of the report, the Legislative Ethics Commission shall issue a report to the General Assembly containing the following information: (i) the total number of summary reports that the Inspector General requested be published; (ii) the total number of summary reports that the Inspector General closed without a request to be published; (iii) the total number of summary reports that the Commission agreed to publish; (iv) the total number of summary reports that the Commission did not agree to publish; (v) the total number of investigations that the Inspector General requested to open; and (vi) the total number of investigations that the Commission did not allow the Inspector General to open.

(b) The Legislative Ethics Commission shall issue a quarterly report to the General Assembly within 30 days after the end of each quarter containing the following information for the preceding quarter: (i) the total number of summary reports that the Inspector General requested be published; (ii) the total number of summary reports that the Inspector General closed without a request to be published; (iii) the total number of summary reports that the Commission agreed to publish; (iv) the total number of summary reports that the Commission did not agree to publish; (v) the total number of investigations that the Inspector General requested to open; and (vi) the total number of investigations that the Commission did not allow the Inspector General to open.

(c) The reports to the General Assembly under this Section shall be provided to the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(5 ILCS 430/50-5)

Sec. 50-5. Penalties.

(a) A person is guilty of a Class A misdemeanor if that person intentionally violates any provision of Section 5-15, 5-30, 5-40, or 5-45 or Article 15.

(a-1) An ethics commission may levy an administrative fine for a violation of Section 5-45 of this Act of up to 3 times the total annual compensation that would have been obtained in violation of Section 5-45.

(b) A person who intentionally violates any provision of Section 5-20, 5-35, 5-50, or 5-55 is guilty of a business offense subject to a fine of at least \$1,001 and up to \$5,000.

(c) A person who intentionally violates any provision of Article 10 is guilty of a business offense and subject to a fine of at least \$1,001 and up to \$5,000.

(d) Any person who intentionally makes a false report alleging a violation of any provision of this Act to an ethics commission, an inspector general, the State Police, a State's Attorney, the Attorney General, or any other law enforcement official is guilty of a Class A misdemeanor.

(e) An ethics commission may levy an administrative fine of up to \$5,000 against any person who violates this Act, who intentionally obstructs or interferes with an investigation conducted under this Act by an inspector general, or who intentionally makes a false, frivolous, or bad faith allegation.

(f) In addition to any other penalty that may apply, whether criminal or civil, a State employee who intentionally violates any provision of Section 5-5, 5-15, 5-20, 5-30, 5-35, 5-45, or 5-50, Article 10, Article 15, or Section 20-90 or 25-90 is subject to discipline or discharge by the appropriate ultimate jurisdictional authority.

(g) Any person who violates Section 5-65 is subject to a fine of up to \$5,000 per offense, and is subject to discipline or discharge by the appropriate ultimate jurisdictional authority. Each violation of Section 5-65 is a separate offense. Any penalty imposed by an ethics commission shall be separate and distinct from any fines or penalties imposed by a court of law or a State or federal agency.

(h) Any natural person or lobbying entity who intentionally violates Section 4.7, or paragraph (d) of Section 5, or subsection (a-5) of Section 11 of the Lobbyist Registration Act is guilty of a business offense and shall be subject to a fine of up to \$5,000. The Executive Ethics Commission, after the adjudication of a violation of Section 4.7 of the Lobbyist Registration Act for which an investigation was initiated by the Inspector General appointed by the Secretary of State under Section 14 of the Secretary of State Act, is authorized to strike or suspend the registration under the Lobbyist Registration Act of any person or lobbying entity for which that person is employed for a period of up to 3 years. In addition to any other fine or penalty which may be imposed, the Executive Ethics Commission may also levy an administrative fine of up to \$5,000 for a violation specified under this subsection (h). Any penalty imposed by an ethics commission shall be separate and distinct from any fines or penalties imposed by a court of law or by the Secretary of State under the Lobbyist Registration Act.

(Source: P.A. 100-554, eff. 11-16-17.)

Section 10. The Election Code is amended by adding Section 7-8.03 as follows:

(10 ILCS 5/7-8.03 new)

Sec. 7-8.03. State central committees; discrimination and harassment policies. No later than 90 days after the effective date of this amendatory Act of the 100th General Assembly, each State central committee of an established statewide political party shall establish and maintain a policy that includes, at a minimum: (i) a prohibition on discrimination and harassment; (ii) details on how an individual can report an allegation of discrimination or harassment; (iii) a prohibition on retaliation for reporting discrimination or harassment allegations; and (iv) the consequences of a violation of the prohibition on sexual harassment and the consequences for knowingly making a false report.

A State central committee, or its appropriate designee, shall notify the Board of the adoption of the required policies.

The requirements of this Section shall not prohibit a political committee from considering political affiliation, as permitted by law and the United States Constitution, when hiring or retaining a person as an employee, consultant, independent contractor, or volunteer.

Section 15. The Secretary of State Act is amended by changing Section 14 as follows:

(15 ILCS 305/14)

Sec. 14. Inspector General.

(a) The Secretary of State must, with the advice and consent of the Senate, appoint an Inspector General for the purpose of detection, deterrence, and prevention of fraud, corruption, mismanagement, gross or aggravated misconduct, or misconduct that may be criminal in nature in the Office of the Secretary of State. The Inspector General shall serve a 5-year term. If no successor is appointed and qualified upon the expiration of the Inspector General's term, the Office of Inspector General is deemed vacant and the powers and duties under this Section may be exercised only by an appointed and qualified interim Inspector General until a successor Inspector General is appointed and qualified. If the General Assembly is not in session when a vacancy in the Office of Inspector General occurs, the Secretary of State may appoint an interim Inspector General whose term shall expire 2 weeks after the next regularly scheduled session day of the Senate.

(b) The Inspector General shall have the following qualifications:

- (1) has not been convicted of any felony under the laws of this State, another State, or the United States;
- (2) has earned a baccalaureate degree from an institution of higher education; and

(3) has either (A) 5 or more years of service with a federal, State, or local law enforcement agency, at least 2 years of which have been in a progressive investigatory capacity; (B) 5 or more years of service as a federal, State, or local prosecutor; or (C) 5 or more years of service as a senior manager or executive of a federal, State, or local agency.

(c) The Inspector General may review, coordinate, and recommend methods and procedures to increase the integrity of the Office of the Secretary of State. The duties of the Inspector General shall supplement and not supplant the duties of the Chief Auditor for the Secretary of State's Office or any other Inspector General that may be authorized by law. The Inspector General must report directly to the Secretary of State.

(d) In addition to the authority otherwise provided by this Section, but only when investigating the Office of the Secretary of State, its employees, or their actions for fraud, corruption, mismanagement, gross or aggravated misconduct, or misconduct that may be criminal in nature, the Inspector General is authorized:

(1) To have access to all records, reports, audits, reviews, documents, papers, recommendations, or other materials available that relate to programs and operations with respect to which the Inspector General has responsibilities under this Section.

(2) To make any investigations and reports relating to the administration of the programs and operations of the Office of the Secretary of State that are, in the judgment of the Inspector General, necessary or desirable.

(3) To request any information or assistance that may be necessary for carrying out the duties and responsibilities provided by this Section from any local, State, or federal governmental agency or unit thereof.

(4) To require by subpoena the appearance of witnesses and the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this Section, with the exception of subsection (c) and with the exception of records of a labor organization authorized and recognized under the Illinois Public Labor Relations Act to be the exclusive bargaining representative of employees of the Secretary of State, including, but not limited to, records of representation of employees and the negotiation of collective bargaining agreements. A subpoena may be issued under this paragraph (4) only by the Inspector General and not by members of the Inspector General's staff. A person duly subpoenaed for testimony, documents, or other items who neglects or refuses to testify or produce documents or other items under the requirements of the subpoena shall be subject to punishment as may be determined by a court of competent jurisdiction, unless (i) the testimony, documents, or other items are covered by the attorney-client privilege or any other privilege or right recognized by law or (ii) the testimony, documents, or other items concern the representation of employees and the negotiation of collective bargaining agreements by a labor organization authorized and recognized under the Illinois Public Labor Relations Act to be the exclusive bargaining representative of employees of the Secretary of State. Nothing in this Section limits a person's right to protection against self-incrimination under the Fifth Amendment of the United States Constitution or Article I, Section 10, of the Constitution of the State of Illinois.

(5) To have direct and prompt access to the Secretary of State for any purpose pertaining to the performance of functions and responsibilities under this Section.

(d-5) In addition to the authority otherwise provided by this Section, the Secretary of State Inspector General shall have jurisdiction to investigate complaints and allegations of wrongdoing by any person or entity related to the Lobbyist Registration Act. When investigating those complaints and allegations, the Inspector General is authorized:

(1) To have access to all records, reports, audits, reviews, documents, papers, recommendations, or other materials available that relate to programs and operations with respect to which the Inspector General has responsibilities under this Section.

(2) To request any information or assistance that may be necessary for carrying out the duties and responsibilities provided by this Section from any local, State, or federal governmental agency or unit thereof.

(3) To require by subpoena the appearance of witnesses and the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this Section. A subpoena may be issued under this paragraph (3) only by the Inspector General and not by members of the Inspector General's staff. A person duly subpoenaed for testimony, documents, or other items who neglects or refuses to testify or produce documents or other items under the requirements of the subpoena shall be subject to punishment as may be determined by a court of competent jurisdiction, unless the testimony,

documents, or other items are covered by the attorney-client privilege or any other privilege or right recognized by law. Nothing in this Section limits a person's right to protection against self-incrimination under the Fifth Amendment of the United States Constitution or Section 10 of Article I of the Constitution of the State of Illinois.

(4) To have direct and prompt access to the Secretary of State for any purpose pertaining to the performance of functions and responsibilities under this Section.

(5) As provided in subsection (d) of Section 5 of the Lobbyist Registration Act, to review allegations that an individual required to be registered under the Lobbyist Registration Act has engaged in one or more acts of sexual harassment. Upon completion of that review, the Inspector General shall submit a summary of the review to the Executive Ethics Commission. The Inspector General is authorized to file pleadings with the Executive Ethics Commission, through the Attorney General, if the Attorney General finds that reasonable cause exists to believe that a violation regarding acts of sexual harassment has occurred. The Secretary shall adopt rules setting forth the procedures for the review of such allegations.

(e) The Inspector General may receive and investigate complaints or information concerning the possible existence of an activity constituting a violation of law, rules, or regulations; mismanagement; abuse of authority; or substantial and specific danger to the public health and safety. Any person who knowingly files a false complaint or files a complaint with reckless disregard for the truth or the falsity of the facts underlying the complaint may be subject to discipline as set forth in the rules of the Department of Personnel of the Secretary of State or the Inspector General may refer the matter to a State's Attorney or the Attorney General.

The Inspector General may not, after receipt of a complaint or information, disclose the identity of the source without the consent of the source, unless the Inspector General determines that disclosure of the identity is reasonable and necessary for the furtherance of the investigation.

Any employee who has the authority to recommend or approve any personnel action or to direct others to recommend or approve any personnel action may not, with respect to that authority, take or threaten to take any action against any employee as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

(f) The Inspector General must adopt rules, in accordance with the provisions of the Illinois Administrative Procedure Act, establishing minimum requirements for initiating, conducting, and completing investigations. The rules must establish criteria for determining, based upon the nature of the allegation, the appropriate method of investigation, which may include, but is not limited to, site visits, telephone contacts, personal interviews, or requests for written responses. The rules must also clarify how the Office of the Inspector General shall interact with other local, State, and federal law enforcement investigations.

Any employee of the Secretary of State subject to investigation or inquiry by the Inspector General or any agent or representative of the Inspector General concerning misconduct that is criminal in nature shall have the right to be notified of the right to remain silent during the investigation or inquiry and the right to be represented in the investigation or inquiry by an attorney or a representative of a labor organization that is the exclusive collective bargaining representative of employees of the Secretary of State. Any investigation or inquiry by the Inspector General or any agent or representative of the Inspector General must be conducted with an awareness of the provisions of a collective bargaining agreement that applies to the employees of the Secretary of State and with an awareness of the rights of the employees as set forth in State and federal law and applicable judicial decisions. Any recommendations for discipline or any action taken against any employee by the Inspector General or any representative or agent of the Inspector General must comply with the provisions of the collective bargaining agreement that applies to the employee.

(g) On or before January 1 of each year, the Inspector General shall report to the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives on the types of investigations and the activities undertaken by the Office of the Inspector General during the previous calendar year.

(Source: P.A. 100-554, eff. 11-16-17.)

Section 20. The Legislative Information System Act is amended by adding Section 9 as follows:  
(25 ILCS 145/9 new)

Sec. 9. Information regarding discrimination and harassment. The System shall establish a page for electronic public access on the General Assembly's website that provides information regarding discrimination and harassment, including, but not limited to:

- (1) the name and contact information for the ethics officer for each caucus;  
(2) the name and contact information for the Legislative Inspector General and information on how to file a complaint;  
(3) a direct link to the website of the Department of Human Rights for harassment and discrimination and the Department's hotline phone number; and  
(4) the name and contact information for the chief of staff for each legislative caucus leader.  
A direct link to the page required by this Section shall be included on the front page of the General Assembly's website.

Section 25. The Lobbyist Registration Act is amended by changing Section 11 as follows:

(25 ILCS 170/11) (from Ch. 63, par. 181)

Sec. 11. Enforcement.

(a) The Secretary of State Inspector General appointed under Section 14 of the Secretary of State Act shall initiate investigations of violations of this Act upon receipt of credible evidence of a violation. If, upon conclusion of an investigation, the Inspector General reasonably believes a violation of this Act has occurred, the Inspector General shall provide the alleged violator with written notification of the alleged violation. Within 30 calendar days after receipt of the notification, the alleged violator shall submit a written response to the Inspector General. The response shall indicate whether the alleged violator (i) disputes the alleged violation, including any facts that reasonably prove the alleged violation did not violate the Act, or (ii) agrees to take action to correct the alleged violation within 30 calendar days, including a description of the action the alleged violator has taken or will take to correct the alleged violation. If the alleged violator disputes the alleged violation or fails to respond to the notification of the alleged violation, the Inspector General shall transmit the evidence to the appropriate State's Attorney or Attorney General. If the alleged violator agrees to take action to correct the alleged violation, the Inspector General shall make available to the public the notification from the Inspector General and the response from the alleged violator and shall not transmit the evidence to the appropriate State's Attorney or Attorney General. Nothing in this Act requires the Inspector General to notify an alleged violator of an ongoing investigation or to notify the alleged violator of a referral of any evidence to a law enforcement agency, a State's Attorney, or the Attorney General pursuant to subsection (c).

(a-5) Failure to cooperate in an investigation initiated by the Secretary of State Inspector General appointed under Section 14 of the Secretary of State Act is a separate and punishable offense for which the Secretary of State Inspector General, through the Attorney General, shall file pleadings with the Executive Ethics Commission, which has the discretion to strike or suspend the registration of any person, or lobbying entity for which that person is employed, registered under this Act. Nothing in this Section limits or alters a person's existing rights or protections under State or federal law.

(b) Any violation of this Act may be prosecuted in the county where the offense is committed or in Sangamon County. In addition to the State's Attorney of the appropriate county, the Attorney General of Illinois also is authorized to prosecute any violation of this Act.

(c) Notwithstanding any other provision of this Act, the Inspector General may at any time refer evidence of a violation of State or federal law, in addition to a violation of this Act, to the appropriate law enforcement agency, State's Attorney, or Attorney General.

(Source: P.A. 96-555, eff. 1-1-10; 96-1358, eff. 7-28-10.)

Section 30. The Illinois Human Rights Act is amended by changing Sections 2-102, 2-107, and 7A-102 as follows:

(775 ILCS 5/2-102) (from Ch. 68, par. 2-102)

Sec. 2-102. Civil Rights Violations - Employment. It is a civil rights violation:

(A) Employers. For any employer to refuse to hire, to segregate, or to act with respect to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure or terms, privileges or conditions of employment on the basis of unlawful discrimination or citizenship status.

(A-5) Language. For an employer to impose a restriction that has the effect of prohibiting a language from being spoken by an employee in communications that are unrelated to the employee's duties.

For the purposes of this subdivision (A-5), "language" means a person's native tongue, such as Polish, Spanish, or Chinese. "Language" does not include such things as slang, jargon, profanity, or vulgarity.

(B) Employment Agency. For any employment agency to fail or refuse to classify properly, accept applications and register for employment referral or apprenticeship referral, refer for employment, or refer for apprenticeship on the basis of unlawful discrimination or citizenship status or to accept from any person any job order, requisition or request for referral of applicants for employment or apprenticeship which

makes or has the effect of making unlawful discrimination or discrimination on the basis of citizenship status a condition of referral.

(C) Labor Organization. For any labor organization to limit, segregate or classify its membership, or to limit employment opportunities, selection and training for apprenticeship in any trade or craft, or otherwise to take, or fail to take, any action which affects adversely any person's status as an employee or as an applicant for employment or as an apprentice, or as an applicant for apprenticeships, or wages, tenure, hours of employment or apprenticeship conditions on the basis of unlawful discrimination or citizenship status.

(D) Sexual Harassment. For any employer, employee, agent of any employer, employment agency or labor organization to engage in sexual harassment; provided, that an employer shall be responsible for sexual harassment of the employer's employees by nonemployees or nonmanagerial and nonsupervisory employees only if the employer becomes aware of the conduct and fails to take reasonable corrective measures.

(E) Public Employers. For any public employer to refuse to permit a public employee under its jurisdiction who takes time off from work in order to practice his or her religious beliefs to engage in work, during hours other than such employee's regular working hours, consistent with the operational needs of the employer and in order to compensate for work time lost for such religious reasons. Any employee who elects such deferred work shall be compensated at the wage rate which he or she would have earned during the originally scheduled work period. The employer may require that an employee who plans to take time off from work in order to practice his or her religious beliefs provide the employer with a notice of his or her intention to be absent from work not exceeding 5 days prior to the date of absence.

(E-5) Religious discrimination. For any employer to impose upon a person as a condition of obtaining or retaining employment, including opportunities for promotion, advancement, or transfer, any terms or conditions that would require such person to violate or forgo a sincerely held practice of his or her religion including, but not limited to, the wearing of any attire, clothing, or facial hair in accordance with the requirements of his or her religion, unless, after engaging in a bona fide effort, the employer demonstrates that it is unable to reasonably accommodate the employee's or prospective employee's sincerely held religious belief, practice, or observance without undue hardship on the conduct of the employer's business.

Nothing in this Section prohibits an employer from enacting a dress code or grooming policy that may include restrictions on attire, clothing, or facial hair to maintain workplace safety or food sanitation.

(F) Training and Apprenticeship Programs. For any employer, employment agency or labor organization to discriminate against a person on the basis of age in the selection, referral for or conduct of apprenticeship or training programs.

(G) Immigration-Related Practices.

(1) for an employer to request for purposes of satisfying the requirements of Section 1324a(b) of Title 8 of the United States Code, as now or hereafter amended, more or different documents than are required under such Section or to refuse to honor documents tendered that on their face reasonably appear to be genuine; or

(2) for an employer participating in the E-Verify Program, as authorized by 8 U.S.C. 1324a, Notes, Pilot Programs for Employment Eligibility Confirmation (enacted by PL 104-208, div. C title IV, subtitle A) to refuse to hire, to segregate, or to act with respect to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure or terms, privileges or conditions of employment without following the procedures under the E-Verify Program.

(H) (Blank).

(I) Pregnancy. For an employer to refuse to hire, to segregate, or to act with respect to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure or terms, privileges or conditions of employment on the basis of pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth. Women affected by pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth shall be treated the same for all employment-related purposes, including receipt of benefits under fringe benefit programs, as other persons not so affected but similar in their ability or inability to work, regardless of the source of the inability to work or employment classification or status.

(J) Pregnancy; reasonable accommodations.

(1) If after a job applicant or employee, including a part-time, full-time, or probationary employee, requests a reasonable accommodation, for an employer to not make reasonable accommodations for any medical or common condition of a job applicant or employee related to pregnancy or childbirth, unless the employer can demonstrate that the accommodation would impose an undue hardship on the ordinary operation of the business of the employer. The employer may request documentation from the employee's health care provider concerning the need for the requested

reasonable accommodation or accommodations to the same extent documentation is requested for conditions related to disability if the employer's request for documentation is job-related and consistent with business necessity. The employer may require only the medical justification for the requested accommodation or accommodations, a description of the reasonable accommodation or accommodations medically advisable, the date the reasonable accommodation or accommodations became medically advisable, and the probable duration of the reasonable accommodation or accommodations. It is the duty of the individual seeking a reasonable accommodation or accommodations to submit to the employer any documentation that is requested in accordance with this paragraph. Notwithstanding the provisions of this paragraph, the employer may require documentation by the employee's health care provider to determine compliance with other laws. The employee and employer shall engage in a timely, good faith, and meaningful exchange to determine effective reasonable accommodations.

(2) For an employer to deny employment opportunities or benefits to or take adverse action against an otherwise qualified job applicant or employee, including a part-time, full-time, or probationary employee, if the denial or adverse action is based on the need of the employer to make reasonable accommodations to the known medical or common conditions related to the pregnancy or childbirth of the applicant or employee.

(3) For an employer to require a job applicant or employee, including a part-time, full-time, or probationary employee, affected by pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth to accept an accommodation when the applicant or employee did not request an accommodation and the applicant or employee chooses not to accept the employer's accommodation.

(4) For an employer to require an employee, including a part-time, full-time, or probationary employee, to take leave under any leave law or policy of the employer if another reasonable accommodation can be provided to the known medical or common conditions related to the pregnancy or childbirth of an employee. No employer shall fail or refuse to reinstate the employee affected by pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth to her original job or to an equivalent position with equivalent pay and accumulated seniority, retirement, fringe benefits, and other applicable service credits upon her signifying her intent to return or when her need for reasonable accommodation ceases, unless the employer can demonstrate that the accommodation would impose an undue hardship on the ordinary operation of the business of the employer.

For the purposes of this subdivision (J), "reasonable accommodations" means reasonable modifications or adjustments to the job application process or work environment, or to the manner or circumstances under which the position desired or held is customarily performed, that enable an applicant or employee affected by pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth to be considered for the position the applicant desires or to perform the essential functions of that position, and may include, but is not limited to: more frequent or longer bathroom breaks, breaks for increased water intake, and breaks for periodic rest; private non-bathroom space for expressing breast milk and breastfeeding; seating; assistance with manual labor; light duty; temporary transfer to a less strenuous or hazardous position; the provision of an accessible worksite; acquisition or modification of equipment; job restructuring; a part-time or modified work schedule; appropriate adjustment or modifications of examinations, training materials, or policies; reassignment to a vacant position; time off to recover from conditions related to childbirth; and leave necessitated by pregnancy, childbirth, or medical or common conditions resulting from pregnancy or childbirth.

For the purposes of this subdivision (J), "undue hardship" means an action that is prohibitively expensive or disruptive when considered in light of the following factors: (i) the nature and cost of the accommodation needed; (ii) the overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation, the number of persons employed at the facility, the effect on expenses and resources, or the impact otherwise of the accommodation upon the operation of the facility; (iii) the overall financial resources of the employer, the overall size of the business of the employer with respect to the number of its employees, and the number, type, and location of its facilities; and (iv) the type of operation or operations of the employer, including the composition, structure, and functions of the workforce of the employer, the geographic separateness, administrative, or fiscal relationship of the facility or facilities in question to the employer. The employer has the burden of proving undue hardship. The fact that the employer provides or would be required to provide a similar accommodation to similarly situated employees creates a rebuttable presumption that the accommodation does not impose an undue hardship on the employer.



No employer is required by this subdivision (J) to create additional employment that the employer would not otherwise have created, unless the employer does so or would do so for other classes of employees who need accommodation. The employer is not required to discharge any employee, transfer any employee with more seniority, or promote any employee who is not qualified to perform the job, unless the employer does so or would do so to accommodate other classes of employees who need it.

(K) Notice.

(1) For an employer to fail to post or keep posted in a conspicuous location on the premises of the employer where notices to employees are customarily posted, or fail to include in any employee handbook information concerning an employee's rights under this Article, a notice, to be prepared or approved by the Department, summarizing the requirements of this Article and information pertaining to the filing of a charge, including the right to be free from unlawful discrimination, the right to be free from sexual harassment, and the right to certain reasonable accommodations. The Department shall make the documents required under this paragraph available for retrieval from the Department's website.

(2) Upon notification of a violation of paragraph (1) of this subdivision (K), the Department may launch a preliminary investigation. If the Department finds a violation, the Department may issue a notice to show cause giving the employer 30 days to correct the violation. If the violation is not corrected, the Department may initiate a charge of a civil rights violation.

(Source: P.A. 100-100, eff. 8-11-17.)

(775 ILCS 5/2-107)

Sec. 2-107. Helpline Hotline to Report Sexual Harassment and Discrimination.

(a) The Department shall, no later than 3 months after the effective date of this amendatory Act of the 100th General Assembly, establish and maintain a sexual harassment and discrimination helpline hotline. The Department shall help persons who contact the Department through the helpline hotline find necessary resources, including counseling services, and assist in the filing of sexual harassment and discrimination complaints with the Department or other applicable agencies. The Department may recommend individual seek private counsel, but shall not make recommendations for legal representation. The helpline hotline shall provide the means through which persons may anonymously report sexual harassment and discrimination in both private and public places of employment. In the case of a report of sexual harassment and discrimination by a person subject to Article 20 or 25 of the State Officials and Employees Ethics Act, the Department shall, with the permission of the reporting individual, report the allegations to the Executive Inspector General or Legislative Inspector General for further investigation.

(b) The Department shall advertise the helpline hotline on its website and in materials related to sexual harassment and discrimination, including posters made available to the public, and encourage reporting by both those who are subject to sexual harassment and discrimination and those who have witnessed it.

(c) All communications received by the Department via the helpline hotline or Internet communication shall remain confidential and shall be exempt from disclosure under the Freedom of Information Act.

(d) As used in this Section, "helpline" "hotline" means a toll-free telephone with voicemail capabilities and an Internet website through which persons may report instances of sexual harassment and discrimination.

(e) The Department shall annually evaluate the helpline and report to the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct, the following information: (i) the total number of calls received, including messages left during non-business hours; (ii) the number of calls reporting sexual discrimination claims; (iii) the number of calls reporting harassment claims; (iv) the number of calls reporting sexual harassment claims; (v) the number of calls that were referred to each Executive Inspector General; and (vi) the number of calls that were referred to the Legislative Inspector General.

(Source: P.A. 100-554, eff. 11-16-17.)

(775 ILCS 5/7A-102) (from Ch. 68, par. 7A-102)

Sec. 7A-102. Procedures.

(A) Charge.

(1) Within 300 calendar ~~180~~ days after the date that a civil rights violation allegedly has been committed, a charge in writing under oath or affirmation may be filed with the Department by an aggrieved party or issued by the Department itself under the signature of the Director.

(2) The charge shall be in such detail as to substantially apprise any party properly concerned as to the time, place, and facts surrounding the alleged civil rights violation.

(3) Charges deemed filed with the Department pursuant to subsection (A-1) of this Section shall be deemed to be in compliance with this subsection.

(A-1) Equal Employment Opportunity Commission Charges.

(1) If a charge is filed with the Equal Employment Opportunity Commission (EEOC) within 300 calendar days

days after the date of the alleged civil rights violation, the charge shall be deemed filed with the Department on the date filed with the EEOC. If the EEOC is the governmental agency designated to investigate the charge first, the Department shall take no action until the EEOC makes a determination on the charge and after the complainant notifies the Department of the EEOC's determination. In such cases, after receiving notice from the EEOC that a charge was filed, the Department shall notify the parties that (i) a charge has been received by the EEOC and has been sent to the Department for dual filing purposes; (ii) the EEOC is the governmental agency responsible for investigating the charge and that the investigation shall be conducted pursuant to the rules and procedures adopted by the EEOC; (iii) it will take no action on the charge until the EEOC issues its determination; (iv) the complainant must submit a copy of the EEOC's determination within 30 days after service of the determination by the EEOC on complainant; and (v) that the time period to investigate the charge contained in subsection (G) of this Section is tolled from the date on which the charge is filed with the EEOC until the EEOC issues its determination.

(2) If the EEOC finds reasonable cause to believe that there has been a violation of federal law and if the Department is timely notified of the EEOC's findings by complainant, the Department shall notify complainant that the Department has adopted the EEOC's determination of reasonable cause and that complainant has the right, within 90 days after receipt of the Department's notice, to either file his or her own complaint with the Illinois Human Rights Commission or commence a civil action in the appropriate circuit court or other appropriate court of competent jurisdiction. The Department's notice to complainant that the Department has adopted the EEOC's determination of reasonable cause shall constitute the Department's Report for purposes of subparagraph (D) of this Section.

(3) For those charges alleging violations within the jurisdiction of both the EEOC and the Department and for which the EEOC either (i) does not issue a determination, but does issue the complainant a notice of a right to sue, including when the right to sue is issued at the request of the complainant, or (ii) determines that it is unable to establish that illegal discrimination has occurred and issues the complainant a right to sue notice, and if the Department is timely notified of the EEOC's determination by complainant, the Department shall notify the parties that the Department will adopt the EEOC's determination as a dismissal for lack of substantial evidence unless the complainant requests in writing within 35 days after receipt of the Department's notice that the Department review the EEOC's determination.

(a) If the complainant does not file a written request with the Department to review the EEOC's determination within 35 days after receipt of the Department's notice, the Department shall notify complainant that the decision of the EEOC has been adopted by the Department as a dismissal for lack of substantial evidence and that the complainant has the right, within 90 days after receipt of the Department's notice, to commence a civil action in the appropriate circuit court or other appropriate court of competent jurisdiction. The Department's notice to complainant that the Department has adopted the EEOC's determination shall constitute the Department's report for purposes of subparagraph (D) of this Section.

(b) If the complainant does file a written request with the Department to review the EEOC's determination, the Department shall review the EEOC's determination and any evidence obtained by the EEOC during its investigation. If, after reviewing the EEOC's determination and any evidence obtained by the EEOC, the Department determines there is no need for further investigation of the charge, the Department shall issue a report and the Director shall determine whether there is substantial evidence that the alleged civil rights violation has been committed pursuant to subsection (D) of Section 7A-102. If, after reviewing the EEOC's determination and any evidence obtained by the EEOC, the Department determines there is a need for further investigation of the charge, the Department may conduct any further investigation it deems necessary. After reviewing the EEOC's determination, the evidence obtained by the EEOC, and any additional investigation conducted by the Department, the Department shall issue a report and the Director shall determine whether there is substantial evidence that the alleged civil rights violation has been committed pursuant to subsection (D) of Section 7A-102 of this Act.

(4) Pursuant to this Section, if the EEOC dismisses the charge or a portion of the charge of discrimination because, under federal law, the EEOC lacks jurisdiction over the charge, and if, under this Act, the Department has jurisdiction over the charge of discrimination, the Department shall investigate the charge or portion of the charge dismissed by the EEOC for lack of jurisdiction

pursuant to subsections (A), (A-1), (B), (B-1), (C), (D), (E), (F), (G), (H), (I), (J), and (K) of Section 7A-102 of this Act.

(5) The time limit set out in subsection (G) of this Section is tolled from the date on which the charge is filed with the EEOC to the date on which the EEOC issues its determination.

(B) Notice and Response to Charge. The Department shall, within 10 days of the date on which the charge was filed, serve a copy of the charge on the respondent. This period shall not be construed to be jurisdictional. The charging party and the respondent may each file a position statement and other materials with the Department regarding the charge of alleged discrimination within 60 days of receipt of the notice of the charge. The position statements and other materials filed shall remain confidential unless otherwise agreed to by the party providing the information and shall not be served on or made available to the other party during pendency of a charge with the Department. The Department may require the respondent to file a response to the allegations contained in the charge. Upon the Department's request, the respondent shall file a response to the charge within 60 days and shall serve a copy of its response on the complainant or his or her representative. Notwithstanding any request from the Department, the respondent may elect to file a response to the charge within 60 days of receipt of notice of the charge, provided the respondent serves a copy of its response on the complainant or his or her representative. All allegations contained in the charge not denied by the respondent within 60 days of the Department's request for a response may be deemed admitted, unless the respondent states that it is without sufficient information to form a belief with respect to such allegation. The Department may issue a notice of default directed to any respondent who fails to file a response to a charge within 60 days of receipt of the Department's request, unless the respondent can demonstrate good cause as to why such notice should not issue. The term "good cause" shall be defined by rule promulgated by the Department. Within 30 days of receipt of the respondent's response, the complainant may file a reply to said response and shall serve a copy of said reply on the respondent or his or her representative. A party shall have the right to supplement his or her response or reply at any time that the investigation of the charge is pending. The Department shall, within 10 days of the date on which the charge was filed, and again no later than 335 days thereafter, send by certified or registered mail written notice to the complainant and to the respondent informing the complainant of the complainant's right to either file a complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court under subparagraph (2) of paragraph (G), including in such notice the dates within which the complainant may exercise this right. In the notice the Department shall notify the complainant that the charge of civil rights violation will be dismissed with prejudice and with no right to further proceed if a written complaint is not timely filed with the Commission or with the appropriate circuit court by the complainant pursuant to subparagraph (2) of paragraph (G) or by the Department pursuant to subparagraph (1) of paragraph (G).

(B-1) Mediation. The complainant and respondent may agree to voluntarily submit the charge to mediation without waiving any rights that are otherwise available to either party pursuant to this Act and without incurring any obligation to accept the result of the mediation process. Nothing occurring in mediation shall be disclosed by the Department or admissible in evidence in any subsequent proceeding unless the complainant and the respondent agree in writing that such disclosure be made.

(C) Investigation.

(1) The Department shall conduct an investigation sufficient to determine whether the allegations set forth in the charge are supported by substantial evidence.

(2) The Director or his or her designated representatives shall have authority to request any member of the Commission to issue subpoenas to compel the attendance of a witness or the production for examination of any books, records or documents whatsoever.

(3) If any witness whose testimony is required for any investigation resides outside the State, or through illness or any other good cause as determined by the Director is unable to be interviewed by the investigator or appear at a fact finding conference, his or her testimony or deposition may be taken, within or without the State, in the same manner as is provided for in the taking of depositions in civil cases in circuit courts.

(4) Upon reasonable notice to the complainant and the respondent, the Department shall conduct a fact finding conference, unless prior to 365 days after the date on which the charge was filed the Director has determined whether there is substantial evidence that the alleged civil rights violation has been committed, the charge has been dismissed for lack of jurisdiction, or the parties voluntarily and in writing agree to waive the fact finding conference. Any party's failure to attend the conference without good cause shall result in dismissal or default. The term "good cause" shall be defined by rule promulgated by the Department. A notice of dismissal or default shall be issued by the Director. The notice of default issued by the Director shall notify the respondent that a request for review may be filed in writing with the Commission within 30 days of receipt of notice of default. The notice of dismissal

issued by the Director shall give the complainant notice of his or her right to seek review of the dismissal before the Human Rights Commission or commence a civil action in the appropriate circuit court. If the complainant chooses to have the Human Rights Commission review the dismissal order, he or she shall file a request for review with the Commission within 90 days after receipt of the Director's notice. If the complainant chooses to file a request for review with the Commission, he or she may not later commence a civil action in a circuit court. If the complainant chooses to commence a civil action in a circuit court, he or she must do so within 90 days after receipt of the Director's notice.

(D) Report.

(1) Each charge shall be the subject of a report to the Director. The report shall be a confidential document subject to review by the Director, authorized Department employees, the parties, and, where indicated by this Act, members of the Commission or their designated hearing officers.

(2) Upon review of the report, the Director shall determine whether there is substantial evidence that the alleged civil rights violation has been committed. The determination of substantial evidence is limited to determining the need for further consideration of the charge pursuant to this Act and includes, but is not limited to, findings of fact and conclusions, as well as the reasons for the determinations on all material issues. Substantial evidence is evidence which a reasonable mind accepts as sufficient to support a particular conclusion and which consists of more than a mere scintilla but may be somewhat less than a preponderance.

(3) If the Director determines that there is no substantial evidence, the charge shall be dismissed by order of the Director and the Director shall give the complainant notice of his or her right to seek review of the dismissal order before the Commission or commence a civil action in the appropriate circuit court. If the complainant chooses to have the Human Rights Commission review the dismissal order, he or she shall file a request for review with the Commission within 90 days after receipt of the Director's notice. If the complainant chooses to file a request for review with the Commission, he or she may not later commence a civil action in a circuit court. If the complainant chooses to commence a civil action in a circuit court, he or she must do so within 90 days after receipt of the Director's notice.

(4) If the Director determines that there is substantial evidence, he or she shall notify the complainant and respondent of that determination. The Director shall also notify the parties that the complainant has the right to either commence a civil action in the appropriate circuit court or request that the Department of Human Rights file a complaint with the Human Rights Commission on his or her behalf. Any such complaint shall be filed within 90 days after receipt of the Director's notice. If the complainant chooses to have the Department file a complaint with the Human Rights Commission on his or her behalf, the complainant must, within 30 days after receipt of the Director's notice, request in writing that the Department file the complaint. If the complainant timely requests that the Department file the complaint, the Department shall file the complaint on his or her behalf. If the complainant fails to timely request that the Department file the complaint, the complainant may file his or her complaint with the Commission or commence a civil action in the appropriate circuit court. If the complainant files a complaint with the Human Rights Commission, the complainant shall give notice to the Department of the filing of the complaint with the Human Rights Commission.

(E) Conciliation.

(1) When there is a finding of substantial evidence, the Department may designate a Department employee who is an attorney licensed to practice in Illinois to endeavor to eliminate the effect of the alleged civil rights violation and to prevent its repetition by means of conference and conciliation.

(2) When the Department determines that a formal conciliation conference is necessary, the complainant and respondent shall be notified of the time and place of the conference by registered or certified mail at least 10 days prior thereto and either or both parties shall appear at the conference in person or by attorney.

(3) The place fixed for the conference shall be within 35 miles of the place where the civil rights violation is alleged to have been committed.

(4) Nothing occurring at the conference shall be disclosed by the Department unless the complainant and respondent agree in writing that such disclosure be made.

(5) The Department's efforts to conciliate the matter shall not stay or extend the time for filing the complaint with the Commission or the circuit court.

(F) Complaint.

(1) When the complainant requests that the Department file a complaint with the Commission on his or her behalf, the Department shall prepare a written complaint, under oath or affirmation, stating the nature of the civil rights violation substantially as alleged in the charge

previously filed and the relief sought on behalf of the aggrieved party. The Department shall file the complaint with the Commission.

(2) If the complainant chooses to commence a civil action in a circuit court, he or she must do so in the circuit court in the county wherein the civil rights violation was allegedly committed. The form of the complaint in any such civil action shall be in accordance with the Illinois Code of Civil Procedure.

(G) Time Limit.

(1) When a charge of a civil rights violation has been properly filed, the Department, within 365 days thereof or within any extension of that period agreed to in writing by all parties, shall issue its report as required by subparagraph (D). Any such report shall be duly served upon both the complainant and the respondent.

(2) If the Department has not issued its report within 365 days after the charge is filed, or any such longer period agreed to in writing by all the parties, the complainant shall have 90 days to either file his or her own complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court. If the complainant files a complaint with the Commission, the form of the complaint shall be in accordance with the provisions of paragraph (F)(1). If the complainant commences a civil action in a circuit court, the form of the complaint shall be in accordance with the Illinois Code of Civil Procedure. The aggrieved party shall notify the Department that a complaint has been filed and shall serve a copy of the complaint on the Department on the same date that the complaint is filed with the Commission or in circuit court. If the complainant files a complaint with the Commission, he or she may not later commence a civil action in circuit court.

(3) If an aggrieved party files a complaint with the Human Rights Commission or commences a civil action in circuit court pursuant to paragraph (2) of this subsection, or if the time period for filing a complaint has expired, the Department shall immediately cease its investigation and dismiss the charge of civil rights violation. Any final order entered by the Commission under this Section is appealable in accordance with paragraph (B)(1) of Section 8-111. Failure to immediately cease an investigation and dismiss the charge of civil rights violation as provided in this paragraph (3) constitutes grounds for entry of an order by the circuit court permanently enjoining the investigation. The Department may also be liable for any costs and other damages incurred by the respondent as a result of the action of the Department.

(4) The Department shall stay any administrative proceedings under this Section after the filing of a civil action by or on behalf of the aggrieved party under any federal or State law seeking relief with respect to the alleged civil rights violation.

(H) This amendatory Act of 1995 applies to causes of action filed on or after January 1, 1996.

(I) This amendatory Act of 1996 applies to causes of action filed on or after January 1, 1996.

(J) The changes made to this Section by Public Act 95-243 apply to charges filed on or after the effective date of those changes.

(K) The changes made to this Section by this amendatory Act of the 96th General Assembly apply to charges filed on or after the effective date of those changes.

(Source: P.A. 100-492, eff. 9-8-17.)

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

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Bush offered the following amendment and moved its adoption:

#### **AMENDMENT NO. 2 TO HOUSE BILL 138**

AMENDMENT NO. 2. Amend House Bill 138, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 1, line 7, by replacing "Section 25-100" with "Sections 25-100 and 25-105"; and

on page 43, by inserting immediately below line 11 the following:

"(5 ILCS 430/25-105 new)

Sec. 25-105. Investigation of sexual harassment. Notwithstanding any provision of law to the contrary, the Legislative Inspector General may investigate any allegation or complaint of sexual harassment without the approval of the Legislative Ethics Commission. At each Legislative Ethics Commission meeting, the Legislative Inspector General shall inform the Commission of each investigation opened under this Section since the last meeting of the Commission."

[May 31, 2018]

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

### READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Bush, **House Bill No. 138** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Stears
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt
Castro	Landek	Raoul	Weaver
Clayborne	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Connelly	Manar	Rooney	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator McConnaughay, **Senate Bill No. 3141**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator McConnaughay moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Stears

[May 31, 2018]

Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Van Pelt
Bush	Koehler	Oberweis	Mr. President
Castro	Landek	Raoul	
Clayborne	Lightford	Rezin	
Collins	Link	Righter	
Connelly	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3141**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Sims, **Senate Bill No. 3256**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Sims moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 40; NAYS 10.

The following voted in the affirmative:

Althoff	Hastings	McConnaughay	Sandoval
Aquino	Holmes	McGuire	Silverstein
Biss	Hunter	Morrison	Sims
Bush	Hutchinson	Mulroe	Stadelman
Castro	Jones, E.	Muñoz	Steans
Clayborne	Koehler	Murphy	Van Pelt
Collins	Landek	Nybo	Mr. President
Connelly	Lightford	Oberweis	
Cunningham	Link	Raoul	
Curran	Manar	Righter	
Haine	Martinez	Rooney	

The following voted in the negative:

Anderson	Brady	Rose	Tracy
Barickman	Fowler	Schimpf	
Bivins	McCann	Syverson	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3256**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Righter asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the negative on **Senate Bill No. 3256**.

On motion of Senator Collins, **Senate Bill No. 3536**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Collins moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rose
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[May 31, 2018]

Anderson	Curran	McCann	Sandoval
Aquino	Fowler	McConnaughay	Schimpf
Barickman	Haine	McGuire	Silverstein
Bennett	Hastings	Morrison	Sims
Bertino-Tarrant	Holmes	Mulroe	Stadelman
Biss	Hunter	Muñoz	Steans
Bivins	Hutchinson	Murphy	Syverson
Brady	Jones, E.	Nybo	Tracy
Bush	Koehler	Oberweis	Van Pelt
Castro	Landek	Raoul	Weaver
Clayborne	Lightford	Rezin	Mr. President
Collins	Link	Righter	
Connelly	Manar	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 3536**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 5:19 o'clock a.m., Senator Muñoz, presiding.

On motion of Senator Link, **Senate Bill No. 2651**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 51; NAYS None.

The following voted in the affirmative:

Althoff	Connelly	Manar	Rooney
Anderson	Cunningham	Martinez	Rose
Aquino	Curran	McCann	Sandoval
Barickman	Fowler	McConnaughay	Schimpf
Bennett	Haine	McGuire	Silverstein
Bertino-Tarrant	Hastings	Morrison	Sims
Biss	Hunter	Mulroe	Steans
Bivins	Hutchinson	Muñoz	Syverson
Brady	Jones, E.	Murphy	Tracy
Bush	Koehler	Nybo	Van Pelt
Castro	Landek	Oberweis	Weaver
Clayborne	Lightford	Raoul	Mr. President
Collins	Link	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2651**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Link, **Senate Bill No. 3452**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 47; NAYS None.

[May 31, 2018]



The following voted in the affirmative:

Althoff	Curran	McConaughay	Sandoval
Anderson	Fowler	McGuire	Schimpf
Aquino	Haine	Morrison	Silverstein
Barickman	Hastings	Mulroe	Sims
Bennett	Hunter	Muñoz	Stadelman
Bertino-Tarrant	Hutchinson	Murphy	Steans
Brady	Jones, E.	Nybo	Syverson
Bush	Koehler	Oberweis	Tracy
Castro	Lightford	Raoul	Van Pelt
Clayborne	Link	Rezin	Weaver
Connelly	Manar	Rooney	Mr. President
Cunningham	Martinez	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 3452**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 5:22 o'clock p.m., Senator Link, presiding.

#### MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 454

A bill for AN ACT concerning education.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 4 to SENATE BILL NO. 454

Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

#### AMENDMENT NO. 4 TO SENATE BILL 454

AMENDMENT NO. 4. Amend Senate Bill 454 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 14-8.02 and adding Section 14-8.02f as follows:

(105 ILCS 5/14-8.02) (from Ch. 122, par. 14-8.02)

Sec. 14-8.02. Identification, evaluation, and placement of children.

(a) The State Board of Education shall make rules under which local school boards shall determine the eligibility of children to receive special education. Such rules shall ensure that a free appropriate public education be available to all children with disabilities as defined in Section 14-1.02. The State Board of Education shall require local school districts to administer non-discriminatory procedures or tests to English learners coming from homes in which a language other than English is used to determine their eligibility to receive special education. The placement of low English proficiency students in special education programs and facilities shall be made in accordance with the test results reflecting the student's linguistic, cultural and special education needs. For purposes of determining the eligibility of children the State Board of Education shall include in the rules definitions of "case study", "staff conference", "individualized educational program", and "qualified specialist" appropriate to each category of children with disabilities as defined in this Article. For purposes of determining the eligibility of children from

[May 31, 2018]

homes in which a language other than English is used, the State Board of Education shall include in the rules definitions for "qualified bilingual specialists" and "linguistically and culturally appropriate individualized educational programs". For purposes of this Section, as well as Sections 14-8.02a, 14-8.02b, and 14-8.02c of this Code, "parent" means a parent as defined in the federal Individuals with Disabilities Education Act (20 U.S.C. 1401(23)).

(b) No child shall be eligible for special education facilities except with a carefully completed case study fully reviewed by professional personnel in a multidisciplinary staff conference and only upon the recommendation of qualified specialists or a qualified bilingual specialist, if available. At the conclusion of the multidisciplinary staff conference, the parent of the child shall be given a copy of the multidisciplinary conference summary report and recommendations, which includes options considered, and be informed of their right to obtain an independent educational evaluation if they disagree with the evaluation findings conducted or obtained by the school district. If the school district's evaluation is shown to be inappropriate, the school district shall reimburse the parent for the cost of the independent evaluation. The State Board of Education shall, with advice from the State Advisory Council on Education of Children with Disabilities on the inclusion of specific independent educational evaluators, prepare a list of suggested independent educational evaluators. The State Board of Education shall include on the list clinical psychologists licensed pursuant to the Clinical Psychologist Licensing Act. Such psychologists shall not be paid fees in excess of the amount that would be received by a school psychologist for performing the same services. The State Board of Education shall supply school districts with such list and make the list available to parents at their request. School districts shall make the list available to parents at the time they are informed of their right to obtain an independent educational evaluation. However, the school district may initiate an impartial due process hearing under this Section within 5 days of any written parent request for an independent educational evaluation to show that its evaluation is appropriate. If the final decision is that the evaluation is appropriate, the parent still has a right to an independent educational evaluation, but not at public expense. An independent educational evaluation at public expense must be completed within 30 days of a parent written request unless the school district initiates an impartial due process hearing or the parent or school district offers reasonable grounds to show that such 30 day time period should be extended. If the due process hearing decision indicates that the parent is entitled to an independent educational evaluation, it must be completed within 30 days of the decision unless the parent or the school district offers reasonable grounds to show that such 30 day period should be extended. If a parent disagrees with the summary report or recommendations of the multidisciplinary conference or the findings of any educational evaluation which results therefrom, the school district shall not proceed with a placement based upon such evaluation and the child shall remain in his or her regular classroom setting. No child shall be eligible for admission to a special class for children with a mental disability who are educable or for children with a mental disability who are trainable except with a psychological evaluation and recommendation by a school psychologist. Consent shall be obtained from the parent of a child before any evaluation is conducted. If consent is not given by the parent or if the parent disagrees with the findings of the evaluation, then the school district may initiate an impartial due process hearing under this Section. The school district may evaluate the child if that is the decision resulting from the impartial due process hearing and the decision is not appealed or if the decision is affirmed on appeal. The determination of eligibility shall be made and the IEP meeting shall be completed within 60 school days from the date of written parental consent. In those instances when written parental consent is obtained with fewer than 60 pupil attendance days left in the school year, the eligibility determination shall be made and the IEP meeting shall be completed prior to the first day of the following school year. Special education and related services must be provided in accordance with the student's IEP no later than 10 school attendance days after notice is provided to the parents pursuant to Section 300.503 of Title 34 of the Code of Federal Regulations and implementing rules adopted by the State Board of Education. The appropriate program pursuant to the individualized educational program of students whose native tongue is a language other than English shall reflect the special education, cultural and linguistic needs. No later than September 1, 1993, the State Board of Education shall establish standards for the development, implementation and monitoring of appropriate bilingual special individualized educational programs. The State Board of Education shall further incorporate appropriate monitoring procedures to verify implementation of these standards. The district shall indicate to the parent and the State Board of Education the nature of the services the child will receive for the regular school term while waiting placement in the appropriate special education class. At the child's initial IEP meeting and at each annual review meeting, the child's IEP team shall provide the child's parent or guardian with a written notification that informs the parent or guardian that the IEP team is required to consider whether the child requires assistive technology in order to receive free, appropriate public education. The notification must also include a toll free telephone number and internet address for the State's assistive technology program.

[May 31, 2018]

If the child is deaf, hard of hearing, blind, or visually impaired and he or she might be eligible to receive services from the Illinois School for the Deaf or the Illinois School for the Visually Impaired, the school district shall notify the parents, in writing, of the existence of these schools and the services they provide and shall make a reasonable effort to inform the parents of the existence of other, local schools that provide similar services and the services that these other schools provide. This notification shall include without limitation information on school services, school admissions criteria, and school contact information.

In the development of the individualized education program for a student who has a disability on the autism spectrum (which includes autistic disorder, Asperger's disorder, pervasive developmental disorder not otherwise specified, childhood disintegrative disorder, and Rett Syndrome, as defined in the Diagnostic and Statistical Manual of Mental Disorders, fourth edition (DSM-IV, 2000)), the IEP team shall consider all of the following factors:

- (1) The verbal and nonverbal communication needs of the child.
- (2) The need to develop social interaction skills and proficiencies.
- (3) The needs resulting from the child's unusual responses to sensory experiences.
- (4) The needs resulting from resistance to environmental change or change in daily routines.
- (5) The needs resulting from engagement in repetitive activities and stereotyped movements.
- (6) The need for any positive behavioral interventions, strategies, and supports to address any behavioral difficulties resulting from autism spectrum disorder.
- (7) Other needs resulting from the child's disability that impact progress in the general curriculum, including social and emotional development.

Public Act 95-257 does not create any new entitlement to a service, program, or benefit, but must not affect any entitlement to a service, program, or benefit created by any other law.

If the student may be eligible to participate in the Home-Based Support Services Program for Adults with Mental Disabilities authorized under the Developmental Disability and Mental Disability Services Act upon becoming an adult, the student's individualized education program shall include plans for (i) determining the student's eligibility for those home-based services, (ii) enrolling the student in the program of home-based services, and (iii) developing a plan for the student's most effective use of the home-based services after the student becomes an adult and no longer receives special educational services under this Article. The plans developed under this paragraph shall include specific actions to be taken by specified individuals, agencies, or officials.

(c) In the development of the individualized education program for a student who is functionally blind, it shall be presumed that proficiency in Braille reading and writing is essential for the student's satisfactory educational progress. For purposes of this subsection, the State Board of Education shall determine the criteria for a student to be classified as functionally blind. Students who are not currently identified as functionally blind who are also entitled to Braille instruction include: (i) those whose vision loss is so severe that they are unable to read and write at a level comparable to their peers solely through the use of vision, and (ii) those who show evidence of progressive vision loss that may result in functional blindness. Each student who is functionally blind shall be entitled to Braille reading and writing instruction that is sufficient to enable the student to communicate with the same level of proficiency as other students of comparable ability. Instruction should be provided to the extent that the student is physically and cognitively able to use Braille. Braille instruction may be used in combination with other special education services appropriate to the student's educational needs. The assessment of each student who is functionally blind for the purpose of developing the student's individualized education program shall include documentation of the student's strengths and weaknesses in Braille skills. Each person assisting in the development of the individualized education program for a student who is functionally blind shall receive information describing the benefits of Braille instruction. The individualized education program for each student who is functionally blind shall specify the appropriate learning medium or media based on the assessment report.

(d) To the maximum extent appropriate, the placement shall provide the child with the opportunity to be educated with children who do not have a disability; provided that children with disabilities who are recommended to be placed into regular education classrooms are provided with supplementary services to assist the children with disabilities to benefit from the regular classroom instruction and are included on the teacher's regular education class register. Subject to the limitation of the preceding sentence, placement in special classes, separate schools or other removal of the child with a disability from the regular educational environment shall occur only when the nature of the severity of the disability is such that education in the regular classes with the use of supplementary aids and services cannot be achieved satisfactorily. The placement of English learners with disabilities shall be in non-restrictive environments

which provide for integration with peers who do not have disabilities in bilingual classrooms. Annually, each January, school districts shall report data on students from non-English speaking backgrounds receiving special education and related services in public and private facilities as prescribed in Section 2-3.30. If there is a disagreement between parties involved regarding the special education placement of any child, either in-state or out-of-state, the placement is subject to impartial due process procedures described in Article 10 of the Rules and Regulations to Govern the Administration and Operation of Special Education.

(e) No child who comes from a home in which a language other than English is the principal language used may be assigned to any class or program under this Article until he has been given, in the principal language used by the child and used in his home, tests reasonably related to his cultural environment. All testing and evaluation materials and procedures utilized for evaluation and placement shall not be linguistically, racially or culturally discriminatory.

(f) Nothing in this Article shall be construed to require any child to undergo any physical examination or medical treatment whose parents object thereto on the grounds that such examination or treatment conflicts with his religious beliefs.

(g) School boards or their designee shall provide to the parents of a child prior written notice of any decision (a) proposing to initiate or change, or (b) refusing to initiate or change, the identification, evaluation, or educational placement of the child or the provision of a free appropriate public education to their child, and the reasons therefor. Such written notification shall also inform the parent of the opportunity to present complaints with respect to any matter relating to the educational placement of the student, or the provision of a free appropriate public education and to have an impartial due process hearing on the complaint. The notice shall inform the parents in the parents' native language, unless it is clearly not feasible to do so, of their rights and all procedures available pursuant to this Act and the federal Individuals with Disabilities Education Improvement Act of 2004 (Public Law 108-446); it shall be the responsibility of the State Superintendent to develop uniform notices setting forth the procedures available under this Act and the federal Individuals with Disabilities Education Improvement Act of 2004 (Public Law 108-446) to be used by all school boards. The notice shall also inform the parents of the availability upon request of a list of free or low-cost legal and other relevant services available locally to assist parents in initiating an impartial due process hearing. The State Superintendent shall revise the uniform notices required by this subsection (g) to reflect current law and procedures at least once every 2 years. Any parent who is deaf, or does not normally communicate using spoken English, who participates in a meeting with a representative of a local educational agency for the purposes of developing an individualized educational program shall be entitled to the services of an interpreter.

(g-5) For purposes of this subsection (g-5), "qualified professional" means an individual who holds credentials to evaluate the child in the domain or domains for which an evaluation is sought or an intern working under the direct supervision of a qualified professional, including a master's or doctoral degree candidate.

To ensure that a parent can participate fully and effectively with school personnel in the development of appropriate educational and related services for his or her child, the parent, an independent educational evaluator, or a qualified professional retained by or on behalf of a parent or child must be afforded reasonable access to educational facilities, personnel, classrooms, and buildings and to the child as provided in this subsection (g-5). The requirements of this subsection (g-5) apply to any public school facility, building, or program and to any facility, building, or program supported in whole or in part by public funds. Prior to visiting a school, school building, or school facility, the parent, independent educational evaluator, or qualified professional may be required by the school district to inform the building principal or supervisor in writing of the proposed visit, the purpose of the visit, and the approximate duration of the visit. The visitor and the school district shall arrange the visit or visits at times that are mutually agreeable. Visitors shall comply with school safety, security, and visitation policies at all times. School district visitation policies must not conflict with this subsection (g-5). Visitors shall be required to comply with the requirements of applicable privacy laws, including those laws protecting the confidentiality of education records such as the federal Family Educational Rights and Privacy Act and the Illinois School Student Records Act. The visitor shall not disrupt the educational process.

(1) A parent must be afforded reasonable access of sufficient duration and scope for the purpose of observing his or her child in the child's current educational placement, services, or program or for the purpose of visiting an educational placement or program proposed for the child.

(2) An independent educational evaluator or a qualified professional retained by or on behalf of a parent or child must be afforded reasonable access of sufficient duration and scope for the purpose of conducting an evaluation of the child, the child's performance, the child's current educational program, placement, services, or environment, or any educational program, placement, services, or

environment proposed for the child, including interviews of educational personnel, child observations, assessments, tests or assessments of the child's educational program, services, or placement or of any proposed educational program, services, or placement. If one or more interviews of school personnel are part of the evaluation, the interviews must be conducted at a mutually agreed upon time, date, and place that do not interfere with the school employee's school duties. The school district may limit interviews to personnel having information relevant to the child's current educational services, program, or placement or to a proposed educational service, program, or placement.

(h) (Blank).

(i) (Blank).

(j) (Blank).

(k) (Blank).

(l) (Blank).

(m) (Blank).

(n) (Blank).

(o) (Blank).

(Source: P.A. 99-30, eff. 7-10-15; 99-143, eff. 7-27-15; 99-642, eff. 7-28-16; 100-122, eff. 8-18-17; revised 9-25-17.)

(105 ILCS 5/14-8.02f new)

Sec. 14-8.02f. Individualized education program meeting; municipality with 1,000,000 or more inhabitants.

(a) This Section only applies to school districts organized under Article 34 of this Code.

(b) No later than 10 calendar days prior to a child's individualized education program meeting or as soon as possible if a meeting is scheduled within 10 calendar days with written parental consent, the school board or school personnel must provide the child's parent or guardian with a written notification of the services that require a specific data collection procedure from the school district for services related to the child's individualized education program. The notification must indicate, with a checkbox, whether specific data has been collected for the child's individualized education program services. For purposes of this subsection (b), individualized education program services must include, but are not limited to, paraprofessional support, an extended school year, transportation, therapeutic day school, and services for specific learning disabilities.

(c) No later than 5 school days prior to a child's individualized education program meeting or as soon as possible if a meeting is scheduled within 5 school days with written parental consent, the school board or school personnel must provide the child's parent or guardian with a draft individualized education program. The draft must contain all relevant information collected about the child and must include, but is not limited to, the program's goals, draft accommodations and modifications, copies of all conducted evaluations, and any collected data.

(d) If a child's individualized education program team determines that certain services are required in order for the child to receive a free, appropriate public education and those services are not implemented within 10 school days after the team's determination, then the school board shall provide the child's parent or guardian with notification that those services have not yet been administered to the child.

(e) The State Board of Education may create a telephone hotline to address complaints regarding the special education services or lack of special education services of a school district subject to this Section. If a hotline is created, it must be available to all students enrolled in the school district, parents or guardians of those students, and school personnel. If a hotline is created, any complaints received through the hotline must be registered and recorded with the State Board's monitor of special education policies. No student, parent or guardian, or member of school personnel may be retaliated against for submitting a complaint through a telephone hotline created by the State Board under this subsection (e).

(f) A school district subject to this Section may not use any measure that would prevent or delay an individualized education program team from adding a service to the program or create a time restriction in which a service is prohibited from being added to the program. The school district may not build functions into its computer software that would remove any services from a student's individualized education program without the approval of the program team and may not prohibit the program team from adding a service to the program.

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

Under the rules, the foregoing **Senate Bill No. 454**, with House Amendment No. 4 was referred to the Secretary's Desk.

[May 31, 2018]

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1737

A bill for AN ACT concerning regulation.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1737

House Amendment No. 2 to SENATE BILL NO. 1737

Passed the House, as amended, May 31, 2018.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1737**

AMENDMENT NO. 1. Amend Senate Bill 1737 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Short-Term, Limited-Duration Health Insurance Coverage Act.

Section 5. Definitions. In this Act:

"Department" means the Department of Insurance.

"Health insurance coverage" has the meaning given to that term in the Illinois Health Insurance Portability and Accountability Act.

"Health insurance issuer" has the meaning given to that term in the Illinois Health Insurance Portability and Accountability Act.

"Fraud" means an intentional misrepresentation of a material fact in connection with the coverage.

"Short-term, limited-duration health insurance coverage" means health insurance coverage provided pursuant to a policy with an issuer, regardless of the situs of the delivery of the policy, that is less than 365 days after the effective date of the policy.

Section 10. Application; scope; duration of coverage.

(a) This Act applies to health insurance issuers that offer short-term, limited-duration health insurance coverage to individuals in this State and to short-term, limited-duration health insurance coverage that is delivered or issued for delivery in this State, including coverage issued outside of this State that covers individuals in this State.

(b) A short-term, limited-duration health insurance coverage policy may not be issued or delivered to any person residing in this State unless the policy, when delivered or issued for delivery in this State, complies with the provisions of this Act.

(c) Any short-term, limited-duration health insurance coverage policy that is delivered or issued for delivery in this State must have an expiration date in the policy that is less than 181 days after the effective date and shall not be renewable or extendable within a period of 365 days after the individual's coverage under the policy ends, either at the option of the issuer or the individual. Renewal of a short-term, limited-duration health insurance coverage policy includes the issuance of a new short-term, limited-duration health insurance policy by an issuer to a policyholder within 60 days after the expiration of a policy previously issued by the issuer to the policyholder.

(d) Any short-term, limited-duration health insurance coverage policy that is delivered or issued for delivery in this State may not be rescinded before the expiration date in the policy, except in cases of nonpayment of premiums, fraud, or as provided in subsection (e).

(e) Any short-term, limited-duration health insurance coverage policy that is delivered or issued for delivery in this State shall contain an option for an individual to cancel coverage after any 30-day interval during the term of the plan.

Section 15. Disclosure requirements.

(a) A health insurance issuer that offers short-term, limited-duration health insurance coverage to be delivered or issued for delivery in this State shall, in addition to all other documents required, including, but not limited to, the policy, the certificate, the membership booklet, and a description of appeal and

[May 31, 2018]

external review rights, deliver an outline of coverage to an applicant for or an enrollee in short-term, limited-duration health insurance coverage delivered or issued for delivery in this State.

(b) Any short-term, limited-duration health insurance coverage policy that is delivered or issued for delivery in the State shall display prominently in the policy, any application, sales, and marketing materials provided in connection with enrollment in such coverage, and the outline of coverage for such coverage, in at least 14-point, bold type, the following: "NOTICE: THE SHORT-TERM, LIMITED-DURATION INSURANCE BENEFITS UNDER THIS COVERAGE DO NOT MEET ALL FEDERAL REQUIREMENTS TO QUALIFY AS "MINIMUM ESSENTIAL COVERAGE" FOR HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT. THIS PLAN OF COVERAGE DOES NOT INCLUDE ALL ESSENTIAL HEALTH BENEFITS AS REQUIRED BY THE AFFORDABLE CARE ACT. PREEXISTING CONDITIONS ARE NOT COVERED UNDER THIS PLAN OF COVERAGE. BE SURE TO CHECK YOUR POLICY CAREFULLY TO MAKE SURE YOU UNDERSTAND WHAT THE POLICY DOES AND DOES NOT COVER. IF THIS COVERAGE EXPIRES OR YOU LOSE ELIGIBILITY FOR THIS COVERAGE, YOU MIGHT HAVE TO WAIT UNTIL THE NEXT OPEN ENROLLMENT PERIOD TO GET OTHER HEALTH INSURANCE COVERAGE. YOU MAY BE ABLE TO GET LONGER TERM INSURANCE THAT QUALIFIES AS "MINIMUM ESSENTIAL COVERAGE" FOR HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT NOW AND HELP TO PAY FOR IT AT WWW.HEALTHCARE.GOV.".

(c) Any individual selling a short-term, limited-duration health insurance coverage policy in this State in face-to-face or telephonic sales interactions must read out loud the disclosure in subsection (b) to a prospective purchaser. An entity selling a short-term, limited-duration health insurance coverage policy in Illinois must display the disclosure in subsection (b) on the webpage where a prospective purchaser would purchase coverage.

(d) Nothing in this Section precludes an insurer from providing disclosures in addition to those required in subsections (b) and (c). Nothing in this Section precludes an insurer from providing disclosures intended to clarify those required in subsections (b) and (c) if approved by the Department.

#### Section 20. Filing and approval.

(a) Coverage subject to this Act may not be delivered or issued for delivery in this State unless the policy evidencing such coverage has been filed with and been approved by the Department.

(b) A health insurance issuer who intends to deliver or issue for delivery a short-term, limited-duration health insurance coverage policy in this State shall file with the Department:

- (1) all paperwork required for individual health insurance coverage pursuant to 50 Ill. Adm. Code 916; and
- (2) all sales and marketing materials provided in connection with enrollment in such coverage for informational purposes.

(c) The Department shall adopt any rules necessary to carry out the provisions of this Act.

Section 90. The Illinois Insurance Code is amended by adding Article IIB and Sections 123C-23, 123C-24, 123C-25, 123C-26, 123C-27, 123C-28, and 462a and by changing Sections 121-2.08, 123C-1, 123C-2, 123C-3, 123C-9, 123C-11, 123C-12, 123C-13, 123C-16, 123C-17, 123C-19, 156, 173.1, 456, 457, and 458 as follows:

(215 ILCS 5/Art. IIB heading new)

#### ARTICLE IIB. DOMESTIC STOCK COMPANY DIVISION

(215 ILCS 5/35B-1 new)

Sec. 35B-1. Short title. This Article may be cited as the Domestic Stock Company Division Law.

(215 ILCS 5/35B-5 new)

Sec. 35B-5. Purpose. The purpose of this Article is to stimulate economic development in the State of Illinois by creating and sustaining employment opportunities and increasing and sustaining taxable revenue, through improving the competitive position of domestic stock companies, maintaining the competitiveness of this State as a state of domicile for domestic stock companies, and enhancing the desirability of this State as a jurisdiction of domicile for newly incorporating and existing foreign stock companies.

(215 ILCS 5/35B-10 new)

Sec. 35B-10. Definitions. As used in this Article:

"Assets" means all assets or property, whether real, personal or mixed, tangible or intangible, and any right or interest therein, including all rights under contracts and other agreements.

"Capital" means the capital stock component of statutory surplus, as defined in the National Association of Insurance Commissioners Accounting Practices and Procedures Manual, version effective January 1, 2001, and subsequent revisions.

"Divide" or "division" means the act by operation of law by which a domestic stock company divides into 2 or more resulting companies in accordance with a plan of division and this Article;

"Dividing company" means a domestic stock company that approves a plan of division pursuant to Section 35B-20;

"Domestic stock company" means a domestic stock company transacting or being organized to transact any of the kinds of insurance business enumerated in Section 4.

"Liability" means a liability or obligation of any kind, character, or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, determined, determinable, or otherwise.

"New company" means a domestic stock company that is created by a division occurring on or after the effective date of this amendatory Act of the 100th General Assembly.

"Plan of division" means a plan of division approved by a dividing company in accordance Section 35B-20.

"Policy liability" means a liability as defined in this Section arising out of or related to an insurance policy, contract of insurance, or reinsurance agreement.

"Recorder" means the office of the recorder of the county where the principal office of a domestic stock company is located.

"Resulting company" means a domestic stock company created by a division or a dividing company that survives a division.

"Shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

"Sign" or "signature" includes a manual, facsimile, or conformed or "electronic signature.

"Surplus" means total statutory surplus less capital, calculated in accordance with the National Association of Insurance Commissioners Accounting Practices and Procedures Manual, version effective January 1, 2001, and subsequent revisions.

"Transfer" includes an assignment, assumption, conveyance, sale, lease, encumbrance, including a mortgage or security interest, gift, or transfer by operation of law.

(215 ILCS 5/35B-15 new)

Sec. 35B-15. Plan of division.

(a) A domestic stock company may, in accordance with the requirements of this Article, divide into 2 or more resulting companies pursuant to a plan of division.

(b) Each plan of division shall include:

(1) the name of the domestic stock company seeking to divide;

(2) the name of each resulting company that will be created by the proposed division;

(3) for each new company that will be created by the proposed division, a copy of its:

(A) proposed articles of incorporation;

(B) proposed bylaws; and

(C) the kinds of insurance business enumerated in Section 4 that the new company would be authorized to conduct;

(4) the manner of allocating between or among the resulting companies:

(A) the assets of the domestic stock company that will not be owned by all of the resulting companies as tenants in common pursuant to Section 35B-35; and

(B) the liabilities of the domestic stock company, including policy liabilities, to which not all of the resulting companies will become jointly and severally liable pursuant to paragraph (3) of subsection (a) of Section 35B-40;

(5) the manner of distributing shares in the new companies to the dividing company or its shareholders;

(6) a reasonable description of the liabilities, including policy liabilities, and items of capital, surplus, or other assets, in each case, that the domestic stock company proposes to allocate to each resulting company, including specifying the reinsurance contract, reinsurance coverage obligations, and related claims that are applicable to those policies;

(7) all terms and conditions required by the laws of this State or the articles of incorporation and bylaws of the domestic stock company;

(8) evidence demonstrating that the interest of all classes of policyholders of the dividing company will be properly protected; and



(9) all other terms and conditions of the division.

Nothing in this subsection (b) shall expand or reduce the allocation and assignment of reinsurance as stated in the reinsurance contract.

(c) If the domestic stock company survives the division, the plan of division shall include, in addition to the information required by subsection (b):

(1) all proposed amendments to the dividing company's articles of incorporation and bylaws, if any;

(2) if the dividing company desires to cancel some, but less than all, shares in the dividing company, the manner in which it will cancel such shares; and

(3) if the dividing company desires to convert some, but less than all, shares in the dividing company into shares, securities, obligations, money, other property, rights to acquire shares or securities, or any combination thereof, a statement disclosing the manner in which it will convert the shares.

(d) If the domestic stock company does not survive the proposed division, the plan of division shall contain, in addition to the information required by subsection (b), the manner in which the dividing company will cancel or convert shares in the dividing company into shares, securities, obligations, money, other property, rights to acquire shares or securities, or any combination thereof.

(e) Terms of a plan of division may be made dependent on facts objectively ascertainable outside of the plan of division.

(f) A dividing company may amend a plan of division in accordance with any procedures set forth in the plan of division or, if no such procedures are set forth in the plan of division, in any manner determined by the board of directors of the dividing company, except that a shareholder that was entitled to vote on or consent to approval of the plan of division is entitled to vote on or consent to any amendment of the plan of division that will change:

(1) the amount or kind of shares, securities, obligations, money, other property, rights to acquire shares or securities, or any combination thereof, to be received by any of the shareholders of the dividing company under the plan of division;

(2) the articles of incorporation or bylaws of any resulting company that will be in effect when the division becomes effective, except for changes that do not require approval of the shareholders of the resulting company under its articles of incorporation or bylaws; or

(3) any other terms or conditions of the plan of division, if the change would adversely affect the shareholders in any material respect.

(g) A dividing company may abandon a plan of division after it has approved the plan of division without any action by the shareholders and in accordance with any procedures set forth in the plan of division or, if no such procedures are set forth in the plan of division, in a manner determined by the board of directors of the dividing company.

(h) A dividing company may abandon a plan of division after it has filed a certificate of division with the recorder by filing with the recorder, with concurrent copy to the director, a certificate of abandonment signed by the dividing company. The certificate of abandonment shall be effective on the date it is filed with the recorder and the dividing company shall be deemed to have abandoned its plan of division on such date.

(i) A dividing company may not abandon or amend its plan of division once the division becomes effective.

(215 ILCS 5/35B-20 new)

Sec. 35B-20. Requirements of a plan of division.

(a) A domestic stock company shall not file a plan of division with the Director unless the plan of division has been approved in accordance with:

(1) any applicable provisions of its articles of incorporation and bylaws; and

(2) all laws of this State governing the internal affairs of a domestic stock company that provide for approval of a merger.

(b) If any provision of the articles of incorporation or bylaws of a domestic stock company requires that a specific number or percentage of board of directors or shareholders approve the proposal or adoption of a plan of merger, or imposes other special procedures for the proposal or adoption of a plan of merger, such domestic stock company shall adhere to such provision in proposing or adopting a plan of division. If any provision of the articles of incorporation or bylaws of a domestic stock company is amended, such amendment shall thereafter apply to a division only in accordance with its express terms.

(215 ILCS 5/35B-25 new)

Sec. 35B-25. Plan of division approval.

(a) A division shall not become effective until it is approved by the Director after reasonable notice and a public hearing, if the notice and hearing are deemed by the Director to be in the public interest. The Director shall hold a public hearing if one is requested by the dividing company. A hearing conducted

under this Section shall be conducted in accordance with Article 10 of the Illinois Administrative Procedure Act.

(b) The Director shall approve a plan of division unless the Director finds that:

(1) the interest of any class of policyholder or shareholder of the dividing company will not be properly protected;

(2) each new company created by the proposed division, except a new company that is a nonsurviving party to a merger pursuant to subsection (b) of Section 156, would be ineligible to receive a license to do insurance business in this State pursuant to Section 5;

(3) the proposed division violates a provision of the Uniform Fraudulent Transfer Act;

(4) the division is being made for purposes of hindering, delaying, or defrauding any policyholders or other creditors of the dividing company;

(5) one or more resulting companies will not be solvent upon the consummation of the division; or

(6) the remaining assets of one or more resulting companies will be, upon consummation of a division, unreasonably small in relation to the business and transactions in which the resulting company was engaged or is about to engage.

(c) In determining whether the standards set forth in paragraph (3) of subsection (b) have been satisfied, the Director shall only apply the Uniform Fraudulent Transfer Act to a dividing company in its capacity as a resulting company and shall not apply the Uniform Fraudulent Transfer Act to any dividing company that is not proposed to survive the division.

(d) In determining whether the standards set forth in paragraphs (3), (4), (5), and (6) of subsection (b) have been satisfied, the Director may consider all proposed assets of the resulting company, including, without limitation, reinsurance agreements, parental guarantees, support or keep well agreements, or capital maintenance or contingent capital agreements, in each case, regardless of whether the same would qualify as an admitted asset as defined in Section 3.1.

(e) In determining whether the standards set forth in paragraph (3) of subsection (b) have been satisfied, with respect to each resulting company, the Director shall, in applying the Uniform Fraudulent Transfer Act, treat:

(1) the resulting company as a debtor;

(2) liabilities allocated to the resulting company as obligations incurred by a debtor;

(3) the resulting company as not having received reasonably equivalent value in exchange for incurring the obligations; and

(4) assets allocated to the resulting company as remaining property.

(f) All information, documents, materials, and copies thereof submitted to, obtained by, or disclosed to the Director in connection with a plan of division or in contemplation thereof, including any information, documents, materials, or copies provided by or on behalf of a domestic stock company in advance of its adoption or submission of a plan of division, shall be confidential and shall be subject to the same protection and treatment in accordance with Section 131.14d as documents and reports disclosed to or filed with the Director pursuant to Section 131.14b until such time, if any, as a notice of the hearing contemplated by subsection (a) is issued.

(g) From and after the issuance of a notice of the hearing contemplated by subsection (a), all business, financial, and actuarial information that the domestic stock company requests confidential treatment, other than the plan of division, shall continue to be confidential and shall not be available for public inspection and shall be subject to the same protection and treatment in accordance with Section 131.14d as documents and reports disclosed to or filed with the Director pursuant to Section 131.14b.

(h) All expenses incurred by the Director in connection with proceedings under this Section, including expenses for the services of any attorneys, actuaries, accountants, and other experts as may be reasonably necessary to assist the Director in reviewing the proposed division, shall be paid by the dividing company filing the plan of division. A dividing company may allocate expenses described in this subsection in a plan of division in the same manner as any other liability.

(i) If the Director approves a plan of division, the Director shall issue an order that shall be accompanied by findings of fact and conclusions of law.

(j) The conditions in this Section for freeing one or more of the resulting companies from the liabilities of the dividing company and for allocating some or all of the liabilities of the dividing company shall be conclusively deemed to have been satisfied if the plan of division has been approved by the Director in a final order that is not subject to further appeal.

(215 ILCS 5/35B-30 new)

Sec. 35B-30. Certificate of division.

(a) After a plan of division has been adopted and approved, an officer or duly authorized representative of the dividing company shall sign a certificate of division.

(b) The certificate of division shall set forth:

(1) the name of the dividing company;

(2) a statement disclosing whether the dividing company will survive the division;

(3) the name of each new company that will be created by the division;

(4) the kinds of insurance business enumerated in Section 4 that the new company will be authorized to conduct;

(5) the date that the division is to be effective, which shall not be more than 90 days after the dividing company has filed the certificate of division with the recorder, with a concurrent copy to the Director;

(6) a statement that the division was approved by the Director in accordance with Section 35B-25;

(6) a statement that the dividing company provided, no later than 10 business days after the dividing company filed the plan of division with the Director, reasonable notice to each reinsurer that is party to a reinsurance contract that is applicable to the policies included in the plan of division;

(7) if the dividing company will survive the division, an amendment to its articles of incorporation or bylaws approved as part of the plan of division;

(8) for each new company created by the division, its articles of incorporation and bylaws, provided that the articles of incorporation and bylaws need not state the name or address of an incorporator; and

(9) a reasonable description of the capital, surplus, other assets and liabilities, including policy liabilities, of the dividing company that are to be allocated to each resulting company.

(c) The articles of incorporation and bylaws of each new company must satisfy the requirements of the laws of this State, provided that the documents need not be signed or include a provision that need not be included in a restatement of the document.

(d) A certificate of division is effective when filed with the recorder, with a concurrent copy to the Director, as provided in this Section or on another date specified in the plan of division, whichever is later, provided that a certificate of division shall become effective not more than 90 days after it is filed with the recorder. A certificate is effective when the relevant certificate of division is effective.

(215 ILCS 5/35B-35 new)

Sec. 35B-35. Effects of division.

(a) When a division becomes effective pursuant to Section 35B-30:

(1) if the dividing company has survived the division:

(A) it continues to exist;

(B) its articles of incorporation shall be amended, if necessary, as provided in the plan of division;

and

(C) its bylaws shall be amended, if necessary, as provided in the plan of division;

(2) if the dividing company has not survived the division, its separate existence ceases to exist;

(3) each new company:

(A) comes into existence;

(B) shall hold any capital, surplus, and other assets allocated to such new company by the plan of division as a successor to the dividing company, automatically, by operation of law and not by transfer, whether directly or indirectly; and

(C) its articles of incorporation, if any, and bylaws, if any, shall be effective;

(4) capital, surplus, and other assets of the dividing company:

(A) that is allocated by the plan of division either:

(i) vests in the applicable new company as provided in the plan of division; or

(ii) remains vested in the dividing company as provided in the plan of division;

(B) that is not allocated by the plan of division either:

(i) remains vested in the dividing company, if the dividing company survives the division; or

(ii) is allocated to and vests equally in the resulting companies as tenants in common, if the dividing company does not survive the division; or

(C) otherwise vests as provided in this subsection without transfer, reversion, or impairment;

(5) a resulting company to which a cause of action is allocated as provided in paragraph (4) of this subsection (a) may be substituted or added in any pending action or proceeding to which the dividing company is a party when the division becomes effective;

(6) the liabilities, including policy liabilities, of the dividing company are allocated between or among the resulting companies as provided in Section 35B-40 and each resulting company to which liabilities are allocated is liable only for those liabilities, including policy liabilities, so allocated as successors to the dividing company, automatically, by operation of law, and not by transfer (or, for the avoidance of doubt, assumption), whether directly or indirectly; and

(7) the shares in the dividing company that are to be converted or canceled in the division are converted or canceled, and the shareholders of those shares are entitled only to the rights provided to them under the plan of division and any appraisal rights that they may have pursuant to Section 35B-45.

(b) Except as provided in the articles of incorporation or bylaws of the dividing company, the division does not give rise to any rights that a shareholder, director of a domestic stock company, or third party would have upon a dissolution, liquidation, or winding up of the dividing company.

(c) The allocation to a new company of capital, surplus, or other assets that is collateral covered by an effective financing statement shall not be effective until a new financing statement naming the new company as a debtor is effective under the Uniform Commercial Code.

(d) Unless otherwise provided in the plan of division, the shares in and any securities of each new company shall be distributed to:

(1) the dividing company, if it survives the division; or

(2) shareholders of the dividing company that do not assert any appraisal rights that they may have pursuant to Section 35B-45, pro rata.

(215 ILCS 5/35B-40 new)

Sec. 35B-40. Resulting company liabilities.

(a) Except as otherwise expressly provided in this Section, when a division becomes effective, each resulting company is responsible, automatically, by operation of law, for:

(1) individually, the liabilities, including policy liabilities, that the resulting company issues, undertakes, or incurs in its own name after the division;

(2) individually, the liabilities, including policy liabilities, of the dividing company that are allocated to or remain the liability of the resulting company to the extent specified in the plan of division; and

(3) jointly and severally with the other resulting companies, the liabilities, including policy liabilities, of the dividing company that are not allocated by the plan of division.

(b) Except as otherwise expressly provided in this Section, when a division becomes effective, no resulting company is responsible for or shall have any liability or obligation in respect of:

(1) any liabilities, including policy liabilities, that another resulting company issues, undertakes, or incurs in its own name after the division; or

(2) any liabilities, including policy liabilities, of the dividing company that are allocated to or remain the liability of another resulting company in accordance with the plan of division.

(c) If a provision of a debt security, note, or similar evidence of indebtedness for money borrowed, whether secured or unsecured, indenture or other contract relating to indebtedness, or a provision of any other type of contract other than an insurance policy, annuity, or reinsurance agreement, that was issued, incurred, or executed by the domestic stock company before requires the consent of the obligee to a merger of the dividing company or treats the merger as a default, that provision applies to a division of the dividing company as if the division was a merger.

(d) If a division breaches a contractual obligation of the dividing company at the time the division becomes effective, all of the resulting companies are liable, jointly and severally, for the contractual breach, but the validity and effectiveness of the division, including, without limitation, the allocation of liabilities in accordance with the plan of division, shall not be affected by the contractual breach.

(e) A direct or indirect allocation of capital, surplus, assets, or liabilities, including policy liabilities, in a division shall occur automatically, by operation of law, and shall not be treated as a distribution or transfer for any purpose with respect to either the dividing company or any of the resulting companies.

(f) Liens, security interests, and other charges on the capital, surplus, or other assets of the dividing company are not impaired by the division, notwithstanding any otherwise enforceable allocation of liabilities, including policy liabilities, of the dividing company.

(g) If the dividing company is bound by a security agreement governed by Article 9 of the Uniform Commercial Code as enacted in this State or in any other jurisdiction, and the security agreement provides that the security interest attaches to after-acquired collateral, each resulting company is bound by the security agreement.

(h) An allocation of a policy or other liability does not:

(1) except as provided in the plan of division and specifically approved by the Director, affect the rights that a policyholder or creditor has under other law in respect of the policy or other liability, except that those rights are available only against a resulting company responsible for the policy or liability under this Section; or

(2) release or reduce the obligation of a reinsurer, surety, or guarantor of the policy or liability.

(215 ILCS 5/35B-45 new)

Sec. 35B-45. Shareholder rights. If the dividing company does not survive the division, an objecting shareholder of a dividing company is entitled to appraisal rights and to obtain payment of the fair value of that shareholder's shares, in the same manner and to the extent provided for pursuant to Section 167.

(215 ILCS 5/35B-50 new)

Sec. 35B-50. Rules. The Director may adopt such rules as are necessary or appropriate to carry out this Article.

(215 ILCS 5/121-2.08) (from Ch. 73, par. 733-2.08)

Sec. 121-2.08. Transactions in this State involving contracts of insurance independently procured directly from an unauthorized insurer by industrial insureds.

(a) As used in this Section:

"Exempt commercial purchaser" means exempt commercial purchaser as the term is defined in subsection (1) of Section 445 of this Code.

"Home state" means home state as the term is defined in subsection (1) of Section 445 of this Code.

"Industrial insured" means an insured:

(i) that procures the insurance of any risk or risks of the kinds specified in Classes 2 and 3 of Section 4 of this Code by use of the services of a full-time employee who is a qualified risk manager or the services of a regularly and continuously retained consultant who is a qualified risk manager;

(ii) that procures the insurance directly from an unauthorized insurer without the services of an intermediary insurance producer; and

(iii) that is an exempt commercial purchaser whose home state is Illinois.

"Insurance producer" means insurance producer as the term is defined in Section 500-10 of this Code.

"Qualified risk manager" means qualified risk manager as the term is defined in subsection (1) of Section 445 of this Code.

"Safety-Net Hospital" means an Illinois hospital that qualifies as a Safety-Net Hospital under Section 5-5e.1 of the Illinois Public Aid Code.

"Unauthorized insurer" means unauthorized insurer as the term is defined in subsection (1) of Section 445 of this Code.

(b) For contracts of insurance effective January 1, 2015 or later, within 90 days after the effective date of each contract of insurance issued under this Section, the insured shall file a report with the Director by submitting the report to the Surplus Line Association of Illinois in writing or in a computer readable format and provide information as designated by the Surplus Line Association of Illinois. The information in the report shall be substantially similar to that required for surplus line submissions as described in subsection (5) of Section 445 of this Code. Where applicable, the report shall satisfy, with respect to the subject insurance, the reporting requirement of Section 12 of the Fire Investigation Act.

(c) For contracts of insurance effective January 1, 2015 through December 31, 2017 ~~or later~~, within 30 days after filing the report, the insured shall pay to the Director for the use and benefit of the State a sum equal to the gross premium of the contract of insurance multiplied by the surplus line tax rate, as described in paragraph (3) of subsection (a) of Section 445 of this Code, and shall pay the fire marshal tax that would otherwise be due annually in March for insurance subject to tax under Section 12 of the Fire Investigation Act. For contracts of insurance effective January 1, 2018 or later, within 30 days after filing the report, the insured shall pay to the Director for the use and benefit of the State a sum equal to 0.5% of the gross premium of the contract of insurance, and shall pay the fire marshal tax that would otherwise be due annually in March for insurance subject to tax under Section 12 of the Fire Investigation Act. For contracts of insurance effective January 1, 2015 or later, within 30 days after filing the report, the insured shall pay to the Surplus Line Association of Illinois a countersigning fee that shall be assessed at the same rate charged to members pursuant to subsection (4) of Section 445.1 of this Code.

(d) For contracts of insurance effective January 1, 2015 or later, the insured shall withhold the amount of the taxes and countersignature fee from the amount of premium charged by and otherwise payable to the insurer for the insurance. If the insured fails to withhold the tax and countersignature fee from the premium, then the insured shall be liable for the amounts thereof and shall pay the amounts as prescribed in subsection (c) of this Section.

(e) Contracts of insurance with an industrial insured that qualifies as a Safety-Net Hospital are not subject to subsections (b) through (d) of this Section.

(Source: P.A. 100-535, eff. 9-22-17.)

(215 ILCS 5/123C-1) (from Ch. 73, par. 735C-1)

(Section scheduled to be repealed on January 1, 2027)

Sec. 123C-1. Definitions. As used in this Article:

A. "Affiliate" or "Affiliated company" includes a parent entity that controls a captive insurance company and:

(1) is an affiliate of another entity if the entity directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the other entity.

(2) is an affiliate of another entity if the entity is an affiliate of and is controlled by the other entity directly or indirectly through one or more intermediaries.

A subsidiary or holding company of an entity is an affiliate of that entity, shall have the meaning set forth in subsection (a) of Section 131.1 (and, for purposes of such definition, the definitions of "control" and "person", as set forth in subsections (b) and (e) of Section 131.1, respectively, shall be applicable).

B. "Association" means any entity meeting the requirements set forth in either of the following paragraphs (1), (2) or (3):

(1) any organized association of individuals, legal representatives, corporations

(whether for profit or not for profit), partnerships, trusts, associations, units of government or other organizations, or any combination of the foregoing, that has been in continuous existence for at least one year, the member organizations of which collectively:

(a) own, control, or hold with power to vote (directly or indirectly) all of the

outstanding voting securities of an association captive insurance company incorporated as a stock insurer; or

(b) have complete voting control (directly or indirectly) over an association

captive insurance company organized as a mutual insurer;

(2) any organized association of individuals, legal representatives, corporations

(whether for profit or not for profit), partnerships, trusts, associations, units of government or other organizations, or any combination of the foregoing:

(a) whose member organizations are engaged in businesses or activities similar or

related with respect to the liability of which such members are exposed by virtue of any related, similar, or common business, trade, product, services, premises, or operations; and

(b) whose member organizations:

(i) directly or indirectly own or control, and hold with power to vote, at least

80% of all of the outstanding voting securities of an association captive insurance company incorporated as a stock insurer; or

(ii) directly or indirectly have at least 80% of the voting control over an

association captive insurance company organized as a mutual insurer; or

(3) any risk retention group, as defined in subsection (11) of Section 123B-2, domiciled

in this State and organized under this Article; however, beginning 6 months after the effective date of this amendatory Act of 1995, a risk retention group shall no longer qualify as an association under this Article.

Provided, however, that with respect to each of the associations described in paragraphs (1), (2) and (3) above, no member organization may (i) own, control, or hold with power to vote in excess of 25% of the voting securities of an association captive insurance company incorporated as a stock insurer, or (ii) have more than 25% of the voting control of an association captive insurance company organized as a mutual insurer.

C. "Association captive insurance company" means any company that insures risks of (i) the member organizations of an association, and (ii) their affiliated companies.

D. "Captive insurance company" means any pure captive insurance company, association captive insurance company or industrial insured captive insurance company organized under the provisions of this Article.

E. "Director" means the Director of the Department of Insurance.

F. "Industrial insured" means an insured which (together with its affiliates) at the time of its initial procurement of insurance from an industrial insured captive insurance company:

(1) has available to it advice with respect to the purchase of insurance through the use

of the services of a full-time employee acting as an insurance manager or buyer or the services of a regularly and continuously retained qualified insurance consultant; and

(2) pays aggregate annual premiums in excess of \$100,000 for insurance on all risks except for life, accident and health; and

(3) either (i) has at least 25 full-time employees, or (ii) has gross assets in excess of \$3,000,000, or (iii) has annual gross revenues in excess of \$5,000,000.

G. "Industrial insured captive insurance company" means any company that insures risks of industrial insureds that are members of the industrial insured group, and their affiliated companies.

H. "Industrial insured group" means any group of industrial insureds that collectively:

(1) directly or indirectly (including ownership or control through a company which is wholly owned by such group of industrial insureds) own or control, and hold with power to vote, all of the outstanding voting securities of an industrial insured captive insurance company incorporated as a stock insurer; or

(2) directly or indirectly (including control through a company which is wholly owned by such group of industrial insureds) have complete voting control over an industrial insured captive insurance company organized as a mutual insurer; provided, however, that no member organization may (i) own, control, or hold with power to vote in excess of 25% of the voting securities of an industrial insured captive insurance company incorporated as a stock insurer, or (ii) have more than 25% of the voting control of an industrial insured captive insurance company organized as a mutual insurer.

I. "Member organization" means any individual, legal representative, corporation (whether for profit or not for profit), partnership, association, unit of government, trust or other organization that belongs to an association or an industrial insured group.

J. "Parent" means a corporation, partnership, individual or other legal entity that directly or indirectly owns, controls, or holds with power to vote more than 50% of the outstanding voting securities of a company.

K. "Personal risk liability" means liability to other persons for (i) damage because of injury to any person, (ii) damage to property, or (iii) other loss or damage, in each case resulting from any personal, familial, or household responsibilities or activities, but does not include legal liability for damages (including costs of defense, legal costs and fees, and other claims expenses) because of injuries to other persons, damage to their property, or other damage or loss to such other persons resulting from or arising out of:

(i) any business (whether for profit or not for profit), trade, product, services (including professional services), premises, or operations; or

(ii) any activity of any state or local government, or any agency or political subdivision thereof.

L. "Pure captive insurance company" means any company that insures only risks of its parent or affiliated companies or both.

M. "Unit of government" includes any state, regional or local government, or any agency or political subdivision thereof, or any district, authority, public educational institution or school district, public corporation or other unit of government in this State or any similar unit of government in any other state.

N. "Control" means the power to direct, or cause the direction of, the management and policies of an entity, other than the power that results from an official position with or corporate office held in the entity. The power may be possessed directly or indirectly by any means, including through the ownership of voting securities or by contract, other than a commercial contract for goods or non-management services.

O. "Qualified independent actuary" means a person that is either:

(1) a member in good standing with the Casualty Actuarial Society; or

(2) a member in good standing with the American Academy of Actuaries who has been approved as qualified for signing casualty loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries.

P. "Controlled unaffiliated business" means an entity:

(1) that is not an affiliate;

(2) that has an existing contractual relationship with an affiliate under which the affiliate bears a potential financial loss; and

(3) whose risks are managed by a captive insurance company under Section 123C-24 of this Code.

Q. "Operational risk" means any potential financial loss of an affiliate, except for a loss arising from an insurance policy issued by a captive or insurance affiliate.

R. "Captive management company" means an entity providing administrative services to a captive insurance company.

S. "Safety-Net Hospital" means an Illinois hospital that qualifies as a Safety-Net Hospital under Section 5-5e.1 of the Illinois Public Aid Code.

(Source: P.A. 89-97, eff. 7-7-95; 90-794, eff. 8-14-98.)

(215 ILCS 5/123C-2) (from Ch. 73, par. 735C-2)

(Section scheduled to be repealed on January 1, 2027)

Sec. 123C-2. Authority of captives; restrictions.

A. Except as provided by this Section, a captive insurance company may write any type of insurance, but may only insure the operational risks of the company's affiliates and risks of a controlled unaffiliated business. Any captive insurance company, when permitted by its articles of association or charter, may

apply to the Director for a certificate of authority to transact any and all insurance in classes 2 and 3 of Section 4 of this Code, except that:

(1) no pure captive insurance company may insure any risks other than those of its parent and affiliated companies;

(2) no association captive insurance company may insure any risks other than those of the member organizations of its association, and their affiliated companies;

(3) no industrial insured captive insurance company may insure any risks other than those of the members of the industrial insured group, and their affiliated companies; and

(4) no captive insurance company may provide:

(i) personal motor vehicle coverage or homeowner's insurance coverage or any component thereof,

or

(ii) personal coverage for personal risk liability, or

(iii) coverage for an employer's liability to its employees other than legal liability under the federal Employers' Liability Act (45 U.S.C. 51 et seq.), provided, however, this exclusion does not preclude reinsurance of such employer's liability, or

(iv) accident and health insurance as provided in clause (a) of Class 2 of Section 4, provided, however, this exclusion does not preclude stop-loss insurance or reinsurance of a single employer self-funded employee disability benefit plan or an employee welfare plan as described in 29 U.S.C. 1001 et seq.

A-5. A captive insurance company may not issue:

(1) life insurance;

(2) annuities;

(3) accident and health insurance for the company's parent and affiliates, except to insure employee benefits that are subject to the federal Employee Retirement Income Security Act of 1974;

(4) title insurance;

(5) mortgage guaranty insurance;

(6) financial guaranty insurance;

(7) residential property insurance;

(8) personal automobile insurance; or

(9) workers' compensation insurance.

A-10. A captive insurance company may not issue a type of insurance, including automobile liability insurance, that is required under the laws of this State or a political subdivision of this State as a prerequisite for obtaining a license or permit if the law requires that the liability insurance be issued by an insurer authorized to engage in the business of insurance in this State.

A-15. A captive insurance company is authorized to issue a contractual reimbursement policy to:

(1) an affiliated certified self-insurer authorized under the Workers' Compensation Act or a similar affiliated entity expressly authorized by analogous laws of another state; or

(2) an affiliate that is insured by a workers' compensation insurance policy with a negotiated deductible endorsement.

B. No captive insurance company shall do any insurance business in this State unless:

(1) it first obtains from the Director a certificate of authority authorizing it to do such insurance business in this State; and

(2) it appoints a resident registered agent to accept service of process and to otherwise act on its behalf in this State.

C. No captive insurance company shall adopt a name that is the same as, deceptively similar to, or likely to be confused with or mistaken for, any other existing business name registered in this State.

D. Each captive insurance company, or the organizations providing the principal administrative or management services to such captive insurance company, shall maintain a place of business in this State. (Source: P.A. 91-357, eff. 7-29-99.)

(215 ILCS 5/123C-3) (from Ch. 73, par. 735C-3)

(Section scheduled to be repealed on January 1, 2027)

Sec. 123C-3. Minimum capital and surplus.

A. The Department may not issue a certificate of authority to a captive insurance company unless the company possesses and maintains unencumbered capital and surplus in an amount determined by the Director after considering:

(1) the amount of premium written by the captive insurance company;

(2) the characteristics of the assets held by the captive insurance company;

(3) the terms of reinsurance arrangements entered into by the captive insurance company;

(4) the type of business covered in policies issued by the captive insurance company;



(5) the underwriting practices and procedures of the captive insurance company; and

(6) any other criteria that has an impact on the operations of the captive insurance company determined to be significant by the Director. No pure captive insurance company, association captive insurance company incorporated as a stock insurer, or industrial insured captive insurance company incorporated as a stock insurer shall be issued a certificate of authority unless it shall possess and thereafter maintain unimpaired paid-in capital of not less than the minimum capital requirement applicable to the class or classes and clause or clauses of Section 4 describing the kind or kinds of insurance which such captive insurance company is authorized to write, as set forth in subsection (1) of Section 13.

B. The amount of capital and surplus determined by the Director under subsection A of this Section may not be less than \$250,000 for a pure captive insurance company, \$500,000 for an industrial insured captive insurance company, and \$750,000 for an association captive insurance company. Such capital may be in the form of (1) all cash or cash equivalents; or (2) cash or cash equivalents representing at least 20% of the requisite capital, together with an irrevocable letter of credit for the remainder of the requisite capital, which letter of credit must (a) be approved by the Director, (b) be issued or unconditionally confirmed by (i) a bank chartered by this State, (ii) a member bank of the Federal Reserve System or (iii) a United States office of a foreign banking corporation that is: (A) licensed under the laws of the United States or any state thereof, (B) regulated, supervised and examined by United States federal or state authorities having regulatory authority over banks and trust companies, and (C) designated by the Securities Valuation Office of the National Association of Insurance Commissioners as meeting its credit standards for issuing or confirming letters of credit or, in the event that the Director elects to establish credit standards by rule, in compliance with rules promulgated by the Director establishing reasonable standards of safety and soundness substantially equivalent to those of the Securities Valuation Office of the National Association of Insurance Commissioners, and (c) satisfy the requirements of Section 123C-19; or (3) cash or cash equivalents representing at least 33% of the requisite capital, together with irrevocable contractual obligations of the member organizations of the captive insurance company for the payment of the remainder of the requisite capital in no more than 3 equal installments in each of the 3 calendar years following the date of the grant of the certificate of authority to the captive insurance company, which irrevocable contractual obligations shall by contract be subject to acceleration (in a manner acceptable to the Director) by the Company at the direction of the Director and shall be secured by a letter of credit or other form of guarantee or security acceptable to the Director.

C. The capital and surplus required by subsection A of this Section must be in the form of:

(1) United States currency;

(2) an irrevocable letter of credit, in a form approved by the Director and not secured by a guarantee from an affiliate, naming the Director as beneficiary for the security of the captive insurance company's policyholders and issued by a bank approved by the Director;

(3) bonds of this State; or

(4) bonds or other evidences of indebtedness of the United States, the principal and interest of which are guaranteed by the United States.

(Source: P.A. 86-632.)

(215 ILCS 5/123C-9) (from Ch. 73, par. 735C-9)

(Section scheduled to be repealed on January 1, 2027)

Sec. 123C-9. Reports, statements and mandatory reserves.

A. Captive insurance companies shall not be required to make any annual report except as provided in this Article.

B. (1) On or before ~~Prior to~~ March 1 of each year, each captive insurance company shall submit to the Director a report of its financial condition, verified by oath of 2 of its executive officers and including (i) a balance sheet reporting assets, liabilities, capital and surplus, (ii) a statement of gain or loss from operations, (iii) a statement of changes in financial position, (iv) a statement of changes in capital and surplus, and (v) in the case of industrial insured captive insurance companies, an analysis of loss reserve development, information on risks ceded and assumed under reinsurance agreements, on forms prescribed by the Director, and a schedule of its invested assets on forms prescribed by the Director, and (vi) a statement of actuarial opinion by a qualified independent actuary concerning the reasonableness of the captive insurance company's loss and loss adjustment expense reserves in such form and of such content as specified in the National Association of Insurance Commissioners Annual Statement Instructions: Property and Casualty.

(2) In addition, prior to March 1 of each year, each association captive insurance company shall submit to the Director such additional data or information, which the Director may from time to time require, on a form specified by the Director.

(3) On or before June 1 of each year, each captive insurance company shall submit to the Director a report of its financial condition at last year's end with an independent certified public accountant's opinion of the company's financial condition. Prior to June 1 of each year, each association and industrial insured captive insurance company shall submit to the Director a report of its financial condition, certified by a recognized firm of independent public accountants acceptable to the Director and including the items referred to in items (i), (ii), (iii) and (iv) of paragraph (1) of this subsection B.

(4) Unless the Director permits otherwise, the reports of financial condition referred to in paragraphs (1) and (3) of this subsection B are to be prepared in accordance with the Accounting Practices and Procedures Manual adopted by the National Association of Insurance Commissioners. The Director shall have authority to extend the time for filing any report or statement by any company for reasons which he considers good and sufficient.

C. In addition, any captive insurance company may be required by the Director, when he considers such action to be necessary and appropriate for the protection of policyholders, creditors, shareholders or claimants, to file, within 60 days after mailing to the company of a notice that such is required, a supplemental summary statement as of the last day of any calendar month occurring during the 100 days next preceding the mailing of such notice designated by him on forms prescribed and furnished by the Director. No company shall be required to file more than 4 supplemental summary statements during any consecutive 12 month period.

D. Every captive insurance company shall, at all times, maintain reserves in an amount estimated in the aggregate to provide for the payment of all losses and claims incurred, whether reported or unreported, which are unpaid and for which such company may be liable, and to provide for the expenses of adjustment or settlement of such losses and claims. The aggregate reserves shall be reduced by reinsurance ceded which meets the requirements of Section 123C-13. For the purpose of such reserves, the company shall keep a complete and itemized record showing all losses and claims on which it has received notice, including all notices received by it of the occurrence of any event which may result in a loss. Such record shall be opened in chronological receipt order, with each notice of loss or claim identified by appropriate number or coding.

E. Every captive insurance company shall maintain an unearned premium reserve on all policies in force which reserve shall be charged as a liability. The portions of the gross premiums in force, after deducting reinsurance qualifying under Section 123C-13, which shall be held as a premium reserve, shall never be less in the aggregate than the company's actual liability to all its insureds for the return of gross unearned premiums. In the calculation of the company's actual liability to all its insureds, the reserve shall be computed pursuant to the method commonly referred to as the monthly pro rata method; provided, however, that the Director may require that such reserve shall be equal to the unearned portions of the gross premiums in force, after deducting reinsurance qualifying under Section 123C-13, in which case the reserve shall be computed on each respective risk from the date of the issuance of the policy.

E-5. A captive insurance company may make a written application to the Director for filing its annual report required under this Section on a fiscal year's end. If an alternative filing date is granted, the company shall file:

(1) the annual report, including a statement of actuarial opinion by a qualified independent actuary concerning the reasonableness of the captive insurance company's loss and loss adjustment expense reserves in such form and of such content as specified in the National Association of Insurance Commissioners Annual Statement Instructions: Property and Casualty, no later than the 60th day after the date of the company's fiscal year's end;

(2) the report of its financial condition at last year's end with an independent certified public accountant's opinion of the company's financial condition; and

(3) its balance sheet, income statement, and statement of cash flows, verified by 2 of its executive officers, before March 1 of each year to provide sufficient detail to support a premium tax return.

F. The reports required by this Section shall be prepared and filed on a calendar year basis.

G. Notwithstanding the requirements of this Section, a captive insurance company may prepare and issue financial statements prepared in accordance with generally accepted accounting principles. (Source: P.A. 85-131; 86-1155; 86-1156.)

(215 ILCS 5/123C-11) (from Ch. 73, par. 735C-11)

(Section scheduled to be repealed on January 1, 2027)

Sec. 123C-11. Grounds and procedures for suspension or revocation of certificate of authority.

A. The certificate of authority of a captive insurance company to do an insurance business in this State may be suspended or revoked by the Director for any of the following reasons:

- (1) insolvency or impairment of required capital or surplus to policy holders;
- (2) failure to meet the requirements of Sections 123C-3 or 123C-4;

(3) refusal or failure to submit an annual report, as required by Section 123C-9, or any other report or statement required by law or by lawful order of the Director;

(4) failure to comply with the provisions of its own charter or bylaws (or, in the case of an industrial insured captive, with the provisions of the investment policy set forth in its plan of operation as approved from time to time by the Director);

(5) failure to submit to examination or any legal obligation relative thereto, as required by Section 123C-10;

(6) refusal or failure to pay expenses, ~~and charges~~, ~~and taxes~~ as required by Sections 408, 409, 123C-10, and 123C-17;

(7) use of methods that, although not otherwise specifically prohibited by law, nevertheless render its operation detrimental or its condition unsound with respect to the public or to its policyholders; or

(8) failure otherwise to comply with the laws of this State.

B. If the Director finds, upon examination, hearing, or other evidence, that any captive insurance company has committed any of the acts specified in subsection A, he may suspend or revoke such certificate of authority if he deems it in the best interest of the public and the policyholders of such captive insurance company, notwithstanding any other provision of this Article.

C. The provisions of Articles XIII and XIII 1/2 shall apply to and govern the conservation, rehabilitation, liquidation and dissolution of captive insurance companies.

(Source: P.A. 85-131.)

(215 ILCS 5/123C-12) (from Ch. 73, par. 735C-12)

(Section scheduled to be repealed on January 1, 2027)

Sec. 123C-12. Legal investments.

A. The provisions of Article VIII and of Sections 131.2 and 131.3 shall apply to association captive insurance companies.

B. No pure captive insurance company or industrial insured captive insurance company shall be subject to any restrictions on allowable investments whatever, including those limitations contained in Articles VIII and VIII 1/2; provided, however, that the Director may prohibit or limit any investment or type of investment that threatens the solvency or liquidity of any such company; and provided further that an industrial insured captive insurance company must adhere to the investment policy set forth in its plan of operation as approved from time to time by the Director.

C. A captive insurance company may make loans to its affiliates with the prior approval of the Director. Each loan must be evidenced by a note approved by the Director. A captive insurance company may not make a loan of the minimum capital and surplus funds required by this Article.

D. The Director may prohibit or limit an investment that threatens the solvency or liquidity of a captive insurance company.

(Source: P.A. 85-131.)

(215 ILCS 5/123C-13) (from Ch. 73, par. 735C-13)

(Section scheduled to be repealed on January 1, 2027)

Sec. 123C-13. Reinsurance.

A. Any captive insurance company may provide reinsurance on risks ceded by any other insurer; provided, however, that the risks so assumed are the same as the captive insurance company could legally insure on a direct basis.

The provisions of Section 174.1 shall not apply to any captive insurance company providing reinsurance.

B. Subject to the provisions of Article XI, any captive insurance company may cede, and may take credit for in the establishment of reserves, all or any part of its risks. Furthermore, in addition to Section 173.1, any pure or industrial insured captive insurance company may take credit, as either an asset or a deduction from liability, for reinsurance so ceded to the extent:

(1) The reinsurer satisfies all of the following (a) through (g):

(a) the principal business of the reinsurer (other than investments in subsidiaries and other investment activities) is to accept reinsurance from captive insurance companies organized under Article VIIIC, of which the company accepting the reinsurance directly or indirectly owns, controls, or holds with power to vote more than 80% of the outstanding voting securities if organized as a stock company or more than 80% of the voting control if organized as a mutual company and to provide insurance related services;

(b) is licensed to transact insurance or reinsurance in its jurisdiction of domicile;

(c) submits to this State's authority to examine its books and records and agrees to

pay the cost thereof;

(d) files annually with the Director a copy of its most recent audited financial statements;

(e) maintains a surplus as regards policyholders in an amount that is not less than \$20,000,000;

(f) files with the Department the following:

(i) evidence of its submission to the jurisdiction of any court of competent jurisdiction in any state of the United States and its agreement to comply with all requirements necessary to give the court jurisdiction and to abide by the final decision of the court or of any appellate court in the event of an appeal; and

(ii) an instrument designating the Director or a designated attorney as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the ceding company;

(g) has not been the subject of an order of the Director entered after notice and hearing prohibiting the reinsurer from utilizing this paragraph (1); or

(2) the taking of credit by the captive insurance company has otherwise received the prior approval of the Director.

C. A captive insurance company shall provide notice to the Director of a reinsurance agreement to which the company becomes a party not later than the 30th day after the date of the execution of the agreement.

D. A captive insurance company shall provide notice of a termination of a previously filed reinsurance agreement to the Director not later than the 30th day after the date of termination.

E. Notwithstanding Section 123C-15 of this Code, a captive insurance company, with the Director's approval, may accept risks from and cede risks to or take credit for reserves on risks ceded to:

(1) a captive reinsurance pool composed only of other captive insurance companies holding a certificate of authority under this Article or a similar law of another jurisdiction; or

(2) an affiliated captive insurance company holding a certificate of authority under this Article or a similar law of another jurisdiction.

(Source: P.A. 87-108.)

(215 ILCS 5/123C-16) (from Ch. 73, par. 735C-16)

(Section scheduled to be repealed on January 1, 2027)

Sec. 123C-16. Tax.

A. Every captive insurance company organized under the provisions of this Article and doing business in this State shall, for the privilege of doing business in this State, pay to the Director for the State treasury the State tax imposed under Section 409 to the same extent and in the same manner as a domestic insurance company using a tax form prescribed by the Director on or before March 15 of each year.

B. Domestic captive insurance companies shall be insurance companies subject to the rules now provided for such companies under the Illinois Income Tax Act.

C. A domestic captive insurance company that has engaged one or more administrative or management service organizations in order to comply with subsection D of Section 123C-2 shall be deemed to meet the requirements of Section 409(4)(a) through (d) provided that the company and such organizations when viewed collectively as a group:

(a) maintain a place of business in this State; and

(b) maintain in this State personnel knowledgeable of and responsible for the company's operations, books, records, administration and annual statement; and

(c) conduct in this State substantially all of the company's underwriting, policy issuing and servicing operations relating to the company's policyholders and certificate holders; and

(d) comply with the provisions of Section 133(2) with respect to such domestic captive insurance company's books, records, documents, accounts, vouchers and securities.

(Source: P.A. 86-632; 86-634.)

(215 ILCS 5/123C-17) (from Ch. 73, par. 735C-17)

(Section scheduled to be repealed on January 1, 2027)

Sec. 123C-17. Fees.

A. The Director shall charge, collect, and give proper acquittances for the payment of the following fees and charges with respect to a captive insurance company:

1. For filing all documents submitted for the incorporation or organization or certification of a captive insurance company, ~~\$2,000~~ \$7,000.

2. For filing requests for approval of changes in the elements of a plan of operations, \$200.

B. Except as otherwise provided in subsection A of this Section and in Section 123C-10, the provisions of Section 408 shall apply to captive insurance companies.

C. Any funds collected from captive insurance companies pursuant to this Section shall be treated in the manner provided in subsection (11) of Section 408.

(Source: P.A. 93-32, eff. 7-1-03.)

(215 ILCS 5/123C-19) (from Ch. 73, par. 735C-19)

(Section scheduled to be repealed on January 1, 2027)

Sec. 123C-19. Letters of credit.

A. Any letter of credit used to meet the requirements set forth in Sections 123C-3 and 123C-4:

(1) ~~(blank); may not be used to provide more than 80% of the amount required in Section 123C-3 and may not be used to provide more than 80% of the amount required in Section 123C-4;~~

(2) may not be allowed to expire without the prior written approval of the Director and shall provide for 30 days' advance written notice to the Director of the proposed expiration of the letter of credit; and

(3) must be provided pursuant to arrangements, acceptable to the Director, wherein all funds obtained by the company under the letter of credit are free of claims of any party which may arise on account of the company's resort to the letter of credit.

B. If letters of credit are used to provide surplus in excess of the amounts required in Section 123C-4:

(1) the aggregate amount of all such letters of credit shall not exceed the policyholder surplus of the company;

(2) without the prior written approval of the Director, no such letter of credit may be allowed to expire, in any period of 12 consecutive months ending on the date of such expiration, in an amount greater than the greater of (a) 10% of the company's surplus as regards policyholders as of the 31st day of December next preceding, or (b) the net income of the company for the 12 month period ending the ~~31st~~ <sup>31st</sup> day of December next preceding. For purposes of this Section, net income includes net realized capital gains in an amount not to exceed 20% of net unrealized capital gains; and

(3) each such letter of credit shall provide for 30 days' advance written notice to the Director of the proposed expiration of the letter of credit.

~~C. (Blank). The Director may require any company to draw upon its letters of credit, in amounts determined by the Director, if the Director determines that such action is necessary for the protection of the interests of policyholders.~~

~~D. (Blank). Any company including amounts supported by letters of credit in its capital or surplus shall, prior to the time any person becomes a policyholder, notify such person of the amounts supported by letters of credit and included in the company's capital or surplus.~~

(Source: P.A. 85-131.)

(215 ILCS 5/123C-23 new)

Sec. 123C-23. Approval of captive reinsurance pools. Before determining whether to approve a captive insurance company's participation in a captive reinsurance pool under Section 123C-13 of this Code, the Director may:

(1) require the captive insurance company provide to the Director evidence that the captive reinsurance pool:

(a) is composed only of other captive insurance companies holding a certificate of authority under this Article or a similar law of another jurisdiction; and

(b) will be able to meet the pool's financial obligations; and

(2) impose any other limitation or requirement on the captive insurance company that is necessary and proper to provide adequate security for the captive insurance company.

(215 ILCS 5/123C-24 new)

Sec. 123C-24. Standards for risk management of controlled unaffiliated business. The Director may adopt rules establishing standards to ensure that an affiliated company is able to exercise control of the risk management function of any controlled unaffiliated business to be insured by the captive insurance company.

(215 ILCS 5/123C-25 new)

Sec. 123C-25. Captive managers. Before providing captive management services to a licensed captive insurance company, a captive management company shall register with the Director by providing the information required on a form adopted by the Director.

(215 ILCS 5/123C-26 new)

Sec. 123C-26. Dividends.

A. A captive insurance company shall notify the Director in writing when issuing policyholder dividends.

B. A captive insurance company, with the Director's approval, may issue dividends or distributions to the holders of an equity interest in the captive insurance company. The Director shall adopt rules to implement this subsection B.

(215 ILCS 5/123C-27 new)

Sec. 123C-27. Rulemaking authority. The Director may adopt reasonable rules as necessary to implement the purposes and provisions of this Article.

(215 ILCS 5/123C-28 new)

Sec. 123C-28. Confidentiality.

A. Any information filed by an applicant or captive insurance company under this Article is confidential and privileged for all purposes, including for purposes of the Freedom of Information Act, a response to a subpoena, or evidence in a civil action. Except as provided by subsections B and C of this Section, the information may not be disclosed without the prior written consent of the applicant or captive insurance company to which the information pertains.

B. If the recipient of the information described by subsection A of this Section has the legal authority to maintain the confidential or privileged status of the information and verifies that authority in writing, the Director or his or her designee may disclose the information to any of the following entities functioning in an official capacity:

(1) a director of insurance or an insurance department of another state;

(2) an authorized law enforcement official;

(3) a State's Attorney of this State;

(4) the Attorney General;

(5) a grand jury;

(6) the National Association of Insurance Commissioners if the captive insurance company is affiliated with an insurance company that is part of an insurance holding company system as described in Article VIII 1/2 of this Code;

(7) another state or federal regulator if the applicant or captive insurance company to which the information relates operates in the entity's jurisdiction;

(8) an international insurance regulator or analogous financial agency if the captive insurance company is affiliated with an insurance company that is part of an insurance holding company system as described in Article VIII 1/2 of this Code and the holding company system operates in the entity's jurisdiction; or

(9) members of a supervisory college described by Section 131.20c of this Code, if the captive insurance company is affiliated with an insurance company that is part of an insurance holding company system as described in Article VIII 1/2 of this Code.

C. The Director may use information described by subsection A of this Section in the furtherance of a legal or regulatory action relating to the administration of this Code.

(215 ILCS 5/156) (from Ch. 73, par. 768)

Sec. 156. Merger and consolidation permitted.

(a) Upon complying with the provisions of this article, any domestic company, except a Lloyds, is hereby authorized and empowered to merge or consolidate with any domestic company or with any foreign or alien company, except a Lloyds if the surviving company meets the requirements for authorization to engage in the insurance business in this state and, if such merger or consolidation is authorized by the laws of the state or country under which such foreign or alien company is incorporated or organized.

(b) The Director may permit the formation of a domestic stock company that is established for the sole purpose of merging or consolidating with an existing stock company simultaneously with the effectiveness of a division authorized by this Code. Upon request of the dividing company, the Director may waive the requirements of Section 131.8 of this Code. Each domestic stock company formed under this subsection shall be deemed to exist before a merger and division under this Section becomes effective, but solely for the purpose of being a party to such merger and division. The Director shall not require that such domestic stock company be licensed to transact insurance business in this state before such merger and division. All insurance policies, annuities, or reinsurance agreements allocated to such domestic stock company shall become the obligation of the domestic stock company that survives the merger simultaneously with the effectiveness of the merger and division. The plan of merger or consolidation shall be deemed to have been authorized and approved by such domestic stock company if the dividing company authorized and approved such plan. The certificate of merger shall state that it was approved by the domestic stock company formed under this subsection.

(Source: Laws 1967, p. 1760.)

(215 ILCS 5/173.1) (from Ch. 73, par. 785.1)

Sec. 173.1. Credit allowed a domestic ceding insurer.

(1) Except as otherwise provided under Article VIII 1/2 of this Code and related provisions of the Illinois Administrative Code, credit for reinsurance shall be allowed a domestic ceding insurer as either an admitted asset or a deduction from liability on account of reinsurance ceded only when the reinsurer meets the requirements of paragraph (A) subsection (1)(A) or (B) or (B-5) or (C) or (C-5) or (D) of this subsection (1). Credit shall be allowed under paragraph (A), subsection (1)(A) or (B) , or (B-5) of this subsection (1) only as respects cessions of those kinds or classes of business in which the assuming insurer is licensed or otherwise permitted to write or assume in its state of domicile, or in the case of a U.S. branch of an alien assuming insurer, in the state through which it is entered and licensed to transact insurance or reinsurance. Credit shall be allowed under paragraph (B-5) or (C) of this subsection (1) (E) of this Section only if the applicable requirements of paragraph (E) of this subsection (1) subsection (1)(E) have been satisfied.

(A) Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is authorized in this State to transact the types of insurance ceded and has at least \$5,000,000 in capital and surplus.

(B) Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is accredited as a reinsurer in this State. An accredited reinsurer is one that:

- (1) files with the Director evidence of its submission to this State's jurisdiction;
- (2) submits to this State's authority to examine its books and records;
- (3) is licensed to transact insurance or reinsurance in at least one state, or in the case of a U.S. branch of an alien assuming insurer is entered through and licensed to transact insurance or reinsurance in at least one state;
- (4) files annually with the Director a copy of its annual statement filed with the insurance department of its state of domicile and a copy of its most recent audited financial statement; and

(5) maintains a surplus as regards policyholders in an amount that is not less than \$20,000,000 and whose accreditation has been approved by the Director. ~~No credit shall be allowed a domestic ceding insurer, if the assuming insurers' accreditation has been revoked by the Director after notice and hearing.~~

(B-5)(1) Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is domiciled in, or in the case of a U.S. branch of an alien assuming insurer is entered through, a state that employs standards regarding credit for reinsurance substantially similar to those applicable under this Code and the assuming insurer or U.S. branch of an alien assuming insurer:

- (a) maintains a surplus as regards policyholders in an amount not less than \$20,000,000; and
- (b) submits to the authority of this State to examine its books and records.

(2) The requirement of item (a) of subparagraph (1) of paragraph (B-5) of this subsection (1) does not apply to reinsurance ceded and assumed pursuant to pooling arrangements among insurers in the same holding company system.

(C)(1) Credit shall be allowed when the reinsurance is ceded to an assuming insurer that maintains a trust fund in a qualified United States financial institution, as defined in paragraph (B) of subsection (3) of this Section subsection 3(B), for the payment of the valid claims of its United States policyholders and ceding insurers, their assigns and successors in interest. The assuming insurer shall report to the Director information substantially the same as that required to be reported on the NAIC annual and quarterly financial statement by authorized insurers and any other financial information that the Director deems necessary to determine the financial condition of the assuming insurer and the sufficiency of the trust fund. The assuming insurer shall provide or make the information available to the ceding insurer. The assuming insurer may decline to release trade secrets or commercially sensitive information that would qualify as exempt from disclosure under the Freedom of Information Act. The Director shall also make the information publicly available, subject only to such reasonable objections as might be raised to a request pursuant to the Freedom of Information Act, as determined by the Director. The assuming insurer shall submit to examination of its books and records by the Director and bear the expense of examination.

(2)(a) Credit for reinsurance shall not be granted under this subsection unless the form of the trust and any amendments to the trust have been approved by:

- (i) the regulatory official of the state where the trust is domiciled; or
- (ii) the regulatory official of another state who, pursuant to the terms of the trust instrument, has accepted principal regulatory oversight of the trust.

(b) The form of the trust and any trust amendments also shall be filed with the regulatory official of every state in which the ceding insurer beneficiaries of the trust are domiciled. The trust instrument shall provide that contested claims shall be valid and enforceable upon the final order of any court of competent jurisdiction in the United States. The trust shall vest legal title to its assets in

its trustees for the benefit of the assuming insurer's United States policyholders and ceding insureds and their assigns and successors in interest. The trust and the assuming insurer shall be subject to examination as determined by the Director.

(c) The trust shall remain in effect for as long as the assuming insurer has outstanding obligations due under the reinsurance agreements subject to the trust. No later than February 28 of each year the trustee of the trust shall report to the Director in writing the balance of the trust and a list of the trust's investments at the preceding year-end and shall certify the date of termination of the trust, if so planned, or certify that the trust will not expire prior to the next following December 31.

No later than February 28 of each year, the assuming insurer's chief executive officer or chief financial officer shall certify to the Director that the trust fund contains funds in an amount not less than the assuming insurer's liabilities (as reported to the assuming insurer by its cedent) attributable to reinsurance ceded by U.S. ceding insurers, and in addition, a trustee surplus of no less than \$20,000,000. In the event that item (a-5) of subparagraph (3) of this paragraph (C) applies to the trust, the assuming insurer's chief executive officer or chief financial officer shall then certify to the Director that the trust fund contains funds in an amount not less than the assuming insurer's liabilities (as reported to the assuming insurer by its cedent) attributable to reinsurance ceded by U.S. ceding insurers and, in addition, a reduced trustee surplus of not less than the amount that has been authorized by the regulatory authority having principal regulatory oversight of the trust.

(d) No later than February 28 of each year, an assuming insurer that maintains a trust fund in accordance with this paragraph (C) shall provide or make available, if requested by a beneficiary under the trust fund, the following information to the assuming insurer's U.S. ceding insurers or their assigns and successors in interest:

(i) a copy of the form of the trust agreement and any trust amendments to the trust agreement pertaining to the trust fund;

(ii) a copy of the annual and quarterly financial information, and its most recent audited financial statement provided to the Director by the assuming insurer, including any exhibits and schedules thereto;

(iii) any financial information provided to the Director by the assuming insurer that the Director has deemed necessary to determine the financial condition of the assuming insurer and the sufficiency of the trust fund;

(iv) a copy of any annual and quarterly financial information provided to the Director by the trustee of the trust fund maintained by the assuming insurer, including any exhibits and schedules thereto;

(v) a copy of the information required to be reported by the trustee of the trust to the Director under the provisions of this paragraph (C); and

(vi) a written certification that the trust fund consists of funds in trust in an amount not less than the assuming insurer's liabilities attributable to reinsurance liabilities (as reported to the assuming insurer by its cedent) attributable to reinsurance ceded by U.S. ceding insurers and, in addition, a trustee surplus of not less than \$20,000,000.

(3) The following requirements apply to the following categories of assuming insurer:

(a) The trust fund for a single assuming insurer shall consist of funds in trust in an amount not less than the assuming insurer's liabilities attributable to reinsurance ceded by U.S. ceding insurers, and in addition, the assuming insurer shall maintain a trustee surplus of not less than \$20,000,000, except as provided in item (a-5) of this subparagraph (3).

(a-5) At any time after the assuming insurer has permanently discontinued underwriting new business secured by the trust for at least 3 full years, the Director with principal regulatory oversight of the trust may authorize a reduction in the required trustee surplus, but only after a finding, based on an assessment of the risk, that the new required surplus level is adequate for the protection of U.S. ceding insurers, policyholders, and claimants in light of reasonably foreseeable adverse loss development. The risk assessment may involve an actuarial review, including an independent analysis of reserves and cash flows, and shall consider all material risk factors, including, when applicable, the lines of business involved, the stability of the incurred loss estimates, and the effect of the surplus requirements on the assuming insurer's liquidity or solvency. The minimum required trustee surplus may not be reduced to an amount less than 30% of the assuming insurer's liabilities attributable to reinsurance ceded by U.S. ceding insurers covered by the trust.

(b)(i) In the case of a group including incorporated and individual unincorporated underwriters:

(I) for reinsurance ceded under reinsurance agreements with an inception, amendment, or renewal date on or after January 1, 1993 ~~August 1, 1995~~, the trust shall consist of a trustee account in an amount not less than the respective underwriters' group's several liabilities attributable to business ceded by U.S. domiciled ceding insurers to any member of the group;



(II) for reinsurance ceded under reinsurance agreements with an inception date on or before December 31, 1992 ~~July 31, 1995~~ and not amended or renewed after that date, notwithstanding the other provisions of this Act, the trust shall consist of a trustee account in an amount not less than the group's several insurance and reinsurance liabilities attributable to business written in the United States; and

(III) in addition to these trusts, the group shall maintain in trust a trustee surplus of which not less than \$100,000,000 shall be held jointly for the benefit of the U.S. domiciled ceding insurers of any member of the group for all years of account.

(ii) The incorporated members of the group shall not be engaged in any business other than underwriting as a member of the group and shall be subject to the same level of solvency regulation and control by the group's domiciliary regulator as are the unincorporated members.

(iii) Within 90 days after its financial statements are due to be filed with the group's domiciliary regulator, the group shall provide to the Director an annual certification by the group's domiciliary regulator of the solvency of each underwriter member, or if a certification is unavailable, financial statements prepared by independent public accountants of each underwriter member of the group.

(c) In the case of a group of incorporated insurers under common administration, the group shall:

(i) have continuously transacted an insurance business outside the United States for at least 3 years immediately before making application for accreditation;

(ii) maintain aggregate policyholders' surplus of not less than \$10,000,000,000;

(iii) maintain a trust in an amount not less than the group's several liabilities attributable to business ceded by United States domiciled ceding insurers to any member of the group pursuant to reinsurance contracts issued in the name of the group;

(iv) in addition, maintain a joint trustee surplus of which not less than \$100,000,000 shall be held jointly for the benefit of the United States ceding insurers of any member of the group as additional security for these liabilities; and

(v) within 90 days after its financial statements are due to be filed with the group's domiciliary regulator, make available to the Director an annual certification of each underwriter member's solvency by the member's domiciliary regulator and financial statements of each underwriter member of the group prepared by its independent public accountant.

(C-5) Credit shall be allowed when the reinsurance is ceded to an assuming insurer that has been certified by the Director as a reinsurer in this State and secures its obligations in accordance with the requirements of this paragraph (C-5).

(1) In order to be eligible for certification, the assuming insurer shall meet the following requirements:

(a) the assuming insurer must be domiciled and licensed to transact insurance or reinsurance in a qualified jurisdiction, as determined by the Director pursuant to subparagraph (3) of this paragraph (C-5);

(b) the assuming insurer must maintain minimum capital and surplus, or its equivalent, in an amount not less than \$250,000,000 or such greater amount as determined by the Director pursuant to regulation; this requirement may also be satisfied by an association, including incorporated and individual unincorporated underwriters, having minimum capital and surplus equivalents (net of liabilities) of at least \$250,000,000 and a central fund containing a balance of at least \$250,000,000;

(c) the assuming insurer must maintain financial strength ratings from 2 or more rating agencies deemed acceptable by the Director; these ratings shall be based on interactive communication between the rating agency and the assuming insurer and shall not be based solely on publicly available information; each certified reinsurer shall be rated on a legal entity basis, with due consideration being given to the group rating where appropriate, except that an association, including incorporated and individual unincorporated underwriters, that has been approved to do business as a single certified reinsurer may be evaluated on the basis of its group rating; these financial strength ratings shall be one factor used by the Director in determining the rating that is assigned to the assuming insurer; acceptable rating agencies include the following:

(i) Standard & Poor's;

(ii) Moody's Investors Service;

(iii) Fitch Ratings;

(iv) A.M. Best Company; or

(v) any other nationally recognized statistical rating organization;

(d) the assuming insurer must agree to submit to the jurisdiction of this State, appoint the Director as its agent for service of process in this State, and agree to provide security for 100% of the assuming insurer's liabilities attributable to reinsurance ceded by U.S. ceding insurers if it resists enforcement of a final U.S. judgment; and

(e) the assuming insurer must agree to meet applicable information filing requirements as determined by the Director, both with respect to an initial application for certification and on an ongoing basis.

(2) An association, including incorporated and individual unincorporated underwriters, may be a certified reinsurer. In order to be eligible for certification, in addition to satisfying the requirements of subparagraph (1) of this paragraph (C-5):

(a) the association shall satisfy its minimum capital and surplus requirements through the capital and surplus equivalents (net of liabilities) of the association and its members, which shall include a joint central fund that may be applied to any unsatisfied obligation of the association or any of its members, in the amounts specified in item (b) of subparagraph (1) of this paragraph (C-5);

(b) the incorporated members of the association shall not be engaged in any business other than underwriting as a member of the association and shall be subject to the same level of regulation and solvency control by the association's domiciliary regulator as are the unincorporated members; and

(c) within 90 days after its financial statements are due to be filed with the association's domiciliary regulator, the association shall provide to the Director an annual certification by the association's domiciliary regulator of the solvency of each underwriter member; or if a certification is unavailable, financial statements, prepared by independent public accountants, of each underwriter member of the association.

(3) The Director shall create and publish a list of qualified jurisdictions, under which an assuming insurer licensed and domiciled in such jurisdiction is eligible to be considered for certification by the Director as a certified reinsurer.

(a) In order to determine whether the domiciliary jurisdiction of a non-U.S. assuming insurer is eligible to be recognized as a qualified jurisdiction, the Director shall evaluate the appropriateness and effectiveness of the reinsurance supervisory system of the jurisdiction, both initially and on an ongoing basis, and consider the rights, benefits, and extent of reciprocal recognition afforded by the non-U.S. jurisdiction to reinsurers licensed and domiciled in the U.S. A qualified jurisdiction must agree in writing to share information and cooperate with the Director with respect to all certified reinsurers domiciled within that jurisdiction. A jurisdiction may not be recognized as a qualified jurisdiction if the Director has determined that the jurisdiction does not adequately and promptly enforce final U.S. judgments and arbitration awards. The costs and expenses associated with the Director's review and evaluation of the domiciliary jurisdictions of non-U.S. assuming insurers shall be borne by the certified reinsurer or reinsurers domiciled in such jurisdiction.

(b) Additional factors to be considered in determining whether to recognize a qualified jurisdiction include, but are not limited to, the following:

(i) the framework under which the assuming insurer is regulated;

(ii) the structure and authority of the domiciliary regulator with regard to solvency regulation requirements and financial surveillance;

(iii) the substance of financial and operating standards for assuming insurers in the domiciliary jurisdiction;

(iv) the form and substance of financial reports required to be filed or made publicly available by reinsurers in the domiciliary jurisdiction and the accounting principles used;

(v) the domiciliary regulator's willingness to cooperate with U.S. regulators in general and the Director in particular;

(vi) the history of performance by assuming insurers in the domiciliary jurisdiction;

(vii) any documented evidence of substantial problems with the enforcement of final U.S. judgments in the domiciliary jurisdiction; and

(viii) any relevant international standards or guidance with respect to mutual recognition of reinsurance supervision adopted by the International Association of Insurance Supervisors or its successor organization.

(c) If, upon conducting an evaluation under this paragraph with respect to the reinsurance supervisory system of any non-U.S. assuming insurer, the Director determines that the jurisdiction qualifies to be recognized as a qualified jurisdiction, the Director shall publish notice and evidence of such recognition in an appropriate manner. The Director may establish a procedure to withdraw recognition of those jurisdictions that are no longer qualified.

(d) The Director shall consider the list of qualified jurisdictions through the NAIC committee process in determining qualified jurisdictions. If the Director approves a jurisdiction as qualified that does not appear on the list of qualified jurisdictions, then the Director shall provide thoroughly documented justification in accordance with criteria to be developed under regulations.

(e) U.S. jurisdictions that meet the requirement for accreditation under the NAIC financial standards and accreditation program shall be recognized as qualified jurisdictions.

(f) If a certified reinsurer's domiciliary jurisdiction ceases to be a qualified jurisdiction, then the Director may suspend the reinsurer's certification indefinitely, in lieu of revocation.

(4) If an applicant for certification has been certified as a reinsurer in an NAIC accredited jurisdiction, then the Director may defer to that jurisdiction's certification and to the rating assigned by that jurisdiction if the assuming insurer submits a properly executed Form CR-1 and such additional information as the Director requires. Such assuming insurer shall be considered to be a certified reinsurer in this State but only upon the Director's assignment of an Illinois rating, which shall be made based on the requirements of subparagraph (5) of this paragraph (C-5). The following shall apply:

(a) Any change in the certified reinsurer's status or rating in the other jurisdiction shall apply automatically in Illinois as of the date it takes effect in the other jurisdiction. The certified reinsurer shall notify the Director of any change in its status or rating within 10 days after receiving notice of the change.

(b) The Director may withdraw recognition of the other jurisdiction's rating at any time and assign a new rating in accordance with subparagraph (5) of this paragraph (C-5).

(c) The Director may withdraw recognition of the other jurisdiction's certification at any time with written notice to the certified reinsurer. Unless the Director suspends or revokes the certified reinsurer's certification in accordance with item (c) of subparagraph (9) of this paragraph (C-5), the certified reinsurer's certification shall remain in good standing in Illinois for a period of 3 months, which shall be extended if additional time is necessary to consider the assuming insurer's application for certification in Illinois.

(5) The Director shall assign a rating to each certified reinsurer pursuant to rules adopted by the Department. Factors that shall be considered as part of the evaluation process include the following:

(a) The certified reinsurer's financial strength rating from an acceptable rating agency. Financial strength ratings shall be classified according to the following ratings categories:

(i) Ratings Category "Secure - 1" corresponds to the highest level of rating given by a rating agency, including, but not limited to, A.M. Best Company rating A++; Standard & Poor's rating AAA; Moody's Investors Service rating Aaa; and Fitch Ratings rating AAA.

(ii) Ratings Category "Secure - 2" corresponds to the second-highest level of rating or group of ratings given by a rating agency, including, but not limited to, A.M. Best Company rating A+; Standard & Poor's rating AA+, AA, or AA-; Moody's Investors Service ratings Aa1, Aa2, or Aa3; and Fitch Ratings ratings AA+, AA, or AA-.

(iii) Ratings Category "Secure - 3" corresponds to the third-highest level of rating or group of ratings given by a rating agency, including, but not limited to, A.M. Best Company rating A; Standard & Poor's ratings A+ or A; Moody's Investors Service ratings A1 or A2; and Fitch Ratings ratings A+ or A.

(iv) Ratings Category "Secure - 4" corresponds to the fourth-highest level of rating or group of ratings given by a rating agency, including, but not limited to, A.M. Best Company rating A-; Standard & Poor's rating A-; Moody's Investors Service rating A3; and Fitch Ratings rating A-.

(v) Ratings Category "Secure - 5" corresponds to the fifth-highest level of rating or group of ratings given by a rating agency, including, but not limited to, A.M. Best Company ratings B++ or B+; Standard & Poor's ratings BBB+, BBB, or BBB-; Moody's Investors Service ratings Baa1, Baa2, or Baa3; and Fitch Ratings ratings BBB+, BBB, or BBB-.

(vi) Ratings Category "Vulnerable - 6" corresponds to a level of rating given by a rating agency, other than those described in subitems (i) through (v) of this item (a), including, but not limited to, A.M. Best Company rating B, B-, C++, C+, C, C-, D, E, or F; Standard & Poor's ratings BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, or R; Moody's Investors Service ratings Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, or C; and Fitch Ratings ratings BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, or D.

A failure to obtain or maintain at least 2 financial strength ratings from acceptable rating agencies shall result in loss of eligibility for certification.

(b) The business practices of the certified reinsurer in dealing with its ceding insurers, including its record of compliance with reinsurance contractual terms and obligations.

(c) For certified reinsurers domiciled in the U.S., a review of the most recent applicable NAIC Annual Statement Blank, either Schedule F (for property and casualty reinsurers) or Schedule S (for life and health reinsurers).

(d) For certified reinsurers not domiciled in the U.S., a review annually of Form CR-F (for property and casualty reinsurers) or Form CR-S (for life and health reinsurers).

(e) The reputation of the certified reinsurer for prompt payment of claims under reinsurance agreements, based on an analysis of ceding insurers' Schedule F reporting of overdue reinsurance recoverables, including the proportion of obligations that are more than 90 days past due or are in dispute, with specific attention given to obligations payable to companies that are in administrative supervision or receivership.

(f) Regulatory actions against the certified reinsurer.

(g) The report of the independent auditor on the financial statements of the insurance enterprise, on the basis described in item (h) of this subparagraph (5).

(h) For certified reinsurers not domiciled in the U.S., audited financial statements (audited Generally Accepted Accounting Principles (U.S. GAAP) basis statement if available, audited International Financial Reporting Standards (IFRS) basis statements are allowed but must include an audited footnote reconciling equity and net income to U.S. GAAP basis or, with the permission of the Director, audited IFRS basis statements with reconciliation to U.S. GAAP basis certified by an officer of the company), regulatory filings, and actuarial opinion (as filed with the non-U.S. jurisdiction supervisor). Upon the initial application for certification, the Director shall consider the audited financial statements filed with its non-U.S. jurisdiction supervisor for the 3 years immediately preceding the date of the initial application for certification.

(i) The liquidation priority of obligations to a ceding insurer in the certified reinsurer's domiciliary jurisdiction in the context of an insolvency proceeding.

(j) A certified reinsurer's participation in any solvent scheme of arrangement, or similar procedure, that involves U.S. ceding insurers. The Director shall receive prior notice from a certified reinsurer that proposes participation by the certified reinsurer in a solvent scheme of arrangement.

The maximum rating that a certified reinsurer may be assigned shall correspond to its financial strength rating, which shall be determined according to subitems (i) through (vi) of item (a) of this subparagraph (5). The Director shall use the lowest financial strength rating received from an acceptable rating agency in establishing the maximum rating of a certified reinsurer.

(6) Based on the analysis conducted under item (e) of subparagraph (5) of this paragraph (C-5) of a certified reinsurer's reputation for prompt payment of claims, the Director may make appropriate adjustments in the security the certified reinsurer is required to post to protect its liabilities to U.S. ceding insurers, provided that the Director shall, at a minimum, increase the security the certified reinsurer is required to post by one rating level under item (a) of subparagraph (8) of this paragraph (C-5) if the Director finds that:

(a) more than 15% of the certified reinsurer's ceding insurance clients have overdue reinsurance recoverables on paid losses of 90 days or more that are not in dispute and that exceed \$100,000 for each cedent; or

(b) the aggregate amount of reinsurance recoverables on paid losses that are not in dispute that are overdue by 90 days or more exceeds \$50,000,000.

(7) The Director shall post notice on the Department's website promptly upon receipt of any application for certification, including instructions on how members of the public may respond to the application. The Director may not take final action on the application until at least 30 days after posting the notice required by this subparagraph. The Director shall publish a list of all certified reinsurers and their ratings.

(8) A certified reinsurer shall secure obligations assumed from U.S. ceding insurers under this subsection (1) at a level consistent with its rating.

(a) The amount of security required in order for full credit to be allowed shall correspond with the applicable ratings category:

Secure - 1: 0%.

Secure - 2: 10%.

Secure - 3: 20%.

Secure - 4: 50%.

Secure - 5: 75%.

Vulnerable - 6: 100%.

(b) Nothing in this subparagraph (8) shall prohibit the parties to a reinsurance agreement from agreeing to provisions establishing security requirements that exceed the minimum security requirements established for certified reinsurers under this Section.

(c) In order for a domestic ceding insurer to qualify for full financial statement credit for reinsurance ceded to a certified reinsurer, the certified reinsurer shall maintain security in a form

acceptable to the Director and consistent with the provisions of subsection (2) of this Section, or in a multibeneficiary trust in accordance with paragraph (C) of this subsection (1), except as otherwise provided in this subparagraph (8).

(d) If a certified reinsurer maintains a trust to fully secure its obligations subject to paragraph (C) of this subsection (1), and chooses to secure its obligations incurred as a certified reinsurer in the form of a multibeneficiary trust, then the certified reinsurer shall maintain separate trust accounts for its obligations incurred under reinsurance agreements issued or renewed as a certified reinsurer with reduced security as permitted by this subsection or comparable laws of other U.S. jurisdictions and for its obligations subject to paragraph (C) of this subsection (1). It shall be a condition to the grant of certification under this paragraph (C-5) that the certified reinsurer shall have bound itself, by the language of the trust and agreement with the Director with principal regulatory oversight of each such trust account, to fund, upon termination of any such trust account, out of the remaining surplus of such trust any deficiency of any other such trust account. The certified reinsurer shall also provide or make available, if requested by a beneficiary under a trust, all the information that is required to be provided under the requirements of item (d) of subparagraph (2) of paragraph (C) of this subsection (1) to the certified reinsurer's U.S. ceding insurers or their assigns and successors in interest. The assuming insurer may decline to release trade secrets or commercially sensitive information that would qualify as exempt from disclosure under the Freedom of Information Act.

(e) The minimum trustee surplus requirements provided in paragraph (C) of this subsection (1) are not applicable with respect to a multibeneficiary trust maintained by a certified reinsurer for the purpose of securing obligations incurred under this subsection, except that such trust shall maintain a minimum trustee surplus of \$10,000,000.

(f) With respect to obligations incurred by a certified reinsurer under this subsection (1), if the security is insufficient, then the Director may reduce the allowable credit by an amount proportionate to the deficiency and may impose further reductions in allowable credit upon finding that there is a material risk that the certified reinsurer's obligations will not be paid in full when due.

(9)(a) In the case of a downgrade by a rating agency or other disqualifying circumstance, the Director shall by written notice assign a new rating to the certified reinsurer in accordance with the requirements of subparagraph (5) of this paragraph (C-5).

(b) If the rating of a certified reinsurer is upgraded by the Director, then the certified reinsurer may meet the security requirements applicable to its new rating on a prospective basis, but the Director shall require the certified reinsurer to post security under the previously applicable security requirements as to all contracts in force on or before the effective date of the upgraded rating. If the rating of a certified reinsurer is downgraded by the Director, then the Director shall require the certified reinsurer to meet the security requirements applicable to its new rating for all business it has assumed as a certified reinsurer.

(c) The Director may suspend, revoke, or otherwise modify a certified reinsurer's certification at any time if the certified reinsurer fails to meet its obligations or security requirements under this Section or if other financial or operating results of the certified reinsurer, or documented significant delays in payment by the certified reinsurer, lead the Director to reconsider the certified reinsurer's ability or willingness to meet its contractual obligations. In seeking to suspend, revoke, or otherwise modify a certified reinsurer's certification, the Director shall follow the procedures provided in paragraph (G) of this subsection (1).

(d) For purposes of this subsection (1), a certified reinsurer whose certification has been terminated for any reason shall be treated as a certified reinsurer required to secure 100% of its obligations.

(i) As used in this item (d), the term "terminated" refers to revocation, suspension, voluntary surrender and inactive status.

(ii) If the Director continues to assign a higher rating as permitted by other provisions of this Section, then this requirement does not apply to a certified reinsurer in inactive status or to a reinsurer whose certification has been suspended.

(e) Upon revocation of the certification of a certified reinsurer by the Director, the assuming insurer shall be required to post security in accordance with subsection (2) of this Section in order for the ceding insurer to continue to take credit for reinsurance ceded to the assuming insurer. If funds continue to be held in trust, then the Director may allow additional credit equal to the ceding insurer's pro rata share of the funds, discounted to reflect the risk of uncollectibility and anticipated expenses of trust administration.

(f) Notwithstanding the change of a certified reinsurer's rating or revocation of its certification, a domestic insurer that has ceded reinsurance to that certified reinsurer may not be denied credit for reinsurance for a period of 3 months for all reinsurance ceded to that certified reinsurer, unless the reinsurance is found by the Director to be at high risk of uncollectibility.

(10) A certified reinsurer that ceases to assume new business in this State may request to maintain its certification in inactive status in order to continue to qualify for a reduction in security for its in-force business. An inactive certified reinsurer shall continue to comply with all applicable requirements of this subsection (1), and the Director shall assign a rating that takes into account, if relevant, the reasons why the reinsurer is not assuming new business.

(11) Credit for reinsurance under this paragraph (C-5) shall apply only to reinsurance contracts entered into or renewed on or after the effective date of the certification of the assuming insurer.

(12) The Director shall comply with all reporting and notification requirements that may be established by the NAIC with respect to certified reinsurers and qualified jurisdictions.

(D) Credit shall be allowed when the reinsurance is ceded to an assuming insurer not meeting the requirements of ~~paragraph subsection (1)~~ (A), (B), or (C) of this subsection (1) but only with respect to the insurance of risks located in jurisdictions where that reinsurance is required by applicable law or regulation of that jurisdiction.

(E) If the assuming insurer is not licensed to transact insurance in this State or an accredited or certified reinsurer in this State, the credit permitted by ~~paragraphs (B-5) and subsection (4)~~ (C) of this subsection (1) shall not be allowed unless the assuming insurer agrees in the reinsurance agreements:

(1) that in the event of the failure of the assuming insurer to perform its obligations under the terms of the reinsurance agreement, the assuming insurer, at the request of the ceding insurer, shall submit to the jurisdiction of any court of competent jurisdiction in any state of the United States, will comply with all requirements necessary to give the court jurisdiction, and will abide by the final decision of the court or of any appellate court in the event of an appeal; and

(2) to designate the Director or a designated attorney as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the ceding company.

This provision is not intended to conflict with or override the obligation of the parties to a reinsurance agreement to arbitrate their disputes, if an obligation to arbitrate is created in the agreement.

(F) If the assuming insurer does not meet the requirements of ~~paragraph (A) or (B)~~ of this subsection (1) ~~(1)(A) or (B)~~, the credit permitted by ~~paragraph (C) of this subsection (1)~~ (C) shall not be allowed unless the assuming insurer agrees in the trust agreements to the following conditions:

(1) Notwithstanding any other provisions in the trust instrument, if the trust fund is inadequate because it contains an amount less than the amount required by ~~subparagraph (3) of paragraph (C) subsection (C)(3)~~ of this subsection (1) Section or if the grantor of the trust has been declared insolvent or placed into receivership, rehabilitation, liquidation, or similar proceedings under the laws of its state or country of domicile, the trustee shall comply with an order of the state official with regulatory oversight over the trust or with an order of a court of competent jurisdiction directing the trustee to transfer to the state official with regulatory oversight all of the assets of the trust fund.

(2) The assets shall be distributed by and claims shall be filed with and valued by the state official with regulatory oversight in accordance with the laws of the state in which the trust is domiciled that are applicable to the liquidation of domestic insurance companies.

(3) If the state official with regulatory oversight determines that the assets of the trust fund or any part thereof are not necessary to satisfy the claims of the U.S. ceding insurers of the grantor of the trust, the assets or part thereof shall be returned by the state official with regulatory oversight to the trustee for distribution in accordance with the trust agreement.

(4) The grantor shall waive any rights otherwise available to it under U.S. law that are inconsistent with the provision.

(G) If an accredited or certified reinsurer ceases to meet the requirements for accreditation or certification, then the Director may suspend or revoke the reinsurer's accreditation or certification.

(1) The Director must give the reinsurer notice and opportunity for hearing. The suspension or revocation may not take effect until after the Director's order on hearing, unless:

(a) the reinsurer waives its right to hearing;

(b) the Director's order is based on regulatory action by the reinsurer's domiciliary jurisdiction or the voluntary surrender or termination of the reinsurer's eligibility to transact insurance or reinsurance business in its domiciliary jurisdiction or in the primary certifying state of the reinsurer under subparagraph (4) of paragraph (C-5) of this subsection (1); or

(c) the Director finds that an emergency requires immediate action and a court of competent jurisdiction has not stayed the Director's action.

(2) While a reinsurer's accreditation or certification is suspended, no reinsurance contract issued or renewed after the effective date of the suspension qualifies for credit except to the extent that the reinsurer's obligations under the contract are secured in accordance with subsection (2) of this Section. If a reinsurer's accreditation or certification is revoked, no credit for reinsurance may be granted after the effective date of the revocation, except to the extent that the reinsurer's obligations under the contract are secured in accordance with subsection (2) of this Section.

(H) The following provisions shall apply concerning concentration of risk:

(1) A ceding insurer shall take steps to manage its reinsurance recoverable proportionate to its own book of business. A domestic ceding insurer shall notify the Director within 30 days after reinsurance recoverables from any single assuming insurer, or group of affiliated assuming insurers, exceeds 50% of the domestic ceding insurer's last reported surplus to policyholders, or after it is determined that reinsurance recoverables from any single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the domestic ceding insurer.

(2) A ceding insurer shall take steps to diversify its reinsurance program. A domestic ceding insurer shall notify the Director within 30 days after ceding to any single assuming insurer, or group of affiliated assuming insurers, more than 20% of the ceding insurer's gross written premium in the prior calendar year, or after it has determined that the reinsurance ceded to any single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the domestic ceding insurer.

(2) Credit for the reinsurance ceded by a domestic insurer to an assuming insurer not meeting the requirements of subsection (1) of this Section shall be allowed in an amount not exceeding the assets or liabilities carried by the ceding insurer. The credit shall not exceed the amount of funds held by or held in trust for the ceding insurer under a reinsurance contract with the assuming insurer as security for the payment of obligations thereunder, if the security is held in the United States subject to withdrawal solely by, and under the exclusive control of, the ceding insurer; or, in the case of a trust, held in a qualified United States financial institution, as defined in paragraph (B) of subsection (3) of this Section ~~(3)(B)~~. This security may be in the form of:

(A) Cash.

(B) Securities listed by the Securities Valuation Office of the National Association of Insurance Commissioners, including those deemed exempt from filing as defined by the Purposes and Procedures Manual of the Securities Valuation Office that conform to the requirements of Article VIII of this Code that are not issued by an affiliate of either the assuming or ceding company.

(C) Clean, irrevocable, unconditional, letters of credit issued or confirmed by a qualified United States financial institution, as defined in paragraph (A) of subsection (3) of this Section ~~(3)(A)~~. The letters of credit shall be effective no later than December 31 of the year for which filing is being made, and in the possession of, or in trust for, the ceding company on or before the filing date of its annual statement. Letters of credit meeting applicable standards of issuer acceptability as of the dates of their issuance (or confirmation) shall, notwithstanding the issuing (or confirming) institution's subsequent failure to meet applicable standards of issuer acceptability, continue to be acceptable as security until their expiration, extension, renewal, modification, or amendment, whichever first occurs.

(D) Any other form of security acceptable to the Director.

(3)(A) For purposes of paragraph (C) of subsection (2) of this Section ~~subsection 2(C)~~, a "qualified United States financial institution" means an institution that:

(1) is organized or, in the case of a U.S. office of a foreign banking organization, licensed under the laws of the United States or any state thereof;

(2) is regulated, supervised, and examined by U.S. federal or state authorities having regulatory authority over banks and trust companies;

(3) has been designated by either the Director or the Securities Valuation Office of the National Association of Insurance Commissioners as meeting such standards of financial condition and standing as are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the Director; and

(4) is not affiliated with the assuming company.

(B) A "qualified United States financial institution" means, for purposes of those provisions of this law specifying those institutions that are eligible to act as a fiduciary of a trust, an institution that:

(1) is organized or, in the case of the U.S. branch or agency office of a foreign

banking organization, licensed under the laws of the United States or any state thereof and has been granted authority to operate with fiduciary powers;

(2) is regulated, supervised, and examined by federal or state authorities having regulatory authority over banks and trust companies; and

(3) is not affiliated with the assuming company, however, if the subject of the reinsurance contract is insurance written pursuant to Section 155.51 of this Code, the financial institution may be affiliated with the assuming company with the prior approval of the Director.

(C) Except as set forth in subparagraph (11) of paragraph (C-5) of subsection (1) of this Section as to cessions by certified reinsurers, this amendatory Act of the 100th General Assembly shall apply to all cessions after the effective date of this amendatory Act of the 100th General Assembly under reinsurance agreements that have an inception, anniversary, or renewal date not less than 6 months after the effective date of this amendatory Act of the 100th General Assembly.

(D) The Department shall adopt rules implementing the provisions of this Article.  
(Source: P.A. 90-381, eff. 8-14-97.)

(215 ILCS 5/456) (from Ch. 73, par. 1065.3)

Sec. 456. Making of rates. (1) All rates shall be made in accordance with the following provisions:

(a) Due consideration shall be given to past and prospective loss experience within and outside this state, to catastrophe hazards, if any, to a reasonable margin for profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by companies to their policyholders, members or subscribers, to past and prospective expenses both countrywide and those specially applicable to this state, to underwriting practice and judgment and to all other relevant factors within and outside this state;

(b) The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the requirements of the operating methods of any such company or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

(c) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which measure variation in hazards or expense provisions, or both. Such rating plans may measure any differences among risks that have a probable effect upon losses or expenses;

(d) Rates shall not be excessive, inadequate or unfairly discriminatory.

A rate in a competitive market is not excessive. A rate in a noncompetitive market is excessive if it is likely to produce a long-run profit that is unreasonably high for the insurance provided or if expenses are unreasonably high in relation to the services rendered.

A rate is not inadequate unless such rate is clearly insufficient to sustain projected losses and expenses in the class of business to which it applies and the use of such rate has or, if continued, will have the effect of substantially lessening competition or the tendency to create monopoly in any market.

Unfair discrimination exists if, after allowing for practical limitations, price differentials fail to reflect equitably the differences in expected losses and expenses. A rate is not unfairly discriminatory because different premiums result for policyholders with like exposures but different expenses, or like expenses but different loss exposures, so long as the rate reflects the differences with reasonable accuracy.

(e) The rating plan shall contain a mandatory offer of a deductible applicable only to the medical benefit under the Workers' Compensation Act. Such deductible offer shall be in a minimum amount of at least \$1,000 per accident.

(f) Any rating plan or program shall include a rule permitting 2 or more employers with similar risk characteristics, who participate in a loss prevention program or safety group, to pool their premium and loss experience in determining their rate or premium for such participation in the program.

(2) Except to the extent necessary to meet the provisions of subdivision (d) of subsection (1) of this Section, uniformity among companies in any matters within the scope of this Section is neither required nor prohibited.

(Source: P.A. 82-939.)

(215 ILCS 5/457) (from Ch. 73, par. 1065.4)

Sec. 457. Rate filings. (1) ~~Every beginning January 1, 1983, every~~ company shall ~~profile file~~ with the Director every manual of classifications, every manual of rules and rates, every rating plan and every modification of the foregoing which it intends to use. Such filings shall be made ~~at least not later than~~ 30 days ~~before~~ after they become effective. A company may satisfy its obligation to make such filings by adopting the filing of a licensed rating organization of which it is a member or subscriber, filed pursuant to subsection (2) of this Section, in total or ~~with the approval of the Director, by notifying the Director in~~



~~what respects it intends to deviate from such filing. If a company intends to deviate from the filing of a licensed rating organization of which it is a member, the company shall provide the Director with supporting information that specifies the basis for the requested deviation and provides justification for the deviation.~~ Any company adopting a pure premium filed by a rating organization pursuant to subsection (2) must file with the Director the modification factor it is using for expenses and profit so that the final rates in use by such company can be determined.

~~(2) Each Beginning January 1, 1983, each licensed rating organization must prefile file with the Director every manual of classification, every manual of rules and advisory rates, every pure premium which has been fully adjusted and fully developed, every rating plan and every modification of any of the foregoing which it intends to recommend for use to its members and subscribers, at least not later than 30 days before after such manual, premium, plan or modification thereof takes effect. Every licensed rating organization shall also file with the Director the rate classification system, all rating rules, rating plans, policy forms, underwriting rules or similar materials, and each modification of any of the foregoing which it requires its members and subscribers to adhere to not later than 30 days before such filings or modifications thereof are to take effect. Every such filing shall state the proposed effective date thereof and shall indicate the character and extent of the coverage contemplated.~~

~~(3) A filing and any supporting information made pursuant to this Section shall be open to public inspection as soon as filed after the filing becomes effective.~~

~~(4) A filing shall not be effective nor used until approved by the Director. A filing shall be deemed approved and legally effective if the Director fails to disapprove within 30 days after the filing.~~  
(Source: P.A. 82-939.)

(215 ILCS 5/458) (from Ch. 73, par. 1065.5)

Sec. 458. Disapproval of filings. (1) If within 30 ~~thirty~~ days of any filing the Director finds that such filing does not meet the requirements of this Article, he shall send to the company or rating organization which made such filing a written notice of disapproval of such filing, specifying therein in what respects he finds that such filing fails to meet the requirements of this Article ~~and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. A company or rating organization whose filing has been disapproved shall be given a hearing upon a written request made within 30 days after the disapproval order. If the company or rating organization making the filing shall, prior to the expiration of the period prescribed in the notice, request a hearing, such filings shall be effective until the expiration of a reasonable period specified in any order entered thereon. If the rate resulting from such filing be unfairly discriminatory or materially inadequate, and the difference between such rate and the approved rate equals or exceeds the cost of making an adjustment, the Director shall in such notice or order direct an adjustment of the premium to be made with the policyholder either by refund or collection of additional premium. If the policyholder does not accept the increased rate, cancellation shall be made on a pro rata basis. Any policy issued pursuant to this subsection shall contain a provision that the premium thereon shall be subject to adjustment upon the basis of the filing finally approved.~~

(2) If at any time subsequent to the applicable review period provided for in subsection (1) of this Section, the Director finds that a filing does not meet the requirements of this Article, he shall, after a hearing held upon not less than ten days written notice, specifying the matters to be considered at such hearing, to every company and rating organization which made such filing, issue an order specifying in what respects he finds that such filing fails to meet the requirements of this Article, and stating when, within a reasonable period thereafter, such filings shall be deemed no longer effective. Copies of said order shall be sent to every such company and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(3) Any person or organization aggrieved with respect to any filing which is in effect may make written application to the Director for a hearing thereon, provided, however, that the company or rating organization that made the filing shall not be authorized to proceed under this subsection. Such application shall specify the grounds to be relied upon by the applicant. If the Director shall find that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, and that such grounds otherwise justify holding such a hearing, he shall, within thirty days after receipt of such application, hold a hearing upon not less than ten days written notice to the applicant and to every company and rating organization which made such filing.

If, after such hearing, the Director finds that the filing does not meet the requirements of this Article, he shall issue an order specifying in what respects he finds that such filing fails to meet the requirements of this Article, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to the applicant and to every such company and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(4) Whenever an insurer has no legally effective rates as a result of the Director's disapproval of rates or other act, the Director shall on request of the insurer specify interim rates for the insurer that are high enough to protect the interests of all parties and may order that a specified portion of the premiums be placed in an escrow account approved by him or her. When new rates become legally effective, the Director shall order the escrowed funds or any overcharge in the interim rates to be distributed appropriately, except that refunds to policyholders that are de minimis shall not be required.

(Source: P.A. 82-939.)

(215 ILCS 5/462a new)

Sec. 462a. Premium increase notice. A policy of workers' compensation insurance issued, delivered, amended, or renewed on or after January 1, 2019 shall remain in full force and effect subject to the same terms and conditions, loss cost multipliers, and classification of the employer with regard to the payment of dividends, unless written notice is mailed or delivered by the insurer to the employer, at the address shown on the policy, and to the employer's authorized agent or broker, indicating the insurer's intention to condition renewal upon issuance of a policy that supersedes the policy previously issued and that will result in a premium in excess of 5% above the rate recommendation filed with the Department, exclusive of any premium increase generated as a result of increased loss costs or increased exposure units or as a result of experience rating, contractor credit adjustment program, large deductible, retrospective rating, or audit. The notice shall be delivered at least 30 days in advance of the expiration date of the policy, and shall set forth: (1) the amount of the premium increase or, if the amount cannot reasonably be determined as of the time the notice is provided, a reasonable estimate of the premium increase based upon the information available to the insurer at that time; and (2) the reason for the increased premium in excess of the rate recommendation filed with the Department. Nothing in this Section requires the insurer to provide notice when the employer, an agent or broker authorized by the employer, or another insurer of the employer has delivered written notice that the policy has been replaced or is no longer desired.

(215 ILCS 5/123C-4 rep.) (215 ILCS 5/460 rep.)

Section 95. The Illinois Insurance Code is amended by repealing Sections 123C-4 and 460.

Section 99. Effective date. This Act takes effect upon becoming law, except that the provisions changing Sections 456, 457, and 458 of the Illinois Insurance Code and the provisions repealing Section 460 of the Illinois Insurance Code take effect February 1, 2019."

#### AMENDMENT NO. 2 TO SENATE BILL 1737

AMENDMENT NO. 2. Amend Senate Bill 1737, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 35, by replacing lines 22 through 25 with the following:

"A. (Blank). ~~Any captive insurance~~"; and

on page 37, line 12, after "1974", by inserting "or, to the extent the parent company is a college or university, an accident or health plan offered to enrolled students of the college or university"; and

on page 37, by replacing line 16 with the following:

"(7) homeowner's insurance coverage"; and

on page 37, line 18, after "insurance", by inserting ", except to the extent allowed in subsection A-10"; and

on page 37, by deleting lines 19 through 25; and

on page 37, line 26, by replacing "A-15" with "A-10"; and

on page 38, line 2, after "(1)", by inserting "the parent company or"; and

on page 38, line 6, after "(2)", by inserting "the parent company or".

Under the rules, the foregoing **Senate Bill No. 1737**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

**JOINT ACTION MOTIONS FILED**

[May 31, 2018]

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendment 4 to Senate Bill 454  
 Motion to Concur in House Amendment 1 to Senate Bill 1737  
 Motion to Concur in House Amendment 2 to Senate Bill 1737

**CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON  
 SECRETARY'S DESK**

On motion of Senator Steans, **Senate Bill No. 336**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 44; NAYS 3.

The following voted in the affirmative:

Althoff	Cunningham	Manar	Schimpf
Anderson	Curran	Martinez	Sims
Aquino	Fowler	McGuire	Stadelman
Barickman	Haine	Morrison	Steans
Bennett	Hastings	Mulroe	Syverson
Bertino-Tarrant	Hunter	Muñoz	Tracy
Biss	Hutchinson	Murphy	Van Pelt
Brady	Jones, E.	Nybo	Mr. President
Bush	Koehler	Raoul	
Castro	Landek	Rooney	
Clayborne	Lightford	Rose	
Collins	Link	Sandoval	

The following voted in the negative:

McCann  
 Rezin  
 Weaver

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 336**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator J. Cullerton, **Senate Bill No. 452**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator J. Cullerton moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 50; NAYS None.

The following voted in the affirmative:

Althoff	Connelly	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McGuire	Sims

[May 31, 2018]

Bennett	Haine	Morrison	Stadelman
Bertino-Tarrant	Hastings	Mulroe	Steans
Biss	Hunter	Muñoz	Syverson
Bivins	Hutchinson	Murphy	Tracy
Brady	Jones, E.	Nybo	Van Pelt
Bush	Koehler	Oberweis	Weaver
Castro	Landek	Raoul	Mr. President
Clayborne	Lightford	Rezin	
Collins	Link	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 452**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator E. Jones III, **Senate Bill No. 2589**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator E. Jones III moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 41; NAYS None.

The following voted in the affirmative:

Althoff	Collins	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Haine	McCann	Sims
Barickman	Hastings	McGuire	Stadelman
Bennett	Hunter	Morrison	Steans
Bertino-Tarrant	Hutchinson	Mulroe	Tracy
Biss	Jones, E.	Muñoz	Van Pelt
Brady	Koehler	Murphy	Mr. President
Bush	Landek	Oberweis	
Castro	Lightford	Raoul	
Clayborne	Link	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2589**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hunter, **Senate Bill No. 2655**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Hunter moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Sandoval
Anderson	Curran	McConnaughay	Schimpf
Aquino	Fowler	McGuire	Sims
Barickman	Haine	Morrison	Stadelman
Bennett	Hastings	Mulroe	Steans
Bertino-Tarrant	Hunter	Muñoz	Syverson
Biss	Hutchinson	Murphy	Tracy

[May 31, 2018]

Bivins	Jones, E.	Nybo	Van Pelt
Brady	Koehler	Oberweis	Weaver
Bush	Landek	Raoul	Mr. President
Castro	Lightford	Rezin	
Clayborne	Link	Righter	
Collins	Manar	Rooney	
Connelly	Martinez	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2655**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Cunningham, **Senate Bill No. 2921**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cunningham moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 49; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Sandoval
Anderson	Curran	McConnaughay	Schimpf
Aquino	Fowler	McGuire	Sims
Barickman	Haine	Morrison	Stadelman
Bennett	Hastings	Mulroe	Steans
Bertino-Tarrant	Hunter	Muñoz	Syverson
Biss	Hutchinson	Murphy	Tracy
Bivins	Jones, E.	Nybo	Van Pelt
Brady	Koehler	Oberweis	Weaver
Bush	Landek	Raoul	Mr. President
Castro	Lightford	Rezin	
Clayborne	Link	Righter	
Collins	Manar	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2921**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Haine, **Senate Bill No. 3128**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Haine moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 50; NAYS None.

The following voted in the affirmative:

Althoff	Connelly	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McConnaughay	Sims
Bennett	Haine	McGuire	Stadelman
Bertino-Tarrant	Hastings	Morrison	Steans
Biss	Hunter	Mulroe	Syverson

Bivins	Hutchinson	Muñoz	Tracy
Brady	Jones, E.	Murphy	Van Pelt
Bush	Koehler	Nybo	Weaver
Castro	Landek	Oberweis	Mr. President
Clayborne	Lightford	Raoul	
Collins	Link	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 3 to **Senate Bill No. 3128**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Stadelman, **Senate Bill No. 3527**, with House Amendments numbered 1 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Stadelman moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 51; NAYS None.

The following voted in the affirmative:

Althoff	Connelly	Manar	Rooney
Anderson	Cunningham	Martinez	Rose
Aquino	Curran	McCann	Sandoval
Barickman	Fowler	McConnaughay	Schimpf
Bennett	Haine	McGuire	Sims
Bertino-Tarrant	Hastings	Morrison	Stadelman
Biss	Hunter	Mulroe	Steans
Bivins	Hutchinson	Muñoz	Syverson
Brady	Jones, E.	Murphy	Tracy
Bush	Koehler	Nybo	Van Pelt
Castro	Landek	Oberweis	Weaver
Clayborne	Lightford	Raoul	Mr. President
Collins	Link	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 3527**.

Ordered that the Secretary inform the House of Representatives thereof.

#### READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Manar, **House Bill No. 5750** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Sandoval
Anderson	Curran	McConnaughay	Schimpf
Aquino	Fowler	McGuire	Sims
Barickman	Haine	Morrison	Stadelman
Bennett	Hastings	Mulroe	Steans

[May 31, 2018]

Bertino-Tarrant	Hunter	Muñoz	Syverson
Biss	Hutchinson	Murphy	Tracy
Bivins	Jones, E.	Nybo	Van Pelt
Brady	Koehler	Oberweis	Weaver
Bush	Landek	Raoul	Mr. President
Castro	Lightford	Rezin	
Clayborne	Link	Righter	
Collins	Manar	Rooney	
Connelly	Martinez	Rose	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).  
Ordered that the Secretary inform the House of Representatives thereof.

### REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2018 meeting, reported that the following Legislative Measures have been approved for consideration:

**Motion to Concur in House Amendment 4 to Senate Bill 454**  
**Motion to Concur in House Amendment 2 to Senate Bill 904**  
**Motion to Concur in House Amendment 3 to Senate Bill 904**  
**Motion to Concur in House Amendment 1 to Senate Bill 1737**  
**Motion to Concur in House Amendment 2 to Senate Bill 1737**

The foregoing concurrences were placed on the Secretary's Desk.

### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Koehler, **Senate Bill No. 454**, with House Amendment No. 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Koehler moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 48; NAYS None.

The following voted in the affirmative:

Althoff	Connelly	Martinez	Sandoval
Anderson	Cunningham	McCann	Schimpf
Aquino	Curran	McConnaughay	Sims
Barickman	Fowler	McGuire	Stadelman
Bennett	Haine	Morrison	Syverson
Bertino-Tarrant	Hastings	Mulroe	Tracy
Biss	Hunter	Muñoz	Van Pelt
Bivins	Hutchinson	Murphy	Weaver
Brady	Jones, E.	Oberweis	Mr. President
Bush	Koehler	Raoul	
Castro	Lightford	Rezin	
Clayborne	Link	Righter	
Collins	Manar	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 4 to **Senate Bill No. 454**.

[May 31, 2018]

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hastings, **Senate Bill No. 904**, with House Amendments numbered 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Hastings moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 38; NAYS 7; Present 4.

The following voted in the affirmative:

Althoff	Connelly	Link	Nybo
Anderson	Cunningham	Manar	Raoul
Aquino	Fowler	Martinez	Rose
Bennett	Haine	McCann	Schimpf
Bertino-Tarrant	Hastings	McConaughay	Sims
Biss	Hunter	McGuire	Stadelman
Brady	Hutchinson	Morrison	Steans
Bush	Jones, E.	Mulroe	Mr. President
Castro	Koehler	Muñoz	
Collins	Lightford	Murphy	

The following voted in the negative:

Barickman	Landek	Righter	Tracy
Bivins	Oberweis	Syverson	

The following voted present:

Clayborne	Rezin
Curran	Weaver

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 3 to **Senate Bill No. 904**.

Ordered that the Secretary inform the House of Representatives thereof.

#### VOTE RECORDED

Senator Rose asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the affirmative on **House Bill No. 3223** on May 29, 2018.

#### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Muñoz, **Senate Bill No. 1737**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Muñoz moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 42; NAYS 5.

The following voted in the affirmative:

Anderson	Cunningham	Manar	Rose
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[May 31, 2018]



Aquino	Fowler	Martinez	Schimpf
Barickman	Haine	McCann	Sims
Bennett	Hastings	McGuire	Stadelman
Bertino-Tarrant	Hunter	Morrison	Stears
Biss	Hutchinson	Mulroe	Syverson
Bush	Jones, E.	Muñoz	Van Pelt
Castro	Koehler	Nybo	Weaver
Clayborne	Landek	Raoul	Mr. President
Collins	Lightford	Rezin	
Connelly	Link	Rooney	

The following voted in the negative:

Althoff	Brady	Tracy
Bivins	Oberweis	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1737**.

Ordered that the Secretary inform the House of Representatives thereof.

#### CONSIDERATION OF RESOLUTIONS ON SECRETARY'S DESK

Senator McConnaughay moved that **Senate Resolution No. 1778**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator McConnaughay moved that Senate Resolution No. 1778 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Castro moved that **Senate Joint Resolution No. 77**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Castro moved that Senate Joint Resolution No. 77 be adopted.

And on that motion, a call of the roll was had resulting as follows:

YEAS 50; NAYS None.

The following voted in the affirmative:

Althoff	Connelly	Manar	Rose
Anderson	Cunningham	Martinez	Sandoval
Aquino	Curran	McCann	Schimpf
Barickman	Fowler	McConnaughay	Sims
Bennett	Haine	McGuire	Stadelman
Bertino-Tarrant	Hastings	Morrison	Stears
Biss	Hunter	Mulroe	Syverson
Bivins	Hutchinson	Muñoz	Tracy
Brady	Jones, E.	Murphy	Van Pelt
Bush	Koehler	Nybo	Weaver
Castro	Landek	Oberweis	Mr. President
Clayborne	Lightford	Raoul	
Collins	Link	Righter	

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Senator Anderson moved that **House Joint Resolution No. 58**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Anderson moved that House Joint Resolution No. 58 be adopted.

And on that motion, a call of the roll was had resulting as follows:

YEAS 50; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Rose
Anderson	Curran	McConaughay	Sandoval
Aquino	Fowler	McGuire	Schimpf
Barickman	Hastings	Morrison	Sims
Bennett	Hunter	Mulroe	Stadelman
Bertino-Tarrant	Hutchinson	Muñoz	Steans
Bivins	Jones, E.	Murphy	Syverson
Brady	Koehler	Nybo	Tracy
Bush	Landek	Oberweis	Van Pelt
Castro	Lightford	Raoul	Weaver
Clayborne	Link	Rezin	Mr. President
Collins	Manar	Righter	
Connelly	Martinez	Rooney	

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Connelly moved that **Senate Resolution No. 1308**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Collins moved that Senate Resolution No. 1308 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Rose moved that **Senate Resolution No. 1397**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

The following amendment was offered in the Committee on Public Health, adopted and ordered printed:

#### AMENDMENT NO. 1 TO SENATE RESOLUTION 1397

AMENDMENT NO. 1. Amend Senate Resolution 1397 by replacing everything after the heading with the following:

"WHEREAS, According to new research from the United Nations, growing antimicrobial resistance linked to the careless disposal of drugs and some chemicals is one of the most worrying health threats today; and

WHEREAS, Studies have linked the misuse of antibiotics over the last several decades to increasing resistance, but the role of the antibiotic disposal has received little attention; and

WHEREAS, Improvements in the use of medically important antibiotics will help maintain these important tools for disease treatment and control; and

WHEREAS, United Nations environmental scientists warn that careless disposal of antibiotics could produce antibiotic resistant bacteria; and

[May 31, 2018]

WHEREAS, Solving the issue will mean addressing the disposal of antibiotic pharmaceuticals; therefore, be it

RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the U.S. Congress to review existing federal laws for the disposal of unused antibiotics and to pass new laws to prevent the creation of antibiotic resistant bacteria and to fund research into the treatment of, and creation of, new drugs to fight antibiotic resistant bacteria; and be it further

RESOLVED, That suitable copies of this resolution be delivered to President Donald Trump, U.S. Senate Majority Leader Mitch McConnell, U.S. Senate Minority Leader Chuck Schumer, U.S. Speaker of the House Paul Ryan, U.S. House of Representatives Minority Leader Nancy Pelosi, and all members of the Illinois Congressional Delegation."

Senator Rose moved that Senate Resolution No. 1397, as amended, be adopted.

The motion prevailed.

And the resolution, as amended, was adopted.

Senator Castro moved that **Senate Resolution No. 1516**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Castro moved that Senate Resolution No. 1516 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Rose moved that **Senate Resolution No. 1534**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

The following amendment was offered in the Committee on Environment and Conservation, adopted and ordered printed:

#### **AMENDMENT NO. 1 TO SENATE RESOLUTION 1534**

AMENDMENT NO. 1. Amend Senate Resolution 1534 by replacing everything after the heading with the following:

"WHEREAS, The State of Illinois has become a major center for energy production and storage in the United States; and

WHEREAS, Illinois stores the second highest amount of natural gas in the United States; and

WHEREAS, The Illinois Department of Natural Resources through the Office of Oil and Gas Resource Management regulates oil and gas production well operations in the State; and

WHEREAS, The safety of Illinois residents is a priority for the Illinois Department of Natural Resources when developing new regulations; therefore, be it

RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the Illinois Department of Natural Resources shall compile a report reviewing the current regulations for gas well operations in Illinois and make recommendations for changes of those regulations to improve public safety; and be it further

RESOLVED, That the report shall include a review of the regulations applicable to gas extraction, as well as underground gas storage; and be it further

RESOLVED, That this report shall be sent to the Senate President and Senate Minority Leader, the Speaker of the House and House Minority Leader, and the Office of the Governor, no later than December 31, 2018; and be it further

[May 31, 2018]

RESOLVED, That the report filed with the General Assembly shall be filed with the Secretary of the Senate and the Clerk of the House of Representatives in electronic form only, in the manner that the Secretary and Clerk shall direct."

Senator Rose moved that Senate Resolution No. 1534, as amended, be adopted.  
And on that motion, a call of the roll was had resulting as follows:

YEAS 45; NAYS None.

The following voted in the affirmative:

Aquino	Cunningham	McCann	Sandoval
Barickman	Curran	McConnaughay	Schimpf
Bennett	Fowler	Morrison	Sims
Bertino-Tarrant	Hastings	Mulroe	Stadelman
Biss	Hutchinson	Muñoz	Steans
Bivins	Jones, E.	Murphy	Syverson
Brady	Koehler	Nybo	Van Pelt
Bush	Landek	Raoul	Weaver
Castro	Lightford	Rezin	Mr. President
Clayborne	Link	Righter	
Collins	Manar	Rooney	
Connelly	Martinez	Rose	

The motion prevailed.  
And the resolution, as amended, was adopted.

Senator Bush moved that **Senate Resolution No. 1561**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.  
Senator Bush moved that Senate Resolution No. 1561 be adopted.  
The motion prevailed.  
And the resolution was adopted.

Senator Althoff moved that **Senate Resolution No. 1587**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.  
Senator Althoff moved that Senate Resolution No. 1587 be adopted.  
The motion prevailed.  
And the resolution was adopted.

Senator Morrison moved that **Senate Resolution No. 1598**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.  
Senator Morrison moved that Senate Resolution No. 1598 be adopted.  
The motion prevailed.  
And the resolution was adopted.

Senator J. Cullerton moved that **Senate Resolution No. 1638**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.  
Senator J. Cullerton moved that Senate Resolution No. 1638 be adopted.  
The motion prevailed.  
And the resolution was adopted.

Senator Lightford moved that **Senate Resolution No. 1647**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

[May 31, 2018]

Senator Lightford moved that Senate Resolution No. 1647 be adopted.  
The motion prevailed.  
And the resolution was adopted.

Senator Syverson moved that **Senate Resolution No. 1766**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.  
Senator Syverson moved that Senate Resolution No. 1766 be adopted.  
The motion prevailed.  
And the resolution was adopted.

Senator Stadelman moved that **Senate Resolution No. 1786**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.  
Senator Stadelman moved that Senate Resolution No. 1786 be adopted.  
And on that motion, a call of the roll was had resulting as follows:

YEAS 46; NAYS None.

The following voted in the affirmative:

Althoff	Collins	Manar	Righter
Anderson	Connelly	Martinez	Sandoval
Aquino	Cunningham	McCann	Schimpf
Barickman	Curran	McConnaughay	Sims
Bennett	Hastings	McGuire	Stadelman
Bertino-Tarrant	Hunter	Morrison	Steans
Biss	Hutchinson	Mulroe	Syverson
Bivins	Jones, E.	Muñoz	Tracy
Brady	Koehler	Murphy	Weaver
Bush	Landek	Oberweis	Mr. President
Castro	Lightford	Raoul	
Clayborne	Link	Rezin	

The motion prevailed.  
And the resolution was adopted.

Senator Van Pelt moved that **Senate Resolution No. 1797**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.  
Senator Van Pelt moved that Senate Resolution No. 1797 be adopted.  
And on that motion, a call of the roll was had resulting as follows:

YEAS 46; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rooney
Anderson	Curran	McCann	Rose
Aquino	Fowler	McConnaughay	Sandoval
Bennett	Hastings	McGuire	Sims
Bertino-Tarrant	Hunter	Morrison	Stadelman
Biss	Hutchinson	Mulroe	Steans
Brady	Jones, E.	Muñoz	Syverson
Bush	Koehler	Murphy	Van Pelt
Castro	Landek	Oberweis	Weaver
Clayborne	Lightford	Raoul	Mr. President
Collins	Link	Rezin	
Connelly	Manar	Righter	

The motion prevailed.  
And the resolution was adopted.

Senator Cunningham moved that **House Joint Resolution No. 59**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Cunningham moved that House Joint Resolution No. 59 be adopted.

And on that motion, a call of the roll was had resulting as follows:

YEAS 47; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Manar	Rooney
Anderson	Curran	Martinez	Sandoval
Aquino	Fowler	McCann	Schimpf
Bennett	Haine	McConnaughay	Sims
Bertino-Tarrant	Hastings	McGuire	Stadelman
Biss	Hunter	Morrison	Steans
Brady	Hutchinson	Mulroe	Syverson
Bush	Jones, E.	Muñoz	Tracy
Castro	Koehler	Murphy	Van Pelt
Clayborne	Landek	Oberweis	Weaver
Collins	Lightford	Raoul	Mr. President
Connelly	Link	Righter	

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Manar moved that **House Joint Resolution No. 74**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Manar moved that House Joint Resolution No. 74 be adopted.

And on that motion, a call of the roll was had resulting as follows:

YEAS 50; NAYS None.

The following voted in the affirmative:

Althoff	Curran	McCann	Rose
Anderson	Fowler	McConnaughay	Sandoval
Aquino	Haine	McGuire	Schimpf
Barickman	Hastings	Morrison	Sims
Bennett	Hunter	Mulroe	Stadelman
Bertino-Tarrant	Hutchinson	Muñoz	Steans
Biss	Jones, E.	Murphy	Syverson
Brady	Koehler	Nybo	Tracy
Bush	Landek	Oberweis	Van Pelt
Castro	Lightford	Raoul	Weaver
Clayborne	Link	Rezin	Mr. President
Collins	Manar	Righter	
Connelly	Martinez	Rooney	

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof.

[May 31, 2018]

Senator Aquino moved that **House Joint Resolution No. 115**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Aquino moved that House Joint Resolution No. 115 be adopted.

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof.

**PRESENTATION OF RESOLUTION**

**SENATE RESOLUTION NO. 1824**

Offered by Senator Sandoval and all Senators:

Mourns the death of Juan J. Bucio.

By unanimous consent, the foregoing resolution was referred to the Resolutions Consent Calendar.

**MESSAGE FROM THE PRESIDENT**

**OFFICE OF THE SENATE PRESIDENT  
STATE OF ILLINOIS**

JOHN J. CULLERTON  
SENATE PRESIDENT

327 STATE CAPITOL  
SPRINGFIELD, IL 62706  
217-782-2728

**May 31, 2018**

Mr. Tim Anderson  
Secretary of the Senate  
Room 403 State House  
Springfield, IL 62706

Dear Secretary Anderson:

Pursuant to Senate Rule 3-3(a), I hereby establish the **Senate Special Committee on Supplier Diversity**. The Committee will be made up of 5 total members: 3 Democratic members and 2 Republican members.

Pursuant to Senate Rule 3-2(b) and 3-3(a), I have appointed **Senator Martin Sandoval** as the Chair of the Special Committee. In addition, I have appointed the following members to this committee to represent the Democratic Caucus, effective immediately:

Senators: **Kimberly Lightford and Dave Koehler**

If you have any questions, please contact my Chief of Staff, Kristin Richards, at 217-782-6965.

Sincerely,  
s/John J. Cullerton  
John J. Cullerton  
Senate President

cc: Senate Minority Leader Bill Brady

**PRESENTATION OF RESOLUTION**

Senator Lightford offered the following Senate Joint Resolution and, having asked and obtained unanimous consent to suspend the rules for its immediate consideration, moved its adoption:

[May 31, 2018]

**SENATE JOINT RESOLUTION NO. 79**

**RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN,** that when the two Houses adjourn on Thursday, May 31, 2018, the Senate stands adjourned until Tuesday, November 13, 2018, or until the call of the President; and the House of Representatives stands adjourned until Tuesday, November 13, 2018, or until the call of the Speaker.

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

**RESOLUTIONS CONSENT CALENDAR****SENATE RESOLUTION NO. 1789**

Offered by Senator Hastings and all Senators:

Mourns the death of Lloyd H. Eichwald.

**SENATE RESOLUTION NO. 1790**

Offered by Senator Hastings and all Senators:

Mourns the death of Patricia A. "Patty" (Miller) Maus.

**SENATE RESOLUTION NO. 1791**

Offered by Senator Link and all Senators:

Mourns the death of Thomas A. "Tom" Briscoe of Waukegan.

**SENATE RESOLUTION NO. 1792**

Offered by Senator Link and all Senators:

Mourns the death of Francisco "Frank" Diaz of Waukegan.

**SENATE RESOLUTION NO. 1793**

Offered by Senator Link and all Senators:

Mourns the death of Stephen Michael "Steve" Kelly of Park City.

**SENATE RESOLUTION NO. 1794**

Offered by Senator Link and all Senators:

Mourns the death of Thomas F. "Tom" Leahy.

**SENATE RESOLUTION NO. 1795**

Offered by Senator Link and all Senators:

Mourns the death of William C. "Bill" Poulsen of Beach Park.

**SENATE RESOLUTION NO. 1798**

Offered by Senator Haine and all Senators:

Mourns the death of Nora A. (Hyndman) Woods of Alton.

**SENATE RESOLUTION NO. 1799**

Offered by Senator Haine and all Senators:

Mourns the death of Michael Lee Frye of Rosewood Heights.

**SENATE RESOLUTION NO. 1800**

Offered by Senator Anderson and all Senators:

Mourns the death of Vernon Lee "Vernie" Goodman of Moline.

**SENATE RESOLUTION NO. 1801**

[May 31, 2018]



Offered by Senator Anderson and all Senators:  
Mourns the death of Robert Charles Van Oteghem of Moline.

**SENATE RESOLUTION NO. 1802**

Offered by Senator Anderson and all Senators:  
Mourns the death of Steven A. "Steve" Sheldon of Hillsdale.

**SENATE RESOLUTION NO. 1803**

Offered by Senator Anderson and all Senators:  
Mourns the death of George W. Kern of Colona.

**SENATE RESOLUTION NO. 1804**

Offered by Senator Bertino-Tarrant and all Senators:  
Mourns the death of Pamela Jean "Pam" (Cerato) Kettwig of Joliet.

**SENATE RESOLUTION NO. 1805**

Offered by Senator McGuire and all Senators:  
Mourns the death of William R. "Bill" Harrigan.

**SENATE RESOLUTION NO. 1806**

Offered by Senator Connelly and all Senators:  
Mourns the death of Daryl Thomas.

**SENATE RESOLUTION NO. 1807**

Offered by Senator Morrison and all Senators:  
Mourns the death of Denis James McDowell of Lake Forest.

**SENATE RESOLUTION NO. 1808**

Offered by Senator Lightford and all Senators:  
Mourns the death of Northica Hillery-Stone of Bellwood.

**SENATE RESOLUTION NO. 1809**

Offered by Senator Haine and all Senators:  
Mourns the death of Michelle Nicole Vesci of Maryville.

**SENATE RESOLUTION NO. 1810**

Offered by Senator Barickman and all Senators:  
Mourns the death of N. Ann (Crawford) Werner of Streator.

**SENATE RESOLUTION NO. 1811**

Offered by Senator Lightford and all Senators:  
Mourns the death of Lewis Myers, Jr.

**SENATE RESOLUTION NO. 1812**

Offered by Senator Link and all Senators:  
Mourns the death of Dr. Kenneth William Hunnemeder of Gurnee.

**SENATE RESOLUTION NO. 1813**

Offered by Senator Link and all Senators:  
Mourns the death of Emmons K. Randolph, Jr., of Waukegan.

**SENATE RESOLUTION NO. 1814**

Offered by Senator Bennett and all Senators:  
Mourns the death of Laura K. Girton of Oakwood.

**SENATE RESOLUTION NO. 1815**

Offered by Senator Althoff and all Senators:  
Mourns the death of Ellen Jane (Meinhardt) Amann of Crystal Lake.

**SENATE RESOLUTION NO. 1816**

Offered by Senator Althoff and all Senators:  
Mourns the death of Harold Leo “Harry” King, formerly of McHenry.

**SENATE RESOLUTION NO. 1817**

Offered by Senator Althoff and all Senators:  
Mourns the death of Dean Emerson Grant of North Barrington.

**SENATE RESOLUTION NO. 1819**

Offered by Senators Harmon – Syverson and all Senators:  
Mourns the death of Ruthie Dell Fairchild.

**SENATE RESOLUTION NO. 1820**

Offered by Senator Harmon and all Senators:  
Mourns the death of Lenin “Doc” Pellegrino.

**SENATE RESOLUTION NO. 1821**

Offered by Senator Haine and all Senators:  
Mourns the death of Dorothy E. “Dottie” Kane of Godfrey.

**SENATE RESOLUTION NO. 1822**

Offered by Senator Hunter and all Senators:  
Mourns the death of Bertha Andrews of Chicago.

**SENATE RESOLUTION NO. 1823**

Offered by Senator Rose and all Senators:  
Mourns the death of Gary Stewart Shae of Indianapolis, Indiana.

**SENATE RESOLUTION NO. 1824**

Offered by Senator Sandoval and all Senators:  
Mourns the death of Juan J. Bucio.

The Chair moved the adoption of the Resolutions Consent Calendar.  
The motion prevailed, and the resolutions were adopted.

**MESSAGE FROM THE PRESIDENT**

**OFFICE OF THE SENATE PRESIDENT  
STATE OF ILLINOIS**

JOHN J. CULLERTON  
SENATE PRESIDENT

327 STATE CAPITOL  
SPRINGFIELD, IL 62706  
217-782-2728

May 31, 2018

Mr. Tim Anderson  
Secretary of the Senate  
403 State House  
Springfield, IL 62706

Dear Secretary Anderson:

Enclosed please find a Senate Veto Session Schedule for 2018.

If you have any questions, please contact my Chief of Staff Kristin Richards at (217) 782-2728.

Sincerely,

[May 31, 2018]

s/John J. Cullerton  
 Senator John J. Cullerton  
 Illinois Senate President

# 2018 Veto

ILLINOIS SENATE CALENDAR  
 100<sup>TH</sup> GENERAL ASSEMBLY  
 SENATOR JOHN J. CULLERTON  
 SENATE PRESIDENT



NOVEMBER						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	3
4	5	6	7	8	9	10
11	12	13 SESSION	14 SESSION	15 SESSION	16	17
18	19	20	21	22	23	24
25	26	27 SESSION	28 SESSION	29 SESSION	30	

IMPORTANT DATES  
 SESSION DAYS - 13, 14, 15, 27, 28, 29  
 NOVEMBER 6 - GENERAL ELECTION  
 NOVEMBER 12 - VETERANS DAY / STATE HOLIDAY  
 NOVEMBER 22, 23 - THANKSGIVING / STATE HOLIDAY

At the hour of 6:30 o'clock p.m., pursuant to **Senate Joint Resolution No. 79**, the Chair announced that the Senate stands adjourned until Tuesday, November 13, 2018, or until the call of the President.

[May 31, 2018]