SENATE JOURNAL

STATE OF ILLINOIS

ONE HUNDRED FIRST GENERAL ASSEMBLY

64TH LEGISLATIVE DAY

WEDNESDAY, NOVEMBER 13, 2019

4:15 O'CLOCK P.M.

NO. 64
[November 13, 2019]

SENATE
Daily Journal Index
64th Legislative Day

The Senate met pursuant to adjournment.
Senator Antonio Muñoz, Chicago, Illinois, presiding.
Prayer by Senator David Koehler, Peoria, Illinois.
Senator Cunningham led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Tuesday, November 12, 2019, be postponed, pending arrival of the printed Journal.
The motion prevailed.

MESSAGES 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

November 13, 2019

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

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Melinda Bush to temporarily replace Senator Martin A. Sandoval as a member of the Senate Executive Committee and Senator Jacqueline Y. Collins to temporarily replace Senator Michael E. Hastings as a member of the Senate Executive Committee. Pursuant to Senate Rules 3-1(d) and 3-2(a), I hereby appoint Senator Cristina Castro to temporarily serve as a member of the Senate Executive Committee.

These appointments will expire upon adjournment of the Senate Executive Committee on November 13, 2019.

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

cc: Senate Republican Leader William Brady

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

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

November 13, 2019

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

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Scott M. Bennett to temporarily replace Senator Cristina Castro as a member of the Senate Revenue Committee.

These appointments will expire upon adjournment of the Senate Revenue Committee on November 13, 2019.

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

cc: Senate Republican Leader William Brady

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

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

November 13, 2019

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

Dear Mr. Secretary:

Pursuant to Senate Rule 3-2(b) and 3-3(a), I hereby make the following changes to the **Senate Special Committee on Opioid Crisis Abatement**, which was established in September 2019 pursuant to Senate Rule 3-3(a):

1. Increasing the membership from 12 to **14** members;
2. Increasing the Democratic members from 8 to **9**;
3. Increasing the Republican members from 4 to **5**; and
4. Appointing Senator Patrick J. Joyce to serve as a member representing the Democratic Caucus in addition to those members previously appointed to the Special Committee on Opioid Crisis Abatement.

If you have an questions, please contact my Chief of Staff, Kristin Richards.

Sincerely,

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

cc: Senate Republican Leader Bill Brady

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 808

Offered by Senator Koehler and all Senators:
Mourns the death of Dr. Richard G. Macdonald of Peoria.

SENATE RESOLUTION NO. 809

Offered by Senator Rose and all Senators:

Mourns the death of Arthur L. Leenerman of Mahomet.

SENATE RESOLUTION NO. 810
Offered by Senator Link and all Senators:
Mourns the death of George B. Krug of Burr Ridge.

SENATE RESOLUTION NO. 811
Offered by Senator Link and all Senators:
Mourns the death of Bernard E. "Bernie" Drew of Libertyville.

SENATE RESOLUTION NO. 812
Offered by Senator Link and all Senators:
Mourns the death of Sandra Marie "Sandy" Oakes of Waukegan.

SENATE RESOLUTION NO. 813
Offered by Senator Link and all Senators:
Mourns the death of Chester Lis.

SENATE RESOLUTION NO. 814
Offered by Senator Link and all Senators:
Mourns the death of Carol P. Eklof.

SENATE RESOLUTION NO. 815
Offered by Senator Link and all Senators:
Mourns the death of Theresa M. Gorman Waukegan.

SENATE RESOLUTION NO. 816
Offered by Senator Link and all Senators:
Mourns the death of Nikola "Nick" Kovacevic of Grayslake.

SENATE RESOLUTION NO. 817
Offered by Senator Link and all Senators:
Mourns the death of Joseph Henry "Joe" Niemietz of North Chicago.

SENATE RESOLUTION NO. 818
Offered by Senator Link and all Senators:
Mourns the death of Alan E. Anderson of Waukegan.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

REPORTS FROM STANDING COMMITTEES

Senator Martinez, Chairperson of the Committee on Revenue, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 1042

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator Martinez, Chairperson of the Committee on Revenue, to which was referred **House Bills Numbered 961 and 3902,** reported the same back with the recommendation that the bills do pass.
Under the rules, the bills were ordered to a second reading.

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

Senate Amendment No. 1 to House Bill 3426

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. 451,** reported the same back with the recommendation that the resolution be adopted.
Under the rules, **Senate Resolution No. 451** was placed on the Secretary's Desk.

Senator Landek, Chairperson of the Committee on State Government, to which was referred **Senate Joint Resolution No. 50,** reported the same back with the recommendation that the resolution be adopted.
Under the rules, **Senate Joint Resolution No. 50** was placed on the Secretary's Desk.

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

Motion to Concur in House Amendment 1 to Senate Bill 1200

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator E. Jones III, Chairperson of the Committee on Licensed Activities, to which was referred **House Bill No. 1269,** reported the same back with the recommendation that the bill do pass.
Under the rules, the bill was ordered to a second reading.

Senator E. Jones III, Chairperson of the Committee on Licensed Activities, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to House Bill 2957

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

Senator Lightford, Vice-Chairperson of the Committee on Executive, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 2 to Senate Bill 668

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

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

Motion to Concur in House Amendment 1 to Senate Bill 1784; Motion to Concur in House Amendment 2 to Senate Bill 1784

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

Senator Lightford, Vice-Chairperson of the Committee on Executive, to which was referred **House Bill No. 1271,** reported the same back with the recommendation that the bills do pass.
Under the rules, the bill was ordered to a second reading.

INTRODUCTION OF BILLS

SENATE BILL NO. 2306. Introduced by Senator Lightford, a bill for AN ACT concerning State government.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 2307. Introduced by Senator Hunter, a bill for AN ACT concerning appropriations.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 2308. Introduced by Senator Link, a bill for AN ACT concerning local government.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

MESSAGES FROM THE HOUSE

A message from the House by

Mr. Hollman, 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. 10

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. 3 to SENATE BILL NO. 10

Passed the House, as amended, November 13, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 3 TO SENATE BILL 10

AMENDMENT NO. 3. Amend Senate Bill 10 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Sections 21B-20, 21B-30, and 27A-10 as follows: (105 ILCS 5/21B-20)

Sec. 21B-20. Types of licenses. The State Board of Education shall implement a system of educator licensure, whereby individuals employed in school districts who are required to be licensed must have one of the following licenses: (i) a professional educator license; (ii) an educator license with stipulations; (iii) a substitute teaching license; or (iv) until June 30, 2023, a short-term substitute teaching license. References in law regarding individuals certified or certificated or required to be certified or certificated under Article 21 of this Code shall also include individuals licensed or required to be licensed under this Article. The first year of all licenses ends on June 30 following one full year of the license being issued.

The State Board of Education, in consultation with the State Educator Preparation and Licensure Board, may adopt such rules as may be necessary to govern the requirements for licenses and endorsements under this Section.

(1) Professional Educator License. Persons who (i) have successfully completed an approved educator preparation program and are recommended for licensure by the Illinois institution offering the educator preparation program, (ii) have successfully completed the required testing under Section 21B-30 of this Code, (iii) have successfully completed coursework on the psychology of, the identification of, and the methods of instruction for the exceptional child, including without limitation children with learning disabilities, (iv) have successfully completed coursework in methods of reading and reading in the content area, and (v) have met all other criteria established by rule of the State Board of Education shall be issued a Professional Educator License. All Professional Educator Licenses are valid until June 30 immediately following 5 years of the license being issued. The Professional Educator License shall be endorsed with specific areas and grade levels in which the individual is eligible to practice. For an early childhood education endorsement, an individual may satisfy the student teaching requirement of his or her early childhood teacher preparation program through placement in a setting with children from birth through grade 2, and the individual may be paid and receive credit while student

teaching. The student teaching experience must meet the requirements of and be approved by the individual's early childhood teacher preparation program.

Individuals can receive subsequent endorsements on the Professional Educator License. Subsequent endorsements shall require a minimum of 24 semester hours of coursework in the endorsement area and passage of the applicable content area test, unless otherwise specified by rule.

(2) Educator License with Stipulations. An Educator License with Stipulations shall be issued an endorsement that limits the license holder to one particular position or does not require completion of an approved educator program or both.

An individual with an Educator License with Stipulations must not be employed by a school district or any other entity to replace any presently employed teacher who otherwise would not be replaced for any reason.

An Educator License with Stipulations may be issued with the following endorsements:

(A) (Blank).

(B) Alternative provisional educator. An alternative provisional educator endorsement on an Educator License with Stipulations may be issued to an applicant who, at the time of applying for the endorsement, has done all of the following:

(i) Graduated from a regionally accredited college or university with a minimum of a bachelor's degree.

(ii) Successfully completed the first phase of the Alternative Educator Licensure Program for Teachers, as described in Section 21B-50 of this Code.

(iii) Passed a content area test, as required under Section 21B-30 of this Code.

The alternative provisional educator endorsement is valid for 2 years of teaching and may be renewed for a third year by an individual meeting the requirements set forth in Section 21B-50 of this Code.

(C) Alternative provisional superintendent. An alternative provisional superintendent endorsement on an Educator License with Stipulations entitles the holder to serve only as a superintendent or assistant superintendent in a school district's central office. This endorsement may only be issued to an applicant who, at the time of applying for the endorsement, has done all of the following:

(i) Graduated from a regionally accredited college or university with a minimum of a master's degree in a management field other than education.

(ii) Been employed for a period of at least 5 years in a management level position in a field other than education.

(iii) Successfully completed the first phase of an alternative route to superintendent endorsement program, as provided in Section 21B-55 of this Code.

(iv) Passed a content area test required under Section 21B-30 of this Code.

The endorsement is valid for 2 fiscal years in order to complete one full year of serving as a superintendent or assistant superintendent.

(D) (Blank).

(E) Career and technical educator. A career and technical educator endorsement on an Educator License with Stipulations may be issued to an applicant who has a minimum of 60 semester hours of coursework from a regionally accredited institution of higher education or an accredited trade and technical institution and has a minimum of 2,000 hours of experience outside of education in each area to be taught.

The career and technical educator endorsement on an Educator License with Stipulations is valid until June 30 immediately following 5 years of the endorsement being issued and may be renewed. For individuals who were issued the career and technical educator endorsement on an Educator License with Stipulations on or after January 1, 2015, the license may be renewed if the individual passes a test of work proficiency, as required under Section 21B-30 of this Code.

An individual who holds a valid career and technical educator endorsement on an Educator License with Stipulations but does not hold a bachelor's degree may substitute teach in career and technical education classrooms.

(F) Part-time provisional career and technical educator or provisional career and technical educator. A part-time provisional career and technical educator endorsement or a provisional career and technical educator endorsement on an Educator License with Stipulations may be issued to an applicant who has a minimum of 8,000 hours of work experience in the skill for which the applicant is seeking the endorsement. It is the responsibility of each employing school board and regional office of education to provide verification, in writing, to the State Superintendent of Education at the time the application is submitted that no qualified teacher holding a Professional

Educator License or an Educator License with Stipulations with a career and technical educator endorsement is available and that actual circumstances require such issuance.

The provisional career and technical educator endorsement on an Educator License with Stipulations is valid until June 30 immediately following 5 years of the endorsement being issued and may be renewed for 5 years. For individuals who were issued the provisional career and technical educator endorsement on an Educator License with Stipulations on or after January 1, 2015, the license may be renewed if the individual passes a test of work proficiency, as required under Section 21B-30 of this Code.

A part-time provisional career and technical educator endorsement on an Educator License with Stipulations may be issued for teaching no more than 2 courses of study for grades 6 through 12. The part-time provisional career and technical educator endorsement on an Educator License with Stipulations is valid until June 30 immediately following 5 years of the endorsement being issued and may be renewed for 5 years if the individual makes application for renewal.

An individual who holds a provisional or part-time provisional career and technical educator endorsement on an Educator License with Stipulations but does not hold a bachelor's degree may substitute teach in career and technical education classrooms.

(G) Transitional bilingual educator. A transitional bilingual educator endorsement on an Educator License with Stipulations may be issued for the purpose of providing instruction in accordance with Article 14C of this Code to an applicant who provides satisfactory evidence that he or she meets all of the following requirements:

(i) Possesses adequate speaking, reading, and writing ability in the language other than English in which transitional bilingual education is offered.

(ii) Has the ability to successfully communicate in English.

(iii) Either possessed, within 5 years previous to his or her applying for a transitional bilingual educator endorsement, a valid and comparable teaching certificate or comparable authorization issued by a foreign country or holds a degree from an institution of higher learning in a foreign country that the State Educator Preparation and Licensure Board determines to be the equivalent of a bachelor's degree from a regionally accredited institution of higher learning in the United States.

A transitional bilingual educator endorsement shall be valid for prekindergarten through grade 12, is valid until June 30 immediately following 5 years of the endorsement being issued, and shall not be renewed.

Persons holding a transitional bilingual educator endorsement shall not be employed to replace any presently employed teacher who otherwise would not be replaced for any reason.

(H) Language endorsement. In an effort to alleviate the shortage of teachers speaking a language other than English in the public schools, an individual who holds an Educator License with Stipulations may also apply for a language endorsement, provided that the applicant provides satisfactory evidence that he or she meets all of the following requirements:

(i) Holds a transitional bilingual endorsement.

(ii) Has demonstrated proficiency in the language for which the endorsement is to be issued by passing the applicable language content test required by the State Board of Education.

(iii) Holds a bachelor's degree or higher from a regionally accredited institution of higher education or, for individuals educated in a country other than the United States, holds a degree from an institution of higher learning in a foreign country that the State Educator Preparation and Licensure Board determines to be the equivalent of a bachelor's degree from a regionally accredited institution of higher learning in the United States.

(iv) (Blank).

A language endorsement on an Educator License with Stipulations is valid for prekindergarten through grade 12 for the same validity period as the individual's transitional bilingual educator endorsement on the Educator License with Stipulations and shall not be renewed.

(I) Visiting international educator. A visiting international educator endorsement on an Educator License with Stipulations may be issued to an individual who is being recruited by a particular school district that conducts formal recruitment programs outside of the United States to secure the services of qualified teachers and who meets all of the following requirements:

(i) Holds the equivalent of a minimum of a bachelor's degree issued in the United States.

(ii) Has been prepared as a teacher at the grade level for which he or she will be employed.

(iii) Has adequate content knowledge in the subject to be taught.

(iv) Has an adequate command of the English language.

A holder of a visiting international educator endorsement on an Educator License with Stipulations shall be permitted to teach in bilingual education programs in the language that was the medium of instruction in his or her teacher preparation program, provided that he or she passes the English Language Proficiency Examination or another test of writing skills in English identified by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board.

A visiting international educator endorsement on an Educator License with Stipulations is valid for 3 years and shall not be renewed.

(J) Paraprofessional educator. A paraprofessional educator endorsement on an Educator License with Stipulations may be issued to an applicant who holds a high school diploma or its recognized equivalent and either holds an associate's degree or a minimum of 60 semester hours of credit from a regionally accredited institution of higher education or has passed a paraprofessional competency test under subsection (c-5) of Section 21B-30. The paraprofessional educator endorsement is valid until June 30 immediately following 5 years of the endorsement being issued and may be renewed through application and payment of the appropriate fee, as required under Section 21B-40 of this Code. An individual who holds only a paraprofessional educator endorsement is not subject to additional requirements in order to renew the endorsement.

(K) Chief school business official. A chief school business official endorsement on an Educator License with Stipulations may be issued to an applicant who qualifies by having a master's degree or higher, 2 years of full-time administrative experience in school business management or 2 years of university-approved practical experience, and a minimum of 24 semester hours of graduate credit in a program approved by the State Board of Education for the preparation of school business administrators and by passage of the applicable State tests, including an applicable content area test.

The chief school business official endorsement may also be affixed to the Educator License with Stipulations of any holder who qualifies by having a master's degree in business administration, finance, accounting, or public administration and who completes an additional 6 semester hours of internship in school business management from a regionally accredited institution of higher education and passes the applicable State tests, including an applicable content area test. This endorsement shall be required for any individual employed as a chief school business official.

The chief school business official endorsement on an Educator License with Stipulations is valid until June 30 immediately following 5 years of the endorsement being issued and may be renewed if the license holder completes renewal requirements as required for individuals who hold a Professional Educator License endorsed for chief school business official under Section 21B-45 of this Code and such rules as may be adopted by the State Board of Education.

The State Board of Education shall adopt any rules necessary to implement Public Act 100-288.

(L) Provisional in-state educator. A provisional in-state educator endorsement on an Educator License with Stipulations may be issued to a candidate who has completed an Illinois-approved educator preparation program at an Illinois institution of higher education and who has not successfully completed an evidence-based assessment of teacher effectiveness but who meets all of the following requirements:

(i) Holds at least a bachelor's degree.

(ii) Has completed an approved educator preparation program at an Illinois institution.

(iii) Has passed an applicable content area test, as required by Section 21B-30 of this Code.

(iv) Has attempted an evidence-based assessment of teacher effectiveness and received a minimum score on that assessment, as established by the State Board of Education in consultation with the State Educator Preparation and Licensure Board.

A provisional in-state educator endorsement on an Educator License with Stipulations is valid for one full fiscal year after the date of issuance and may not be renewed.

(M) School support personnel intern. A school support personnel intern endorsement on an Educator License with Stipulations may be issued as specified by rule.

(N) Special education area. A special education area endorsement on an Educator License with Stipulations may be issued as defined and specified by rule.

(3) Substitute Teaching License. A Substitute Teaching License may be issued to

qualified applicants for substitute teaching in all grades of the public schools, prekindergarten through grade 12. Substitute Teaching Licenses are not eligible for endorsements. Applicants for a Substitute Teaching License must hold a bachelor's degree or higher from a regionally accredited institution of higher education.

Substitute Teaching Licenses are valid for 5 years.

Substitute Teaching Licenses are valid for substitute teaching in every county of this State. If an individual has had his or her Professional Educator License or Educator License with Stipulations suspended or revoked, then that individual is not eligible to obtain a Substitute Teaching License.

A substitute teacher may only teach in the place of a licensed teacher who is under contract with the employing board. If, however, there is no licensed teacher under contract because of an emergency situation, then a district may employ a substitute teacher for no longer than 30 calendar days per each vacant position in the district if the district notifies the appropriate regional office of education within 5 business days after the employment of the substitute teacher in the emergency situation. An emergency situation is one in which an unforeseen vacancy has occurred and (i) a teacher is unable to fulfill his or her contractual duties or (ii) teacher capacity needs of the district exceed previous indications, and the district is actively engaged in advertising to hire a fully licensed teacher for the vacant position.

There is no limit on the number of days that a substitute teacher may teach in a single school district, provided that no substitute teacher may teach for longer than 90 school days for any one licensed teacher under contract in the same school year. A substitute teacher who holds a Professional Educator License or Educator License with Stipulations shall not teach for more than 120 school days for any one licensed teacher under contract in the same school year. The limitations in this paragraph (3) on the number of days a substitute teacher may be employed do not apply to any school district operating under Article 34 of this Code.

A school district may not require an individual who holds a valid Professional Educator License or Educator License with Stipulations to seek or hold a Substitute Teaching License to teach as a substitute teacher.

(4) Short-Term Substitute Teaching License. Beginning on July 1, 2018 and until June 30, 2023, the State Board of Education may issue a Short-Term Substitute Teaching License. A Short-Term Substitute Teaching License may be issued to a qualified applicant for substitute teaching in all grades of the public schools, prekindergarten through grade 12. Short-Term Substitute Teaching Licenses are not eligible for endorsements. Applicants for a Short-Term Substitute Teaching License must hold an associate's degree or have completed at least 60 credit hours from a regionally accredited institution of higher education.

Short-Term Substitute Teaching Licenses are valid for substitute teaching in every county of this State. If an individual has had his or her Professional Educator License or Educator License with Stipulations suspended or revoked, then that individual is not eligible to obtain a Short-Term Substitute Teaching License.

The provisions of Sections 10-21.9 and 34-18.5 of this Code apply to short-term substitute teachers.

An individual holding a Short-Term Substitute Teaching License may teach no more than 5 consecutive days per licensed teacher who is under contract. For teacher absences lasting 6 or more days per licensed teacher who is under contract, a school district may not hire an individual holding a Short-Term Substitute Teaching License. An individual holding a Short-Term Substitute Teaching License must complete the training program under Section 10-20.67 or 34-18.60 of this Code to be eligible to teach at a public school. This paragraph (4) is inoperative on and after July 1, 2023.

(Source: P.A. 100-8, eff. 7-1-17; 100-13, eff. 7-1-17; 100-288, eff. 8-24-17; 100-596, eff. 7-1-18; 100-821, eff. 9-3-18; 100-863, eff. 8-14-18; 101-81, eff. 7-12-19; 101-220, eff. 8-7-19.)

(105 ILCS 5/21B-30)

Sec. 21B-30. Educator testing.

(a) (Blank). ~~This Section applies beginning on July 1, 2012.~~

(b) The State Board of Education, in consultation with the State Educator Preparation and Licensure Board, shall design and implement a system of examinations, which shall be required prior to the issuance of educator licenses. These examinations and indicators must be based on national and State professional teaching standards, as determined by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board. The State Board of Education may adopt such rules as may be necessary to implement and administer this Section.

(c) (Blank).

(c-5) The State Board must adopt rules to implement a paraprofessional competency test. This test would allow an applicant seeking an Educator License with Stipulations with a paraprofessional educator endorsement to obtain the endorsement if he or she passes the test and meets the other requirements of subparagraph (J) of paragraph (2) of Section 21B-20 other than the higher education requirements.

(d) All applicants seeking a State license shall be required to pass a test of content area knowledge for each area of endorsement for which there is an applicable test. There shall be no exception to this requirement. No candidate shall be allowed to student teach or serve as the teacher of record until he or she has passed the applicable content area test.

(e) (Blank).

(f) Except as otherwise provided in this Article, beginning on September 1, 2015, all candidates completing teacher preparation programs in this State and all candidates subject to Section 21B-35 of this Code are required to pass a teacher performance assessment approved by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board. Subject to appropriation, an individual who holds a Professional Educator License and is employed for a minimum of one school year by a school district designated as Tier 1 under Section 18-8.15 may, after application to the State Board, receive from the State Board a refund for any costs associated with completing the teacher performance assessment under this subsection.

(g) The content area knowledge test and the teacher performance assessment shall be the tests that from time to time are designated by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board, and may be tests prepared by an educational testing organization or tests designed by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board. The test of content area knowledge shall assess content knowledge in a specific subject field. The tests must be designed to be racially neutral to ensure that no person taking the tests is discriminated against on the basis of race, color, national origin, or other factors unrelated to the person's ability to perform as a licensed employee. The score required to pass the tests shall be fixed by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board. The tests shall be administered not fewer than 3 times a year at such time and place as may be designated by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board.

The State Board shall implement a test or tests to assess the speaking, reading, writing, and grammar skills of applicants for an endorsement or a license issued under subdivision (G) of paragraph (2) of Section 21B-20 of this Code in the English language and in the language of the transitional bilingual education program requested by the applicant.

(h) Except as provided in Section 34-6 of this Code, the provisions of this Section shall apply equally in any school district subject to Article 34 of this Code.

(i) The rules developed to implement and enforce the testing requirements under this Section shall include without limitation provisions governing test selection, test validation and determination of a passing score, administration of the tests, frequency of administration, applicant fees, frequency of applicants taking the tests, the years for which a score is valid, and appropriate special accommodations. The State Board of Education shall develop such rules as may be needed to ensure uniformity from year to year in the level of difficulty for each form of an assessment.

(Source: P.A. 100-596, eff. 7-1-18; 100-863, eff. 8-14-18; 100-932, eff. 8-17-18; 101-81, eff. 7-12-19; 101-220, eff. 8-7-19.)

(105 ILCS 5/27A-10)

Sec. 27A-10. Employees.

(a) A person shall be deemed to be employed by a charter school unless a collective bargaining agreement or the charter school contract otherwise provides.

(b) In all school districts, including special charter districts and districts located in cities having a population exceeding 500,000, the local school board shall determine by policy or by negotiated agreement, if one exists, the employment status of any school district employees who are employed by a charter school and who seek to return to employment in the public schools of the district. Each local school board shall grant, for a period of up to 5 years, a leave of absence to those of its teachers who accept employment with a charter school. At the end of the authorized leave of absence, the teacher must return to the school district or resign; provided~~, however,~~ that if the teacher chooses to return to the school district, the teacher must be assigned to a position that ~~which~~ requires the teacher's licensure ~~certification~~ and legal qualifications. The contractual continued service status and retirement benefits of a teacher of the district who is granted a leave of absence to accept employment with a charter school shall not be affected by that leave of absence.

(c) Charter schools shall employ in instructional positions, as defined in the charter, individuals who are licensed ~~certificated~~ under Article 21B ~~21~~ of this Code or who possess the following qualifications:

(i) graduated with a bachelor's degree from an accredited institution of higher learning;

(ii) been employed for a period of at least 5 years in an area requiring application of the individual's education;

(iii) passed a content area knowledge test required under Section 21B-30 of this Code ~~(blank)~~; and

(iv) demonstrate continuing evidence of professional growth, which shall include, but not be limited to, successful teaching experience, attendance at professional meetings, membership in professional organizations, additional credits earned at institutions of higher learning, travel specifically for educational purposes, and reading of professional books and periodicals.

(c-5) Charter schools employing individuals without licensure ~~certification~~ in instructional positions shall provide such mentoring, training, and staff development for those individuals as the charter schools determine necessary for satisfactory performance in the classroom.

At least 50% of the individuals employed in instructional positions by a charter school that is operating in a city having a population exceeding 500,000 and that is established on or after April 16, 2003 shall hold teaching licenses ~~certificates~~ issued under Article 21B ~~21~~ of this Code.

At least 75% of the individuals employed in instructional positions by a charter school that is operating in a city having a population exceeding 500,000 and that was established before April 16, 2003 shall hold teaching licenses ~~certificates~~ issued under Article 21B ~~21~~ of this Code.

(c-10) Notwithstanding any provision in subsection (c-5) to the contrary, in any charter school established before, on, or after July 30, 2009 (the effective date of Public Act 96-105) ~~this amendatory Act of the 96th General Assembly~~, at least 75% of the individuals employed in instructional positions by the charter school shall hold teaching licenses ~~certificates~~ issued under Article 21B ~~21~~ of this Code ~~beginning with the 2012-2013 school year. In any charter school established after the effective date of this amendatory Act of the 96th General Assembly, at least 75% of the individuals employed in instructional positions by a charter school shall hold teaching certificates issued under Article 21 of this Code by the beginning of the fourth school year during which a student is enrolled in the charter school.~~ Charter schools may employ non-licensed ~~non-certificated~~ staff in all other positions.

(c-15) Charter schools are exempt from any annual cap on new participants in an alternative educator licensure ~~certification~~ program. The second and third phases of the ~~alternative certification~~ program may be conducted and completed at the charter school, and the alternative provisional educator endorsement ~~teaching certificate~~ is valid for 4 years or the length of the charter (or any extension of the charter), whichever is longer.

(d) A teacher at a charter school may resign his or her position only if the teacher gives notice of resignation to the charter school's governing body at least 60 days before the end of the school term, and the resignation must take effect immediately upon the end of the school term.

(Source: P.A. 101-220, eff. 8-7-19.)

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

Under the rules, the foregoing **Senate Bill No. 10**, with House Amendment No. 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, 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. 119

A bill for AN ACT concerning revenue.

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. 119

Passed the House, as amended, November 13, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 119

AMENDMENT NO. 1. Amend Senate Bill 119 by replacing everything after the enacting clause with the following:

"ARTICLE 5. SECOND FY2020 BUDGET IMPLEMENTATION ACT

Section 5-1. Short title. This Article may be cited as the Second FY2020 Budget Implementation Act.

Section 5-5. Purpose. It is the purpose of this Article to make additional changes in State programs that are necessary to implement the State operating and capital budgets for State fiscal year 2020.

Section 5-10. The Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is amended by renumbering and changing Section 605-1025 as added by Public Act 101-10 as follows:

(20 ILCS 605/605-1030)

Sec. 605-1030 ~~605-1025~~. Human Services Capital Investment Grant Program.

(a) The Department of Commerce and Economic Opportunity, in coordination with the Department of Human Services, shall establish a Human Services Capital Investment Grant Program. The Department shall, subject to appropriation, make capital improvement grants to human services providers serving low-income or marginalized populations. The Build Illinois Bond Fund and the Rebuild Illinois Projects Fund shall be the sources ~~source~~ of funding for the program. Eligible grant recipients shall be human services providers that offer facilities and services in a manner that supports and fulfills the mission of Department of Human Services. Eligible grant recipients include , but are not limited to, domestic violence shelters, rape crisis centers, comprehensive youth services, teen REACH providers, supportive housing providers, developmental disability community providers, behavioral health providers, and other community-based providers. Eligible grant recipients have no entitlement to a grant under this Section.

(b) The Department, in consultation with the Department of Human Services, shall adopt rules to implement this Section and shall create a competitive application procedure for grants to be awarded. The rules shall specify the manner of applying for grants; grantee eligibility requirements; project eligibility requirements; restrictions on the use of grant moneys; the manner in which grantees must account for the use of grant moneys; and any other provision that the Department of Commerce and Economic Opportunity or Department of Human Services determine to be necessary or useful for the administration of this Section. Rules may include a requirement for grantees to provide local matching funds in an amount equal to a specific percentage of the grant.

(c) The Department of Human Services shall establish standards for determining the priorities concerning the necessity for capital facilities for the provision of human services based on data available to the Department.

(d) No portion of a human services capital investment grant awarded under this Section may be used by a grantee to pay for any on-going operational costs or outstanding debt.

(Source: P.A. 101-10, eff. 6-5-19; revised 10-18-19.)

Section 5-15. The Capital Development Board Act is amended by changing Section 20 as follows:

(20 ILCS 3105/20)

Sec. 20. Hospital and Healthcare Transformation Capital Investment Grant Program.

(a) The Capital Development Board, in coordination with the Department of Healthcare and Family Services, shall establish a Hospital and Healthcare Transformation Capital Investment Grant Program. The Board shall, subject to appropriation, make capital improvement grants to Illinois hospitals licensed under the Hospital Licensing Act and other qualified healthcare providers serving the people of Illinois. The Build Illinois Bond Fund and the Capital Development Fund shall be the sources ~~source~~ of funding for the program. Eligible grant recipients shall be hospitals and other healthcare providers that offer facilities and services in a manner that supports and fulfills the mission of the Department of Healthcare and Family Services. Eligible grant recipients have no entitlement to a grant under this Section.

(b) The Capital Development Board, in consultation with the Department of Healthcare and Family Services shall adopt rules to implement this Section and shall create a competitive application procedure for grants to be awarded. The rules shall specify: the manner of applying for grants; grantee eligibility requirements; project eligibility requirements; restrictions on the use of grant moneys; the manner in grantees must account for the use of grant moneys; and any other provision that the Capital Development Board or Department of Healthcare and Family Services determine to be necessary or useful for the administration of this Section. Rules may include a requirement for grantees to provide local matching funds in an amount equal to a certain percentage of the grant.

(c) The Department of Healthcare and Family Services shall establish standards for the determination of priority needs concerning health care transformation based on projects located in communities in the

State with the greatest utilization of Medicaid services or underserved communities, including, but not limited to Safety Net Hospitals and Critical Access Hospitals, utilizing data available to the Department.

(d) Nothing in this Section shall exempt nor relieve any healthcare provider receiving a grant under this Section from any requirement of the Illinois Health Facilities Planning Act.

(e) No portion of a healthcare transformation capital investment program grant awarded under this Section may be used by a hospital or other healthcare provider to pay for any on-going operational costs, pay outstanding debt, or be allocated to an endowment or other invested fund.
(Source: P.A. 101-10, eff. 6-5-19; revised 7-16-19.)

Section 5-20. The State Finance Act is amended by changing Section 6z-78 as follows:
(30 ILCS 105/6z-78)

Sec. 6z-78. Capital Projects Fund; bonded indebtedness; transfers. Money in the Capital Projects Fund shall, if and when the State of Illinois incurs any bonded indebtedness using the bond authorizations for capital projects enacted in Public Act 96-36, Public Act 96-1554, Public Act 97-771, Public Act 98-94, and using the general obligation bond authorizations for capital projects enacted in Public Act 101-30 ~~and this amendatory Act of the 101st General Assembly~~, be set aside and used for the purpose of paying and discharging annually the principal and interest on that bonded indebtedness then due and payable.

In addition to other transfers to the General Obligation Bond Retirement and Interest Fund made pursuant to Section 15 of the General Obligation Bond Act, upon each delivery of general obligation bonds for capital projects using bond authorizations enacted in Public Act 96-36, Public Act 96-1554, Public Act 97-771, Public Act 98-94, and Public Act 101-30 ~~this amendatory Act of the 101st General Assembly~~ (except for amounts in Public Act 101-30 ~~this amendatory Act of the 101st General Assembly~~ that increase bond authorization under paragraph (1) of subsection (a) of Section 4 and subsection (e) of Section 4 of the General Obligation Bond Act), the State Comptroller shall compute and certify to the State Treasurer the total amount of principal of, interest on, and premium, if any, on such bonds during the then current and each succeeding fiscal year. 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 the period.

(a) Except as provided for in subsection (b), on or before the last day of each month, the State Treasurer and State Comptroller shall transfer from the Capital Projects 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 on their next payment date, divided by the number of monthly transfers occurring between the last previous payment date (or the delivery date if no payment date has yet occurred) and the next succeeding payment date. 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 that period. 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.

(b) On or before the last day of each month, the State Treasurer and State Comptroller shall transfer from the Capital Projects 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 issued prior to January 1, 2012 pursuant to Section 4(d) of the General Obligation Bond Act payable on their next payment date, divided by the number of monthly transfers occurring between the last previous payment date (or the delivery date if no payment date has yet occurred) and the next succeeding payment date. If the available balance in the Capital Projects Fund is not sufficient for the transfer required in this subsection, the State Treasurer and State Comptroller shall transfer the difference from the Road Fund to the General Obligation Bond Retirement and Interest Fund; except that such Road Fund transfers shall constitute a debt of the Capital Projects Fund which shall be repaid according to subsection (c). 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 that period. 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.

(c) On the first day of any month when the Capital Projects Fund is carrying a debt to the Road Fund due to the provisions of subsection (b), the State Treasurer and State Comptroller shall transfer from the Capital Projects Fund to the Road Fund an amount sufficient to discharge that debt. These transfers to the

Road Fund shall continue until the Capital Projects Fund has repaid to the Road Fund all transfers made from the Road Fund pursuant to subsection (b). Notwithstanding any other law to the contrary, transfers to the Road Fund from the Capital Projects Fund shall be made prior to any other expenditures or transfers out of the Capital Projects Fund.
(Source: P.A. 101-30, eff. 6-28-19.)

Section 5-25. The General Obligation Bond Act is amended by changing Section 7.6 as follows:
(30 ILCS 330/7.6)
Sec. 7.6. Income Tax Proceed Bonds.
(a) As used in this Act, "Income Tax Proceed Bonds" means Bonds (i) authorized by this amendatory Act of the 100th General Assembly or any other Public Act of the 100th General Assembly authorizing the issuance of Income Tax Proceed Bonds and (ii) used for the payment of unpaid obligations of the State as incurred from time to time and as authorized by the General Assembly.
(b) Income Tax Proceed Bonds in the amount of $6,000,000,000 are hereby authorized to be used for the purpose of paying vouchers incurred by the State prior to July 1, 2017. Additional Income Tax Proceed Bonds in the amount of $1,200,000,000 are hereby authorized to be used for the purpose of paying vouchers incurred by the State and accruing interest payable by the State ~~more than 90 days~~ prior to the date on which the Income Tax Proceed Bonds are issued.
(c) The Income Tax Bond Fund is hereby created as a special fund in the State treasury. All moneys from the proceeds of the sale of the Income Tax Proceed Bonds, less the amounts authorized in the Bond Sale Order to be directly paid out for bond sale expenses under Section 8, shall be deposited into the Income Tax Bond Fund. All moneys in the Income Tax Bond Fund shall be used for the purpose of paying vouchers incurred by the State prior to July 1, 2017 or for paying vouchers incurred by the State more than 90 days prior to the date on which the Income Tax Proceed Bonds are issued. For the purpose of paying such vouchers, the Comptroller has the authority to transfer moneys from the Income Tax Bond Fund to general funds and the Health Insurance Reserve Fund. "General funds" has the meaning provided in Section 50-40 of the State Budget Law.
(Source: P.A. 100-23, eff. 7-6-17; 101-30, eff. 6-28-19.)

Section 5-30. The Private Colleges and Universities Capital Distribution Formula Act is amended by changing Section 25-7 as follows:
(30 ILCS 769/25-7)
Sec. 25-7. Capital Investment Grant Program.
(a) The Board of Higher Education, jointly ~~Capital Development Board, in coordination~~ with the Capital Development Board ~~of Higher Education~~, shall establish a Capital Investment Grant Program for independent colleges. The Capital Development Board shall, subject to appropriation, and subject to direction by the Board of Higher Education, make capital improvement grants to independent colleges in Illinois. The Build Illinois Bond Fund shall be the source of funding for the program. Eligible grant recipients shall be independent colleges that offer facilities and services in a manner that supports and fulfills the mission of the Board of Higher Education. Eligible grant recipients have no entitlement to a grant under this Section.
(b) Board of Higher Education, jointly ~~The Capital Development Board, in consultation~~ with the Capital Development Board ~~of Higher Education~~, shall adopt rules to implement this Section and shall create an application procedure for grants to be awarded. The rules shall specify: the manner of applying for grants; grantee eligibility requirements; project eligibility requirements; restrictions on the use of grant moneys; the manner in which grantees must account for the use of grant moneys; and any other provision that the Capital Development Board or Board of Higher Education determine to be necessary or useful for the administration of this Section.
(c) No portion of an independent college capital investment program grant awarded under this Section may be used by an independent college to pay for any on-going operational costs, pay outstanding debt, or be allocated to an endowment or other invested fund.
(Source: P.A. 101-10, eff. 6-5-19; revised 7-22-19.)

Section 5-35. The Motor Fuel Tax Law is amended by changing Section 8b as follows:
(35 ILCS 505/8b)
Sec. 8b. Transportation Renewal Fund; creation; distribution of proceeds.
(a) The Transportation Renewal Fund is hereby created as a special fund in the State treasury. Moneys in the Fund shall be used as provided in this Section:
(1) 80% of the moneys in the Fund shall be used for highway maintenance, highway

construction, bridge repair, congestion relief, and construction of aviation facilities; of that 80%:

(A) the State Comptroller shall order transferred and the State Treasurer shall transfer 60% to the State Construction Account Fund; those moneys shall be used solely for construction, reconstruction, improvement, repair, maintenance, operation, and administration of highways and are limited to payments made pursuant to design and construction contracts awarded by the Department of Transportation;

(B) 40% shall be distributed by the Department of Transportation to municipalities, counties, and road districts of the State using the percentages set forth in subdivisions (A), (B), (C), and (D) of paragraph (2) of subsection (e) of Section 8; distributions to particular municipalities, counties, and road districts under this subdivision (B) shall be made according to the allocation procedures described for municipalities, counties, and road districts in subsection (e) of Section 8 and shall be subject to the same requirements and limitations described in that subsection; and ~~as follows:~~

~~(i)49.10% to the municipalities of the State;~~

~~(ii) 16.74% to the counties of the State having 1,000,000 or more inhabitants;~~

~~(iii)18.27% to the counties of the State having less than 1,000,000 inhabitants; and~~

~~(iv) 15.89% to the road districts of the State; and~~

(2) 20% of the moneys in the Fund shall be used for projects related to rail facilities and mass transit facilities, as defined in Section 2705-305 of the Department of Transportation Law of the Civil Administrative Code of Illinois, including rapid transit, rail, high-speed rail, bus and other equipment in connection with the State or a unit of local government, special district, municipal corporation, or other public agency authorized to provide and promote public transportation within the State; of that 20%:

(A) 90% shall be deposited into the Regional Transportation Authority Capital Improvement Fund, a special fund created in the State Treasury; moneys in the Regional Transportation Authority Capital Improvement Fund shall be used by the Regional Transportation Authority for construction, improvements, and deferred maintenance on mass transit facilities and acquisition of buses and other equipment; and

(B) 10% shall be deposited into the Downstate Mass Transportation Capital Improvement Fund, a special fund created in the State Treasury; moneys in the Downstate Mass Transportation Capital Improvement Fund shall be used by local mass transit districts other than the Regional Transportation Authority for construction, improvements, and deferred maintenance on mass transit facilities and acquisition of buses and other equipment.

(b)Beginning on July 1, 2020, the Auditor General shall conduct an annual financial audit of the obligations, expenditures, receipt, and use of the funds deposited into the Transportation Renewal ~~Reform~~ Fund and provide specific recommendations to help ensure compliance with State and federal statutes, rules, and regulations.

(Source: P.A. 101-32, eff. 6-28-19.)

ARTICLE 10. ADDITIONAL AMENDATORY PROVISIONS

Section 10-5. The New Markets Development Program Act is amended by changing Section 25 as follows:

(20 ILCS 663/25)

Sec. 25. Certification of qualified equity investments.

(a) A qualified community development entity that seeks to have an equity investment or long-term debt security designated as a qualified equity investment and eligible for tax credits under this Section shall apply to the Department. The qualified community development entity must submit an application on a form that the Department provides that includes:

(1) The name, address, tax identification number of the entity, and evidence of the entity's certification as a qualified community development entity.

(2) A copy of the allocation agreement executed by the entity, or its controlling entity, and the Community Development Financial Institutions Fund.

(3) A certificate executed by an executive officer of the entity attesting that the allocation agreement remains in effect and has not been revoked or cancelled by the Community Development Financial Institutions Fund.

(4) A description of the proposed amount, structure, and purchaser of the equity investment or long-term debt security.

(5) The name and tax identification number of any taxpayer eligible to utilize tax credits earned as a result of the issuance of the qualified equity investment.

(6) Information regarding the proposed use of proceeds from the issuance of the qualified equity investment.

(7) A nonrefundable application fee of $5,000. This fee shall be paid to the Department and shall be required of each application submitted.

(8) With respect to qualified equity investments made on or after January 1, 2017, the amount of qualified equity investment authority the applicant agrees to designate as a federal qualified equity investment under Section 45D of the Internal Revenue Code, including a copy of the screen shot from the Community Development Financial Institutions Fund's Allocation Tracking System of the applicant's remaining federal qualified equity investment authority.

(b) Within 30 days after receipt of a completed application containing the information necessary for the Department to certify a potential qualified equity investment, including the payment of the application fee, the Department shall grant or deny the application in full or in part. If the Department denies any part of the application, it shall inform the qualified community development entity of the grounds for the denial. If the qualified community development entity provides any additional information required by the Department or otherwise completes its application within 15 days of the notice of denial, the application shall be considered completed as of the original date of submission. If the qualified community development entity fails to provide the information or complete its application within the 15-day period, the application remains denied and must be resubmitted in full with a new submission date.

(c) If the application is deemed complete, the Department shall certify the proposed equity investment or long-term debt security as a qualified equity investment that is eligible for tax credits under this Section, subject to the limitations contained in Section 20. The Department shall provide written notice of the certification to the qualified community development entity. The notice shall include the names of those taxpayers who are eligible to utilize the credits and their respective credit amounts. If the names of the taxpayers who are eligible to utilize the credits change due to a transfer of a qualified equity investment or a change in an allocation pursuant to Section 15, the qualified community development entity shall notify the Department of such change.

(d) With respect to applications received before January 1, 2017, the Department shall certify qualified equity investments in the order applications are received by the Department. Applications received on the same day shall be deemed to have been received simultaneously. For applications received on the same day and deemed complete, the Department shall certify, consistent with remaining tax credit capacity, qualified equity investments in proportionate percentages based upon the ratio of the amount of qualified equity investment requested in an application to the total amount of qualified equity investments requested in all applications received on the same day.

(d-5) With respect to applications received on or after January 1, 2017, the Department shall certify applications by applicants that agree to designate qualified equity investments as federal qualified equity investments in accordance with item (8) of subsection (a) of this Section in proportionate percentages based upon the ratio of the amount of qualified equity investments requested in an application to be designated as federal qualified equity investments to the total amount of qualified equity investments to be designated as federal qualified equity investments requested in all applications received on the same day.

(d-10) With respect to applications received on or after January 1, 2017, after complying with subsection (d-5), the Department shall certify the qualified equity investments of all other applicants, including the remaining qualified equity investment authority requested by applicants not designated as federal qualified equity investments in accordance with item (8) of subsection (a) of this Section, in proportionate percentages based upon the ratio of the amount of qualified equity investments requested in the applications to the total amount of qualified equity investments requested in all applications received on the same day.

(e) Once the Department has certified qualified equity investments that, on a cumulative basis, are eligible for $20,000,000 in tax credits, the Department may not certify any more qualified equity investments. If a pending request cannot be fully certified, the Department shall certify the portion that may be certified unless the qualified community development entity elects to withdraw its request rather than receive partial credit.

(f) Within 30 days after receiving notice of certification, the qualified community development entity shall (i) issue the qualified equity investment and receive cash in the amount of the certified amount and (ii) with respect to qualified equity investments made on or after January 1, 2017, if applicable, designate the required amount of qualified equity investment authority as a federal qualified equity investment. The qualified community development entity must provide the Department with evidence of the receipt of the cash investment within 10 business days after receipt and, with respect to qualified equity investments made on or after January 1, 2017, if applicable, provide evidence that the required amount of qualified

equity investment authority was designated as a federal qualified equity investment. If the qualified community development entity does not receive the cash investment and issue the qualified equity investment within 30 days following receipt of the certification notice, the certification shall lapse and the entity may not issue the qualified equity investment without reapplying to the Department for certification. A certification that lapses reverts back to the Department and may be reissued only in accordance with the application process outline in this Section 25.

(g) Allocation rounds enabled by this Act shall be applied for according to the following schedule:

(1) on January 2, 2019, $125,000,000 of qualified equity investments; and

(2) not less than 45 days after but not more than 90 days after the Community Development Financial Institutions Fund of the United States Department of the Treasury announces allocation awards under a Notice of Funding Availability that is published in the Federal Register after September 6, 2019, ~~on January 2, 2020,~~ $125,000,000 of qualified equity investments.

(Source: P.A. 100-408, eff. 8-25-17.)

Section 10-10. The Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is amended by changing Section 605-1025 as follows:

(20 ILCS 605/605-1025)

Sec. 605-1025. Data center investment.

(a) The Department shall issue certificates of exemption from the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, all locally-imposed retailers' occupation taxes administered and collected by the Department, the Chicago non-titled Use Tax, ~~the Electricity Excise Tax Act,~~ and a credit certification against the taxes imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act to qualifying Illinois data centers.

(b) For taxable years beginning on or after January 1, 2019, the Department shall award credits against the taxes imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act as provided in Section 229 of the Illinois Income Tax Act.

(c) For purposes of this Section:

"Data center" means a facility: (1) whose primary services are the storage, management, and processing of digital data; and (2) that is used to house (i) computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems, (ii) systems for monitoring and managing infrastructure performance, (iii) Internet-related equipment and services, (iv) data communications connections, (v) environmental controls, (vi) fire protection systems, and (vii) security systems and services.

"Qualifying Illinois data center" means a new or existing data center that:

(1) is located in the State of Illinois;

(2) in the case of an existing data center, made a capital investment of at least $250,000,000 collectively by the data center operator and the tenants of the data center ~~all of its data centers~~ over the 60-month period immediately prior to January 1, 2020 or committed to make a capital investment of at least $250,000,000 over a 60-month period commencing before January 1, 2020 and ending after January 1, 2020; or

(3) in the case of a new data center, or an existing data center making an upgrade, makes a capital investment of at least $250,000,000 over a 60-month period beginning on or after January 1, 2020; and

(4) in the case of both existing and new data centers, results in the creation of at least 20 full-time or full-time equivalent new jobs over a period of 60 months by the data center operator and the tenants of the data center, collectively, associated with the operation or maintenance of the data center; those jobs must have a total compensation equal to or greater than 120% of the average ~~median~~ wage paid to full-time employees in the county where the data center is located, as determined by the U.S. Bureau of Labor Statistics; and

(5) within 90 days after being placed in service, certifies to the Department that it is carbon neutral or has attained ~~attains~~ certification under one or more of the following green building standards:

(A) BREEAM for New Construction or BREEAM In-Use;

(B) ENERGY STAR;

(C) Envision;

(D) ISO 50001-energy management;

(E) LEED for Building Design and Construction or LEED for Operations and Maintenance;

(F) Green Globes for New Construction or Green Globes for Existing Buildings;

(G) UL 3223; or

(H) an equivalent program approved by the Department of Commerce and Economic Opportunity.

"Full-time equivalent job" means a job in which the new employee works for the owner, operator, contractor, or tenant of a data center or for a corporation under contract with the owner, operator or tenant of a data center at a rate of at least 35 hours per week. An owner, operator or tenant who employs labor or services at a specific site or facility under contract with another may declare one full-time, permanent job for every 1,820 man hours worked per year under that contract. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. "Qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center.

To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department.

(d) New and existing data centers seeking a certificate of exemption for new or existing facilities shall apply to the Department in the manner specified by the Department. The Department shall determine the duration of the certificate of exemption awarded under this Act. The duration of the certificate of exemption may not exceed 20 calendar years. The Department and any data center seeking the exemption, including a data center operator on behalf of itself and its tenants, must enter into a memorandum of understanding that at a minimum provides:

(1) the details for determining the amount of capital investment to be made;

(2) the number of new jobs created;

(3) the timeline for achieving the capital investment and new job goals;

(4) the repayment obligation should those goals not be achieved and any conditions under which repayment by the qualifying data center or data center tenant claiming the exemption will be required;

(5) the duration of the exemption; and

(6) other provisions as deemed necessary by the Department.

(e) Beginning July 1, 2021, and each year thereafter, the Department shall annually report to the Governor and the General Assembly on the outcomes and effectiveness of Public Act 101-31 ~~this amendatory Act of the 101st General Assembly~~ that shall include the following:

(1) the name of each recipient business;

(2) the location of the project;

(3) the estimated value of the credit;

(4) the number of new jobs and, if applicable, retained jobs pledged as a result of the project; and

(5) whether or not the project is located in an underserved area.

(f) New and existing data centers seeking a certificate of exemption related to the rehabilitation or construction of data centers in the State shall require the contractor and all subcontractors to comply with the requirements of Section 30-22 of the Illinois Procurement Code as they apply to responsible bidders and to present satisfactory evidence of that compliance to the Department.

(g) New and existing data centers seeking a certificate of exemption for the rehabilitation or construction of data centers in the State shall require the contractor to enter into a project labor agreement approved by the Department.

(h) Any qualifying data center issued a certificate of exemption under this Section must annually report to the Department the total data center tax benefits that are received by the business. Reports are due no later than May 31 of each year and shall cover the previous calendar year. The first report is for the 2019 calendar year and is due no later than May 31, 2020.

To the extent that a business issued a certificate of exemption under this Section has obtained an Enterprise Zone Building Materials Exemption Certificate or a High Impact Business Building Materials Exemption Certificate, no additional reporting for those building materials exemption benefits is required under this Section.

Failure to file a report under this subsection (h) may result in suspension or revocation of the certificate of exemption. ~~The Department shall adopt rules governing suspension or revocation of the certificate of exemption, including the length of suspension.~~ Factors to be considered in determining whether a data center certificate of exemption shall be suspended or revoked include, but are not limited to, prior compliance with the reporting requirements, cooperation in discontinuing and correcting violations, the extent of the violation, and whether the violation was willful or inadvertent.

(i) The Department shall not issue any new certificates of exemption under the provisions of this Section after July 1, 2029. This sunset shall not affect any existing certificates of exemption in effect on July 1, 2029.

(j) The Department shall adopt rules to implement and administer this Section.

(Source: P.A. 101-31, eff. 6-28-19; revised 10-18-19.)

Section 10-15. The State Finance Act is amended by adding Section 8.53 as follows:

(30 ILCS 105/8.53 new)

Sec. 8.53. Fund transfers. As soon as practical after the effective date of this amendatory Act of the 101st General Assembly, for Fiscal Year 2020 only, the State Comptroller shall direct and the State Treasurer shall transfer the amount of $1,500,000 from the State and Local Sales Tax Reform Fund to the Sound-Reducing Windows and Doors Replacement Fund. Any amounts transferred under this Section shall be repaid no later than June 30, 2020.

Section 10-20. The Illinois Income Tax Act is amended by changing Section 229 as follows:

(35 ILCS 5/229)

Sec. 229. Data center construction employment tax credit.

(a) A taxpayer who has been awarded a credit by the Department of Commerce and Economic Opportunity under Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is entitled to a credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act. The amount of the credit shall be 20% of the wages paid during the taxable year to a full-time or part-time employee of a construction contractor employed by a certified data center if those wages are paid for the construction of a new data center in a geographic area that meets any one of the following criteria:

(1) the area has a poverty rate of at least 20%, according to the U.S. Census Bureau American Community Survey 5-Year Estimates ~~latest federal decennial census~~;

(2) 75% or more of the children in the area participate in the federal free lunch program, according to reported statistics from the State Board of Education;

(3) 20% or more of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP), according to data from the U.S. Census Bureau American Community Survey 5-year Estimates; or

(4) the area has an average unemployment rate, as determined by the Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

If the taxpayer is a partnership, a Subchapter S corporation, or a limited liability company that has elected partnership tax treatment, the credit shall be allowed to the partners, shareholders, or members 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, as applicable. The Department, in cooperation with the Department of Commerce and Economic Opportunity, shall adopt rules to enforce and administer this Section. This Section is exempt from the provisions of Section 250 of this Act.

(b) In no event shall a credit under this Section reduce the taxpayer's liability to less than zero. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be applied first.

(c) No credit shall be allowed with respect to any certification for any taxable year ending after the revocation of the certification by the Department of Commerce and Economic Opportunity. Upon receiving notification by the Department of Commerce and Economic Opportunity of the revocation of

certification, the Department shall notify the taxpayer that no credit is allowed for any taxable year ending after the revocation date, as stated in such notification. If any credit has been allowed with respect to a certification for a taxable year ending after the revocation date, any refund paid to the taxpayer for that taxable year shall, to the extent of that credit allowed, be an erroneous refund within the meaning of Section 912 of this Act.
(Source: P.A. 101-31, eff. 6-28-19.)

Section 10-25. The Use Tax Act is amended by changing Sections 3-50 and 9 as follows:
(35 ILCS 105/3-50) (from Ch. 120, par. 439.3-50)

Sec. 3-50. Manufacturing and assembly exemption. The manufacturing and assembling machinery and equipment exemption includes machinery and equipment that replaces machinery and equipment in an existing manufacturing facility as well as machinery and equipment that are for use in an expanded or new manufacturing facility. The machinery and equipment exemption also includes machinery and equipment used in the general maintenance or repair of exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. Beginning on July 1, 2017, the manufacturing and assembling machinery and equipment exemption also includes graphic arts machinery and equipment, as defined in paragraph (6) of Section 3-5. The machinery and equipment exemption 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 this amendatory Act of the 98th General Assembly are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of this exemption, terms have the following meanings:

(1) "Manufacturing process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by a procedure commonly regarded as manufacturing, processing, fabricating, or refining that changes some existing material into a material with a different form, use, or name. In relation to a recognized integrated business composed of a series of operations that collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process commences with the first operation or stage of production in the series and does not end until the completion of the final product in the last operation or stage of production in the series. For purposes of this exemption, photoprocessing is a manufacturing process of tangible personal property for wholesale or retail sale.

(2) "Assembling process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling that results in an article or material of a different form, use, or name.

(3) "Machinery" means major mechanical machines or major components of those machines contributing to a manufacturing or assembling process.

(4) "Equipment" includes an independent device or tool separate from machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; any subunit or assembly comprising a component of any machinery or auxiliary, adjunct, or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns, and molds; and any parts that require periodic replacement in the course of normal operation; but does not include hand tools. 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 product being manufactured or assembled for wholesale or retail sale or lease.

(5) "Production related tangible personal property" means all tangible personal property that is used or consumed by the purchaser in a manufacturing facility in which a manufacturing process takes place and includes, without limitation, tangible personal property that is purchased for incorporation into real estate within a manufacturing facility, supplies and consumables used in a manufacturing facility including fuels, coolants, solvents, oils, lubricants, and adhesives, hand tools, protective apparel, and fire and safety equipment used or consumed within a manufacturing facility, and tangible personal property that is used or consumed in activities such as research and development, preproduction material handling, receiving, quality control, inventory control, storage, staging, and packaging for shipping and transportation purposes. "Production related tangible personal property" does not include (i) tangible personal property that is used, within or without a manufacturing facility,

in sales, purchasing, accounting, fiscal management, marketing, personnel recruitment or selection, or landscaping or (ii) tangible personal property that is required to be titled or registered with a department, agency, or unit of federal, State, or local government.

The manufacturing and assembling machinery and equipment exemption includes production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008 and on or after July 1, 2019. The exemption for production related tangible personal property purchased on or after July 1, 2007 and on or before June 30, 2008 is subject to both of the following limitations:

(1) The maximum amount of the exemption for any one taxpayer may not exceed 5% of the purchase price of production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008. A credit under Section 3-85 of this Act may not be earned by the purchase of production related tangible personal property for which an exemption is received under this Section.

(2) The maximum aggregate amount of the exemptions for production related tangible personal property purchased on or after July 1, 2007 and on or before June 30, 2008 awarded under this Act and the Retailers' Occupation Tax Act to all taxpayers may not exceed $10,000,000. If the claims for the exemption exceed $10,000,000, then the Department shall reduce the amount of the exemption to each taxpayer on a pro rata basis.

The Department shall adopt rules to implement and administer the exemption for production related tangible personal property.

The manufacturing and assembling machinery and equipment exemption includes the sale of materials to a purchaser who produces exempted types of machinery, equipment, or tools and who rents or leases that machinery, equipment, or tools to a manufacturer of tangible personal property. This exemption also includes the sale of materials to a purchaser who manufactures those materials into an exempted type of machinery, equipment, or tools that the purchaser uses himself or herself in the manufacturing of tangible personal property. This exemption includes the sale of exempted types of machinery or equipment to a purchaser who is not the manufacturer, but who rents or leases the use of the property to a manufacturer. The purchaser of the machinery and equipment who has an active resale registration number shall furnish that number to the seller at the time of purchase. A purchaser ~~user~~ of the machinery, equipment, or tools without an active resale registration number shall prepare a certificate of exemption ~~for each transaction~~ stating facts establishing the exemption ~~for that transaction~~, and that certificate shall be available to the Department for inspection or audit. The Department shall prescribe the form of the certificate. Informal rulings, opinions, or letters issued by the Department in response to an inquiry or request for an opinion from any person regarding the coverage and applicability of this exemption to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion, or letter contains trade secrets or other confidential information, where possible, the Department shall delete that information before publication. Whenever informal rulings, opinions, or letters contain a policy of general applicability, the Department shall formulate and adopt that policy as a rule in accordance with the Illinois Administrative Procedure Act.

The manufacturing and assembling machinery and equipment exemption is exempt from the provisions of Section 3-90.

(Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19.)

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

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 the 1.25% portion of taxes paid on aviation fuel that is subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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.

Each ~~Beginning on January 1, 2020, 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, report ~~file~~ and pay such tax ~~to the Department~~ on a separate ~~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 tax ~~fee~~ payments by electronic means in the manner and form required by the Department. For purposes of this Section ~~paragraph~~, "aviation fuel" means jet fuel and aviation gasoline ~~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.

Notwithstanding any other provision of this Act to the contrary, retailers subject to tax on cannabis shall file all cannabis tax returns and shall make all cannabis tax payments by electronic means in the manner and form required by the Department.

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

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, except as otherwise provided in this Section, 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.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every person who is engaged in the business of leasing or renting such items and who, in connection with such business, sells any such item to a retailer for the purpose of resale is, notwithstanding any other provision of this Section to the contrary, authorized to meet the return-filing requirement of this Act by reporting the transfer of all the aircraft, watercraft, motor vehicles, or trailers transferred for resale during a month to the Department on the same uniform invoice-transaction reporting return form on or before the 20th of the month following the month in which the transfer takes

place. Notwithstanding any other provision of this Act to the contrary, all returns filed under this paragraph must be filed by electronic means in the manner and form as required by the Department.

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 imposed under this Act.

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, 2019. 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, 2019, 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
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 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.	350,000,000

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 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, for aviation fuel sold on or after December 1, 2019, 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. The Department shall only deposit moneys into the Aviation Fuel Sales Tax Refund Fund under this paragraph 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.

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, 2019)~~.

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.

Subject to successful execution and delivery of a public-private ~~public private~~ agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, 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, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim , and charge set forth in Section 25-55 ~~55~~ of the Public-Private Partnership for Civic and Transit Infrastructure Project Act. As used in this paragraph, "civic build", "private entity", " public-private ~~private public~~ agreement", and "public agency" have the meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year	Total Deposit
2024	$200,000,000
2025	$206,000,000
2026	$212,200,000
2027	$218,500,000
2028	$225,100,000
2029	$288,700,000
2030	$298,900,000
2031	$309,300,000
2032	$320,100,000
2033	$331,200,000
2034	$341,200,000
2035	$351,400,000
2036	$361,900,000
2037	$372,800,000
2038	$384,000,000

2039.....$395,500,000
2040.....$407,400,000
2041.....$419,600,000
2042.....$432,200,000
2043.....$445,100,000

Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the meaning given to that term in Section 3-40 of this 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. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article 15, Section 15-10, eff. 6-5-19; 101-10, Article 25, Section 25-105, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff. 6-28-19; revised 7-29-19.)

Section 10-30. The Service Use Tax Act is amended by changing Sections 2 and 9 as follows:
(35 ILCS 110/2) (from Ch. 120, par. 439.32)
Sec. 2. Definitions. In this Act:

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, but does not include the sale or use for demonstration by him of that property in any form as tangible personal property in the regular course of business. "Use" does not mean the interim use of tangible personal property nor the physical incorporation of tangible personal property, as an ingredient or constituent, into other tangible personal property, (a) which is sold in the regular course

of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois.

"Purchased from a serviceman" means the acquisition of the ownership of, or title to, tangible personal property through a sale of service.

"Purchaser" means any person who, through a sale of service, acquires the ownership of, or title to, any tangible personal property.

"Cost price" means the consideration paid by the serviceman for a purchase valued in money, whether paid in money or otherwise, including cash, credits and services, and shall be determined without any deduction on account of the supplier's cost of the property sold or on account of any other expense incurred by the supplier. When a serviceman contracts out part or all of the services required in his sale of service, it shall be presumed that the cost price to the serviceman of the property transferred to him or her by his or her subcontractor is equal to 50% of the subcontractor's charges to the serviceman in the absence of proof of the consideration paid by the subcontractor for the purchase of such property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits and service, and shall be determined without any deduction on account of the serviceman's cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, limited liability company, and any receiver, executor, trustee, guardian or other representative appointed by order of any court.

"Sale of service" means any transaction except:

(1) a retail sale of tangible personal property taxable under the Retailers' Occupation Tax Act or under the Use Tax Act.

(2) a sale of tangible personal property for the purpose of resale made in compliance with Section 2c of the Retailers' Occupation Tax Act.

(3) except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body, or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which 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.

(4) (blank).

(4a) a sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors, or shippers of tangible personal property which is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce so long as so used by interstate carriers for hire, 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.

(4a-5) on and after July 1, 2003 and through June 30, 2004, a sale or transfer of a motor vehicle of the second division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is 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.

(5) a sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such 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 such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Use Tax or Service Occupation Tax, rather than Use Tax or Retailers' Occupation Tax. The exemption provided by this paragraph (5) includes production related tangible personal property, as defined in Section 3-50 of the Use Tax Act, purchased on or after July 1, 2019. The exemption provided by this paragraph (5) 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. The exemption under this paragraph (5) is exempt from the provisions of Section 3-75.

(5a) the repairing, reconditioning or remodeling, for a common carrier by rail, of tangible personal property which belongs to such carrier for hire, and as to which such carrier receives the physical possession of the repaired, reconditioned or remodeled item of tangible personal property in Illinois, and which such carrier transports, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the person who repaired, reconditioned or remodeled the property to a destination outside Illinois, for use outside Illinois.

(5b) a sale or transfer of tangible personal property which is produced by the seller thereof on special order in such a way as to have made the applicable tax the Service Occupation Tax or the Service Use Tax, rather than the Retailers' Occupation Tax or the Use Tax, for an interstate carrier by rail which receives the physical possession of such property in Illinois, and which transports such property, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(6) until July 1, 2003, a sale or transfer of distillation machinery and equipment, sold as a unit or kit and assembled or installed by the retailer, which machinery and equipment is 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 such user and not subject to sale or resale.

(7) at the election of any serviceman not required to be otherwise registered as a retailer under Section 2a of the Retailers' Occupation Tax Act, made for each fiscal year sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service. The purchase of such tangible personal property by the serviceman shall be subject to tax under the Retailers' Occupation Tax Act and the Use Tax Act. However, if a primary serviceman who has made the election described in this paragraph subcontracts service work to a secondary serviceman who has also made the election described in this paragraph, the primary serviceman does not incur a Use Tax liability if the secondary serviceman (i) has paid or will pay Use Tax on his or her cost price of any tangible personal property transferred to the primary serviceman and (ii) certifies that fact in writing to the primary serviceman.

Tangible personal property transferred incident to the completion of a maintenance agreement is exempt from the tax imposed pursuant to this Act.

Exemption (5) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. On and after July 1, 2017, exemption (5) also includes graphic arts machinery and equipment, as defined in paragraph (5) of Section 3-5. The machinery and equipment exemption 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. For the purposes of exemption (5), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute

manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further, for purposes of exemption (5), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process; and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. 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 product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The purchaser ~~user~~ of such machinery and equipment and tools without an active resale registration number shall prepare a certificate of exemption ~~for each transaction~~ stating facts establishing the exemption ~~for that transaction~~, which certificate shall be available to the Department for inspection or audit. The Department shall prescribe the form of the certificate.

Any informal rulings, opinions or letters issued by the Department in response to an inquiry or request for any opinion from any person regarding the coverage and applicability of exemption (5) to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion or letter contains trade secrets or other confidential information, where possible the Department shall delete such information prior to publication. Whenever such informal rulings, opinions, or letters contain any policy of general applicability, the Department shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act.

On and after July 1, 1987, no entity otherwise eligible under exemption (3) of this Section shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of service or of tangible personal property within the meaning of this Act.

"Serviceman" means any person who is engaged in the occupation of making sales of service.

"Sale at retail" means "sale at retail" as defined in the Retailers' Occupation Tax Act.

"Supplier" means any person who makes sales of tangible personal property to servicemen for the purpose of resale as an incident to a sale of service.

"Serviceman maintaining a place of business in this State", or any like term, means and includes any serviceman:

(1) having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the serviceman or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such serviceman or subsidiary is licensed to do business in this State;

(1.1) having a contract with a person located in this State under which the person, for a commission or other consideration based on the sale of service by the serviceman, directly or indirectly refers potential customers to the serviceman by providing to the potential customers a promotional code or other mechanism that allows the serviceman to track purchases referred by such persons. Examples of mechanisms that allow the serviceman to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of service by the serviceman to customers who are referred to the serviceman by all persons in this State under such contracts exceed $10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December; a serviceman meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State

but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods;

(1.2) beginning July 1, 2011, having a contract with a person located in this State under which:

(A) the serviceman sells the same or substantially similar line of services as the person located in this State and does so using an identical or substantially similar name, trade name, or trademark as the person located in this State; and

(B) the serviceman provides a commission or other consideration to the person located in this State based upon the sale of services by the serviceman.

The provisions of this paragraph (1.2) shall apply only if the cumulative gross receipts from sales of service by the serviceman to customers in this State under all such contracts exceed $10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December;

(2) soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this State;

(3) pursuant to a contract with a broadcaster or publisher located in this State, soliciting orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this State and only secondarily to bordering jurisdictions;

(4) soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities;

(5) being owned or controlled by the same interests which own or control any retailer engaging in business in the same or similar line of business in this State;

(6) having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section;

(7) pursuant to a contract with a cable television operator located in this State, soliciting orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this State;

(8) engaging in activities in Illinois, which activities in the state in which the supply business engaging in such activities is located would constitute maintaining a place of business in that state; or

(9) beginning October 1, 2018, making sales of service to purchasers in Illinois from outside of Illinois if:

(A) the cumulative gross receipts from sales of service to purchasers in Illinois are $100,000 or more; or

(B) the serviceman enters into 200 or more separate transactions for sales of service to purchasers in Illinois.

The serviceman shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) of this paragraph (9) for the preceding 12-month period. If the serviceman meets the criteria of either subparagraph (A) or (B) for a 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the serviceman shall determine whether the serviceman met the criteria of either subparagraph (A) or (B) during the preceding 12-month period. If the serviceman met the criteria in either subparagraph (A) or (B) for the preceding 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a serviceman that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either subparagraph (A) or (B) during the preceding 12-month period, the serviceman subsequently shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) for the preceding 12-month period.

Beginning January 1, 2020, neither the gross receipts from nor the number of separate transactions for sales of service to purchasers in Illinois that a serviceman makes through a marketplace facilitator and for which the serviceman has received a certification from the marketplace facilitator

pursuant to Section 2d of this Act shall be included for purposes of determining whether he or she has met the thresholds of this paragraph (9).

(10) Beginning January 1, 2020, a marketplace facilitator, as defined in Section 2d of this Act.

(Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 101-9, Article 10, Section 10-15, eff. 6-5-19; 101-9, Article 25, Section 25-10, eff. 6-5-19; revised 7-10-19.)

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

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 the 1.25% portion of taxes paid on aviation fuel that is subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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.

Each ~~Beginning on January 1, 2020, 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 such ~~the~~ tax on a separate ~~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 Section ~~paragraph~~, "aviation fuel" means jet fuel and aviation gasoline ~~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.

Notwithstanding any other provision of this Act to the contrary, servicemen subject to tax on cannabis shall file all cannabis tax returns and shall make all cannabis tax payments by electronic means in the manner and form required by the Department.

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 imposed under this Act.

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, 2019. 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, 2019, 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 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.	350,000,000

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 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, for aviation fuel sold on or after December 1, 2019, 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. The Department shall only deposit moneys into the Aviation Fuel Sales Tax Refund Fund under this paragraph 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.

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, 2019)~~.

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.

Subject to successful execution and delivery of a public-private ~~public private~~ agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, 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, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim , and charge set forth in Section 25-55 ~~55~~ of the Public-Private Partnership for Civic and Transit Infrastructure Project Act. As used in this paragraph, "civic build", "private entity", " public-private ~~private public~~ agreement", and "public agency" have the meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year	Total Deposit
2024	$200,000,000
2025	$206,000,000
2026	$212,200,000
2027	$218,500,000
2028	$225,100,000
2029	$288,700,000
2030	$298,900,000
2031	$309,300,000
2032	$320,100,000
2033	$331,200,000
2034	$341,200,000
2035	$351,400,000
2036	$361,900,000
2037	$372,800,000
2038	$384,000,000
2039	$395,500,000
2040	$407,400,000
2041	$419,600,000
2042	$432,200,000
2043	$445,100,000

Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, 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,

the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the meaning given to that term in Section 3-40 of the Use Tax 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. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article 15, Section 15-15, eff. 6-5-19; 101-10, Article 25, Section 25-110, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff. 6-28-19; revised 8-20-19.)

Section 10-35. The Service Occupation Tax Act is amended by changing Sections 2 and 9 as follows:

(35 ILCS 115/2) (from Ch. 120, par. 439.102)

Sec. 2. In this Act:

"Transfer" means any transfer of the title to property or of the ownership of property whether or not the transferor retains title as security for the payment of amounts due him from the transferee.

"Cost Price" means the consideration paid by the serviceman for a purchase valued in money, whether paid in money or otherwise, including cash, credits and services, and shall be determined without any deduction on account of the supplier's cost of the property sold or on account of any other expense incurred by the supplier. When a serviceman contracts out part or all of the services required in his sale of service, it shall be presumed that the cost price to the serviceman of the property transferred to him by his or her subcontractor is equal to 50% of the subcontractor's charges to the serviceman in the absence of proof of the consideration paid by the subcontractor for the purchase of such property.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, limited liability company, and any receiver, executor, trustee, guardian or other representative appointed by order of any court.

"Sale of Service" means any transaction except:

(a) A retail sale of tangible personal property taxable under the Retailers' Occupation Tax Act or under the Use Tax Act.

(b) A sale of tangible personal property for the purpose of resale made in compliance with Section 2c of the Retailers' Occupation Tax Act.

(c) Except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which 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.

(d) (Blank).

(d-1) A sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors or shippers of tangible personal property which 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.

(d-1.1) On and after July 1, 2003 and through June 30, 2004, a sale or transfer of a motor vehicle of the second division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is 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.

(d-2) The repairing, reconditioning or remodeling, for a common carrier by rail, of tangible personal property which belongs to such carrier for hire, and as to which such carrier receives the physical possession of the repaired, reconditioned or remodeled item of tangible personal property in Illinois, and which such carrier transports, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the person who repaired, reconditioned or remodeled the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(d-3) A sale or transfer of tangible personal property which is produced by the seller thereof on special order in such a way as to have made the applicable tax the Service Occupation Tax or the Service Use Tax, rather than the Retailers' Occupation Tax or the Use Tax, for an interstate carrier by rail which receives the physical possession of such property in Illinois, and which transports such property, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(d-4) Until January 1, 1997, a sale, by a registered serviceman paying tax under this Act to the Department, of special order printed materials delivered outside Illinois and which are not returned to this State, if delivery is made by the seller or agent of the seller, including an agent who causes the product to be delivered outside Illinois by a common carrier or the U.S. postal service.

(e) A sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such 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 such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Occupation Tax or Service Use Tax, rather than Retailers' Occupation Tax or Use Tax. The exemption provided by this paragraph (e) includes production related tangible personal property, as defined in Section 3-50 of the Use Tax Act, purchased on or after July 1, 2019. The exemption provided by this paragraph (e) 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. The exemption under this subsection (e) is exempt from the provisions of Section 3-75.

(f) Until July 1, 2003, the sale or transfer of distillation machinery and equipment, sold as a unit or kit and assembled or installed by the retailer, which machinery and equipment is 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 such user and not subject to sale or resale.

(g) At the election of any serviceman not required to be otherwise registered as a retailer under Section 2a of the Retailers' Occupation Tax Act, made for each fiscal year sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35% (75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production) of the aggregate annual total gross receipts from all sales of service. The purchase of such tangible personal property by the serviceman shall be subject to tax under the Retailers' Occupation Tax Act and the Use Tax Act. However, if a primary serviceman who has made the election described in this paragraph subcontracts service work to a secondary serviceman who has also made the election described in this paragraph, the primary serviceman does not incur a Use Tax liability if the secondary serviceman (i) has paid or will pay Use Tax on his or her cost price of any tangible personal property transferred to the primary serviceman and (ii) certifies that fact in writing to the primary serviceman.

Tangible personal property transferred incident to the completion of a maintenance agreement is exempt from the tax imposed pursuant to this Act.

Exemption (e) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. On and after July 1, 2017, exemption (e) also includes graphic arts machinery and equipment, as defined in

paragraph (5) of Section 3-5. The machinery and equipment exemption 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. For the purposes of exemption (e), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further for purposes of exemption (e), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process; and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. 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 product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The purchaser of such machinery and equipment and tools without an active resale registration number shall furnish to the seller a certificate of exemption ~~for each transaction~~ stating facts establishing the exemption ~~for that transaction~~, which certificate shall be available to the Department for inspection or audit.

Except as provided in Section 2d of this Act, the rolling stock exemption applies to rolling stock used by an interstate carrier for hire, even just between points in Illinois, if such rolling stock transports, for hire, persons whose journeys or property whose shipments originate or terminate outside Illinois.

Any informal rulings, opinions or letters issued by the Department in response to an inquiry or request for any opinion from any person regarding the coverage and applicability of exemption (e) to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion or letter contains trade secrets or other confidential information, where possible the Department shall delete such information prior to publication. Whenever such informal rulings, opinions, or letters contain any policy of general applicability, the Department shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act.

On and after July 1, 1987, no entity otherwise eligible under exemption (c) of this Section shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

"Serviceman" means any person who is engaged in the occupation of making sales of service.

"Sale at Retail" means "sale at retail" as defined in the Retailers' Occupation Tax Act.

"Supplier" means any person who makes sales of tangible personal property to servicemen for the purpose of resale as an incident to a sale of service.

(Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-863, eff. 8-14-18; 101-9, eff. 6-5-19.)

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

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 the 1.25% portion of taxes paid on aviation fuel that is subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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.

Each ~~Beginning on January 1, 2020, 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, report and pay such tax on a separate ~~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 Section ~~paragraph~~, "aviation fuel" means jet fuel and aviation gasoline ~~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.

Notwithstanding any other provision of this Act to the contrary, servicemen subject to tax on cannabis shall file all cannabis tax returns and shall make all cannabis tax payments by electronic means in the manner and form required by the Department.

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 imposed under this Act.

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, 2019. 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, 2019, 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, 2019. 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, 2019, each month the Department shall pay into the State Aviation Program Fund 20% ~~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 20% ~~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 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.	350,000,000

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, for aviation fuel sold on or after December 1, 2019, 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. The Department shall only deposit moneys into the Aviation Fuel Sales Tax Refund Fund under this paragraph 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.

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, 2019)~~.

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.

Subject to successful execution and delivery of a public-private ~~public private~~ agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, 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, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim and charge set forth in Section 25-55 ~~55~~ of the Public-Private Partnership for Civic and Transit Infrastructure Project Act. As used in this paragraph, "civic build", "private entity", " public-private ~~private public~~ agreement", and "public agency" have the meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year	Total Deposit
2024	$200,000,000
2025	$206,000,000
2026	$212,200,000
2027	$218,500,000
2028	$225,100,000
2029	$288,700,000
2030	$298,900,000
2031	$309,300,000
2032	$320,100,000
2033	$331,200,000
2034	$341,200,000
2035	$351,400,000
2036	$361,900,000
2037	$372,800,000
2038	$384,000,000
2039	$395,500,000
2040	$407,400,000
2041	$419,600,000
2042	$432,200,000
2043	$445,100,000

Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, 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, the Department shall pay each month into the Road Fund the amount

estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the meaning given to that term in Section 3-40 of the Use Tax 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. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article 15, Section 15-20, eff. 6-5-19; 101-10, Article 25, Section 25-115, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff. 6-28-19; revised 7-23-19.)

Section 10-40. The Retailers' Occupation Tax Act is amended by changing Sections 2-45 and 3 and by adding Section 2-22 as follows:

(35 ILCS 120/2-22 new)

Sec. 2-22. Certification of airport-related purpose.

(a) Initial certification and annual recertification. If a unit of local government has an airport-related purpose, as defined in Section 6z-20.2 of the State Finance Act, which would allow any retailers' occupation tax and service occupation tax imposed by the unit of local government and administered by the Department to include tax on aviation fuel, then, on or before September 1, 2019, and on or before each April 1 thereafter, the unit of local government must certify to the Department of Transportation, in the form and manner required by the Department of Transportation, that it has an airport-related purpose. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

On or before October 1, 2019, and on or before each May 1 thereafter, the Department of Transportation shall provide to the Department a list of units of local government that have certified to the Department of Transportation that they have an airport-related purpose. If a unit of local government is included in the list of units of local government that have certified that they have an airport-related purpose that is provided by the Department of Transportation to the Department on or before October 1, 2019, then, beginning on December 1, 2019, any retailers' occupation tax and service occupation tax imposed by the unit of local government and administered by the Department shall continue to be collected on aviation fuel sold in that unit of local government. Failure by a unit of local government to file an initial certification shall be treated as confirmation that the unit of local government does not have an airport-related purpose, thereby exempting, beginning on December 1, 2019, aviation fuel from any retailers' occupation tax and service occupation tax imposed by the unit of local government and administered by the Department.

Beginning in 2020 and in each year thereafter, if a unit of local government is included in the list of units of local government that have certified that they have an airport-related purpose that is provided by the Department of Transportation to the Department on or before May 1, then any retailers' occupation tax and service occupation tax imposed by the unit of local government and administered by the Department shall continue to be (or begin to be, as the case may be) collected on aviation fuel sold in that unit of local government beginning on the following July 1. Once a unit of local government has certified that it has an airport-related purpose, failure during an annual recertification period to file a certification that it has an airport-related purpose shall be treated as confirmation that it no longer has an airport-related purpose, thereby exempting, beginning on July 1 of that year, aviation fuel from any retailers' occupation tax and service occupation tax imposed by the unit of local government and administered by the Department.

(b) Penalties. If a unit of local government certifies that it has an airport-related purpose and therefore receives tax revenues from a tax imposed by the unit of local government and administered by the Department of Revenue on sales of aviation fuel, but the Federal Aviation Administration thereafter determines that the tax revenues on aviation fuel generated by that tax were expended by the unit of local government for a purpose other than an airport-related purpose and the Federal Aviation Administration imposes a penalty on the State of Illinois as a result, then the State is authorized to pass this penalty on to the unit of local government by withholding an amount up to the amount of the penalty out of local retailers' occupation taxes and service occupation taxes to be allocated to the unit of local government by the State.

(35 ILCS 120/2-45) (from Ch. 120, par. 441-45)

Sec. 2-45. Manufacturing and assembly exemption. The manufacturing and assembly machinery and equipment exemption includes machinery and equipment that replaces machinery and equipment in an existing manufacturing facility as well as machinery and equipment that are for use in an expanded or new manufacturing facility.

The machinery and equipment exemption also includes machinery and equipment used in the general maintenance or repair of exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. Beginning on July 1, 2017, the manufacturing and assembling machinery and equipment exemption also includes graphic arts machinery and equipment, as defined in paragraph (4) of Section 2-5. The machinery and equipment exemption 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 this amendatory Act of the 98th General Assembly are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of this exemption, terms have the following meanings:

(1) "Manufacturing process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by a procedure commonly regarded as manufacturing, processing, fabricating, or refining that changes some existing material or materials into a material with a different form, use, or name. In relation to a recognized integrated business composed of a series of operations that collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process commences with the first operation or stage of production in the series and does not end until the completion of the final product in the last operation or stage of production in the series. For purposes of this exemption, photoprocessing is a manufacturing process of tangible personal property for wholesale or retail sale.

(2) "Assembling process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling that results in a material of a different form, use, or name.

(3) "Machinery" means major mechanical machines or major components of those machines contributing to a manufacturing or assembling process.

(4) "Equipment" includes an independent device or tool separate from machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; any subunit or assembly comprising a component of any machinery or auxiliary, adjunct, or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns, and molds; and any parts that require periodic replacement in the course of normal operation; but does not include hand tools. 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 product being manufactured or assembled for wholesale or retail sale or lease.

(5) "Production related tangible personal property" means all tangible personal property that is used or consumed by the purchaser in a manufacturing facility in which a manufacturing process takes place and includes, without limitation, tangible personal property that is purchased for incorporation into real estate within a manufacturing facility, supplies and consumables used in a manufacturing facility including fuels, coolants, solvents, oils, lubricants, and adhesives, hand tools, protective apparel, and fire and safety equipment used or consumed within a manufacturing facility, and tangible personal property that is used or consumed in activities such as research and development, preproduction material handling, receiving, quality control, inventory control, storage, staging, and packaging for shipping and transportation purposes. "Production related tangible personal property" does not include (i) tangible personal property that is used, within or without a manufacturing facility, in sales, purchasing, accounting, fiscal management, marketing, personnel recruitment or selection, or landscaping or (ii) tangible personal property that is required to be titled or registered with a department, agency, or unit of federal, State, or local government.

The manufacturing and assembling machinery and equipment exemption includes production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008 and on or after July 1, 2019. The exemption for production related tangible personal property purchased on or after July 1, 2007 and before June 30, 2008 is subject to both of the following limitations:

(1) The maximum amount of the exemption for any one taxpayer may not exceed 5% of the purchase price of production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008. A credit under Section 3-85 of this Act may not be earned by the purchase of production related tangible personal property for which an exemption is received under this Section.

(2) The maximum aggregate amount of the exemptions for production related tangible personal property awarded under this Act and the Use Tax Act to all taxpayers may not exceed $10,000,000. If the claims for the exemption exceed $10,000,000, then the Department shall reduce the amount of the exemption to each taxpayer on a pro rata basis.

The Department shall adopt rules to implement and administer the exemption for production related tangible personal property.

The manufacturing and assembling machinery and equipment exemption includes the sale of materials to a purchaser who produces exempted types of machinery, equipment, or tools and who rents or leases

that machinery, equipment, or tools to a manufacturer of tangible personal property. This exemption also includes the sale of materials to a purchaser who manufactures those materials into an exempted type of machinery, equipment, or tools that the purchaser uses himself or herself in the manufacturing of tangible personal property. The purchaser of the machinery and equipment who has an active resale registration number shall furnish that number to the seller at the time of purchase. A purchaser of the machinery, equipment, and tools without an active resale registration number shall furnish to the seller a certificate of exemption ~~for each transaction~~ stating facts establishing the exemption ~~for that transaction~~, and that certificate shall be available to the Department for inspection or audit. Informal rulings, opinions, or letters issued by the Department in response to an inquiry or request for an opinion from any person regarding the coverage and applicability of this exemption to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion, or letter contains trade secrets or other confidential information, where possible, the Department shall delete that information before publication. Whenever informal rulings, opinions, or letters contain a policy of general applicability, the Department shall formulate and adopt that policy as a rule in accordance with the Illinois Administrative Procedure Act.

The manufacturing and assembling machinery and equipment exemption is exempt from the provisions of Section 2-70.

(Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19.)

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

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;

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.

Every ~~Beginning on January 1, 2020, 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, report and pay such tax on a separate ~~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 Section ~~paragraph~~, "aviation fuel" means jet fuel and aviation gasoline ~~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.

Notwithstanding any other provision of this Act to the contrary, retailers subject to tax on cannabis shall file all cannabis tax returns and shall make all cannabis tax payments by electronic means in the manner and form required by the Department.

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, except as otherwise provided in this Section, 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.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every person who is engaged in the business of leasing or renting such items and who, in connection with such business, sells any such item to a retailer for the purpose of

resale is, notwithstanding any other provision of this Section to the contrary, authorized to meet the return-filing requirement of this Act by reporting the transfer of all the aircraft, watercraft, motor vehicles, or trailers transferred for resale during a month to the Department on the same uniform invoice-transaction reporting return form on or before the 20th of the month following the month in which the transfer takes place. Notwithstanding any other provision of this Act to the contrary, all returns filed under this paragraph must be filed by electronic means in the manner and form as required by the Department.

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 the 1.25% portion of taxes paid on aviation fuel that is subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 imposed under this Act.

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, 2019. 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, 2019, 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, 2019. 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, 2019, each month the Department shall pay into the State Aviation Program Fund 20% ~~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 20% ~~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 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 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, for aviation fuel sold on or after December 1, 2019, 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. The Department shall only deposit moneys into the Aviation Fuel Sales Tax Refund Fund under this paragraph 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.

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, 2019)~~.

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.

Subject to successful execution and delivery of a public-private ~~public private~~ agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, 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, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim and charge set forth in Section 25-55 ~~55~~ of the Public-Private Partnership for Civic and Transit Infrastructure Project Act. As used in this paragraph, "civic build", "private entity", " public-private ~~private public~~ agreement", and "public agency" have the meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year	Total Deposit
2024	$200,000,000
2025	$206,000,000
2026	$212,200,000
2027	$218,500,000
2028	$225,100,000
2029	$288,700,000
2030	$298,900,000
2031	$309,300,000
2032	$320,100,000
2033	$331,200,000
2034	$341,200,000
2035	$351,400,000
2036	$361,900,000
2037	$372,800,000
2038	$384,000,000
2039	$395,500,000
2040	$407,400,000
2041	$419,600,000
2042	$432,200,000
2043	$445,100,000

Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, 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, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning

given to that term in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the meaning given to that term in Section 3-40 of the Use Tax 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 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. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article 15, Section 15-25, eff. 6-5-19; 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff. 6-28-19; revised 7-17-19.)

Section 10-45. The Cigarette Tax Act is amended by changing Section 2 as follows:

(35 ILCS 130/2) (from Ch. 120, par. 453.2)

Sec. 2. Tax imposed; rate; collection, payment, and distribution; discount.

(a) Beginning on July 1, 2019, in place of the aggregate tax rate of 99 mills previously imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 149 mills per cigarette sold or otherwise disposed of in the course of such business in this State.

(b) The payment of such taxes shall be evidenced by a stamp affixed to each original package of cigarettes, or an authorized substitute for such stamp imprinted on each original package of such cigarettes underneath the sealed transparent outside wrapper of such original package, as hereinafter provided. However, such taxes are not imposed upon any activity in such business in interstate commerce or otherwise, which activity may not under the Constitution and statutes of the United States be made the subject of taxation by this State.

Out of the 149 mills per cigarette tax imposed by subsection (a), the revenues received from 4 mills shall be paid into the Common School Fund each month, not to exceed $9,000,000 per month. Out of the 149 mills per cigarette tax imposed by subsection (a), all of the revenues received from 7 mills shall be paid into the Common School Fund each month. Out of the 149 mills per cigarette tax imposed by subsection (a), 50 mills per cigarette each month shall be paid into the Healthcare Provider Relief Fund.

Beginning on July 1, 2006, all of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act, other than the moneys that are dedicated to the Common School Fund and, beginning on the effective date of this amendatory Act of the 97th General Assembly, other than the moneys from the additional taxes imposed by this amendatory Act of the 97th General Assembly that must be paid each month into the Healthcare Provider Relief Fund, and other than the moneys from the additional taxes imposed by this amendatory Act of the 101st General Assembly that must be paid each month under subsection (c), shall be distributed each month as follows: first, there shall be paid into the General Revenue Fund an amount that, when added to the amount paid into the Common School Fund for that month, equals $29,200,000; then, from the moneys remaining, if any amounts required to be paid into the General Revenue Fund in previous months remain unpaid, those amounts shall be paid into the General Revenue Fund; then from the moneys remaining, $5,000,000 per month shall be paid into the School Infrastructure Fund; then, if any amounts required to be paid into the School Infrastructure Fund in previous months remain unpaid, those amounts shall be paid into the School Infrastructure Fund; then the moneys remaining, if any, shall be paid into the Long-Term Care Provider Fund.

(c) Beginning on July 1, 2019, all of the moneys from the additional taxes imposed by Public Act 101-31, except for moneys received from the tax on electronic cigarettes, ~~this amendatory Act of the 101st General Assembly~~ received by the Department of Revenue pursuant to this Act , ~~and~~ the Cigarette Use Tax Act , and the Tobacco Products Tax Act of 1995 shall be distributed each month into the Capital Projects Fund.

(d) Except for moneys received from the additional taxes imposed by Public Act 101-31, moneys ~~Moneys~~ collected from the tax imposed on little cigars under Section 10-10 of the Tobacco Products Tax Act of 1995 shall be included with the moneys collected under the Cigarette Tax Act and the Cigarette Use Tax Act when making distributions to the Common School Fund, the Healthcare Provider Relief Fund, the General Revenue Fund, the School Infrastructure Fund, and the Long-Term Care Provider Fund under this Section.

(e) If the tax imposed herein terminates or has terminated, distributors who have bought stamps while such tax was in effect and who therefore paid such tax, but who can show, to the Department's satisfaction, that they sold the cigarettes to which they affixed such stamps after such tax had terminated and did not recover the tax or its equivalent from purchasers, shall be allowed by the Department to take credit for such absorbed tax against subsequent tax stamp purchases from the Department by such distributor.

(f) The impact of the tax levied by this Act is imposed upon the retailer and shall be prepaid or pre-collected by the distributor for the purpose of convenience and facility only, and the amount of the tax shall be added to the price of the cigarettes sold by such distributor. Collection of the tax shall be evidenced by a stamp or stamps affixed to each original package of cigarettes, as hereinafter provided. Any distributor who purchases stamps may credit any excess payments verified by the Department against amounts subsequently due for the purchase of additional stamps, until such time as no excess payment remains.

(g) Each distributor shall collect the tax from the retailer at or before the time of the sale, shall affix the stamps as hereinafter required, and shall remit the tax collected from retailers to the Department, as hereinafter provided. Any distributor who fails to properly collect and pay the tax imposed by this Act shall be liable for the tax.

(h) Any distributor having cigarettes in his or her possession on July 1, 2019 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on July 1, 2019 that have not been affixed to packages of cigarettes before July 1, 2019, is required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly to the extent that the volume of affixed and unaffixed stamps in the distributor's possession on July 1, 2019 exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2018. This payment, less the discount provided in subsection (l), is due when the distributor first makes a purchase of cigarette stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes in their possession on July 1, 2019 over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when the distributor first makes a purchase of cigarette tax stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in subsection (l) on such payments.

(i) Any retailer having cigarettes in its possession on July 1, 2019 to which tax stamps have been affixed is not required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly on those stamped cigarettes.

(j) Distributors making sales of cigarettes to secondary distributors shall add the amount of the tax to the price of the cigarettes sold by the distributors. Secondary distributors making sales of cigarettes to retailers shall include the amount of the tax in the price of the cigarettes sold to retailers. The amount of tax shall not be less than the amount of taxes imposed by the State and all local jurisdictions. The amount of local taxes shall be calculated based on the location of the retailer's place of business shown on the retailer's certificate of registration or sub-registration issued to the retailer pursuant to Section 2a of the Retailers' Occupation Tax Act. The original packages of cigarettes sold to the retailer shall bear all the required stamps, or other indicia, for the taxes included in the price of cigarettes.

(k) The amount of the Cigarette Tax imposed by this Act shall be separately stated, apart from the price of the goods, by distributors, manufacturer representatives, secondary distributors, and retailers, in all bills and sales invoices.

(l) The distributor shall be required to collect the tax provided under paragraph (a) hereof, and, to cover the costs of such collection, shall be allowed a discount during any year commencing July 1st and ending the following June 30th in accordance with the schedule set out hereinbelow, which discount shall be allowed at the time of purchase of the stamps when purchase is required by this Act, or at the time when the tax is remitted to the Department without the purchase of stamps from the Department when that method of paying the tax is required or authorized by this Act.

On and after December 1, 1985, a discount equal to 1.75% of the amount of the tax payable under this Act up to and including the first $3,000,000 paid hereunder by such distributor to the Department during any such year and 1.5% of the amount of any additional tax paid hereunder by such distributor to the Department during any such year shall apply.

Two or more distributors that use a common means of affixing revenue tax stamps or that are owned or controlled by the same interests shall be treated as a single distributor for the purpose of computing the discount.

(m) The taxes herein imposed are in addition to all other occupation or privilege taxes imposed by the State of Illinois, or by any political subdivision thereof, or by any municipal corporation.
(Source: P.A. 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19.)

Section 10-50. The Motor Fuel Tax Law is amended by changing Sections 2, 2a, 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.

(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 and until July 1, 2019, the rate of tax imposed in this paragraph, including the tax on compressed natural gas, shall be 19 cents per gallon. Beginning July 1, 2019, the rate of tax imposed in this paragraph shall be 38 cents per gallon and increased on July 1 of each subsequent year by an amount equal to the percentage increase, if any, in the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor for the 12 months ending in March of each year. The rate shall be rounded to the nearest one-tenth of one cent.

(b) Until July 1, 2019, the ~~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. Beginning July 1, 2019, the tax on the privilege of operating motor vehicles which use diesel fuel, liquefied natural gas, or propane ~~rate of tax imposed in this paragraph~~ shall be the rate according to subsection (a) plus an additional 7.5 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, 2019.

(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; 101-10, eff. 6-5-19; 101-32, eff. 6-28-19; revised 7-12-19.)

(35 ILCS 505/2a) (from Ch. 120, par. 418a)

Sec. 2a. Except as hereinafter provided, on and after January 1, 1990 and before January 1, 2025, a tax of three-tenths of a cent per gallon is imposed upon the privilege of being a receiver in this State of fuel for sale or use. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel 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 tax shall be paid by the receiver in this State who first sells or uses fuel. In the case of a sale, the tax shall be stated as a separate item on the invoice.

For the purpose of the tax imposed by this Section, being a receiver of "motor fuel" as defined by Section 1.1 of this Act, and aviation fuels, home heating oil and kerosene, but excluding liquified petroleum gases, is subject to tax without regard to whether the fuel is intended to be used for operation of motor vehicles

on the public highways and waters. However, no such tax shall be imposed upon the importation or receipt of aviation fuels and kerosene at airports with over 300,000 operations per year, for years prior to 1991, and over 170,000 operations per year beginning in 1991, located in a city of more than 1,000,000 inhabitants for sale to or use by holders of certificates of public convenience and necessity or foreign air carrier permits, issued by the United States Department of Transportation, and their air carrier affiliates, or upon the importation or receipt of aviation fuels and kerosene at facilities owned or leased by those certificate or permit holders and used in their activities at an airport described above. In addition, no such tax shall be imposed upon the importation or receipt of diesel fuel or liquefied natural gas sold to or used by a rail carrier registered pursuant to Section 18c-7201 of the Illinois Vehicle Code or otherwise recognized by the Illinois Commerce Commission as a rail carrier, to the extent used directly in railroad operations. In addition, no such tax shall be imposed when the sale is made with delivery to a purchaser outside this State or when the sale is made to a person holding a valid license as a receiver. In addition, no tax shall be imposed upon diesel fuel or liquefied natural gas consumed or used in the operation of ships, barges, or vessels, that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering on this State, if the diesel fuel or liquefied natural gas is delivered by a licensed receiver to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river. A specific notation thereof shall be made on the invoices or sales slips covering each sale.

(Source: P.A. 100-9, eff. 7-1-17.)

(35 ILCS 505/2b) (from Ch. 120, par. 418b)

Sec. 2b. Receiver's monthly return. 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 <u>are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133</u> ~~are deposited into the State Aviation Program Fund under this Act~~.

Beginning on January 1, 2020 <u>and ending with returns due on January 20, 2021</u>, 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 <u>or a separate line on the return</u> ~~, 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 Law ~~paragraph~~, "aviation fuel" means jet fuel and aviation gasoline ~~a product that is intended for use or offered for sale as fuel for an aircraft~~.

If any payment provided for in this Section exceeds the receiver's liabilities under this Act, as shown on an original return, the Department may authorize the receiver to credit such excess payment against liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules adopted by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the receiver, the receiver's discount shall be reduced by an amount equal to the difference between the discount as applied to the credit taken and that actually due, and that receiver shall be liable for penalties and interest on such difference.

(Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19.)

(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, 2019 and through December 31, 2020, 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, 2019, 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 jet fuel and aviation gasoline ~~a product that is intended for use or offered for sale as fuel for an aircraft~~.

(Source: P.A. 101-10, eff. 6-5-19.)

Section 10-55. 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 ~~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 and resources 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, 2019 and through December 31, 2020.

"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. 101-10, eff. 6-5-19; 101-455, eff. 8-23-19; revised 9-25-19.)

(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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019 and through December 31, 2020, 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 2-22 of the Retailers' Occupation Tax Act ~~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. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019 and through December 31, 2020, 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 2-22 of the Retailers' Occupation Tax Act ~~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. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019, 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 ~~State~~ Aviation Trust ~~Program~~ Fund under this Section ~~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, 2019) 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. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19.)

Section 10-60. The Counties Code is amended by changing Sections 5-1006, 5-1006.5, 5-1006.7, 5-1007, 5-1008.5, and 5-1035.1 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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~5-1184~~. For purposes of this Section ~~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 101st 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 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), 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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019, 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 Section ~~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, 2019) 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 1.5% 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. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19.)

(55 ILCS 5/5-1006.5)

Sec. 5-1006.5. Special County Retailers' Occupation Tax For Public Safety, Public Facilities, Mental Health, Substance Abuse, 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, mental health, substance abuse, 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".

(4) The proposition for mental health purposes shall be in substantially the following form:

"To pay for mental health 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 mental health 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."

The votes shall be recorded as "Yes" or "No".

(5) The proposition for substance abuse purposes shall be in substantially the following form:

"To pay for substance abuse 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 substance abuse 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."

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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019 and through December 31, 2020, 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 2-22 of the Retailers' Occupation Tax Act ~~5-1184~~. For purposes of this Section ~~Act~~, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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, Public Facilities, Mental Health, Substance Abuse, or Transportation Retailers' Occupation Tax Fund or the Local Government Aviation Trust Fund, as appropriate.

(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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019 and through December 31, 2020, 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 2-22 of the Retailers' Occupation Tax Act ~~5-1184~~. For purposes of this Section ~~Act~~, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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, Public Facilities, Mental Health, Substance Abuse, or Transportation Retailers' Occupation Fund or the Local Government Aviation Trust Fund, as appropriate.

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, Public Facilities, Mental Health, Substance Abuse, 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, 2019 and through December 31, 2020, 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, 2019 and through December 31, 2020) 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) 1.5% 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.

(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, Mental Health, Substance Abuse, or Transportation Law".

(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. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1167, eff. 1-4-19; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-275, eff. 8-9-19; revised 9-10-19.)

(55 ILCS 5/5-1006.7)

Sec. 5-1006.7. School facility and resources 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 ~~(i)~~ for (i) school facility purposes (except as otherwise provided in this Section), (ii) school resource officers and mental health professionals, or (iii) school facility purposes, school resource officers, and mental health professionals 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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019 and through December 31, 2020, 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 2-22 of the Retailers' Occupation Tax Act ~~5-1184~~. For purposes of this Section ~~Act~~, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019 and through December 31, 2020, 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 2-22 of the Retailers' Occupation Tax Act ~~5-1184~~. For purposes of this Section ~~Act~~, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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.

For all regular elections held on or after August 23, 2011 (the effective date of Public Act 97-542) and before August 23, 2019 (the effective date of Public Act 101-455) ~~this amendatory Act of the 101st General Assembly~~, 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 all regular elections held on or after August 23, 2019 (the effective date of Public Act 101-455) ~~this amendatory Act of the 101st General Assembly~~, the election authority must submit the question as follows:

(1) If the referendum is to expand the use of revenues from a currently imposed tax exclusively for school facility purposes to include school resource officers and mental health professionals, the question shall be in substantially the following form:

In addition to school facility purposes, shall (name of county) school districts be authorized to use revenues from the tax commonly referred to as the school facility sales tax that is currently imposed in (name of county) at a rate of (insert rate) for school resource officers and mental health professionals?

(2) If the referendum is to increase the rate of a tax currently imposed exclusively for school facility purposes at less than 1% and dedicate the additional revenues for school resource officers and mental health professionals, the question shall be in substantially the following form:

Shall the tax commonly referred to as the school facility sales tax that is currently imposed in (name of county) at the rate of (insert rate) be increased to a rate of (insert rate) with the additional revenues used exclusively for school resource officers and mental health professionals?

(3) If the referendum is to impose a tax in a county that has not previously imposed a

tax under this Section exclusively for school facility purposes, the question shall be 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?

(4) If the referendum is to impose a tax in a county that has not previously imposed a tax under this Section exclusively for school resource officers and mental health professionals, the question shall be 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 resource officers and mental health professionals?

(5) If the referendum is to impose a tax in a county that has not previously imposed a tax under this Section exclusively for school facility purposes, school resource officers, and mental health professionals, the question shall be 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, school resource officers, and mental health professionals?

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, 2019 and through December 31, 2020, 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 Section ~~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, 2019 and through December 31, 2020) 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, 2019 and through December 31, 2020), 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 or the Local Government Aviation Trust Fund, as appropriate.

(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 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.

(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) and before August 23, 2019 (the effective date of Public Act 101-455) ~~this amendatory Act of the 101st General Assembly~~, then the county board may reduce or discontinue the tax, but only in accordance with subsection (h-5) of this Section. If a tax is imposed under this Section pursuant to a referendum held on or after August 23, 2019 (the effective date of Public Act 101-455) ~~this amendatory Act of the 101st General Assembly~~, then the county board may reduce or discontinue the tax, but only in accordance with subsection (h-10). 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 ~~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) and before August 23, 2019 (the effective date of Public Act 101-455) ~~this amendatory Act of the 101st General Assembly~~ 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.

(h-10) 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, 2019 (the effective date of Public Act 101-455) ~~this amendatory Act of the 101st General Assembly~~ 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 and resources retailers' occupation tax and service occupation tax (commonly referred to as the school facility and resources sales tax) currently imposed in (name of county) at a rate of (insert rate) be (reduced to (insert rate)) (discontinued)?

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, 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 and Resources Occupation Tax Law.

(Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-455, eff. 8-23-19; revised 9-10-19.)

(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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~5-1184~~. For purposes of this Section ~~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 101st 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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019, 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 Section ~~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, 2019) 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 1.5% 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; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19.)

(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.

(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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~5-1184~~. For purposes of this Section ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~5-1184~~. For purposes of this Section ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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. "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 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, 2019, 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 Section ~~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. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19.)

(55 ILCS 5/5-1035.1) (from Ch. 34, par. 5-1035.1)

Sec. 5-1035.1. County Motor Fuel Tax Law.

(a) The county board of the counties of DuPage, Kane, Lake, Will, 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, 2019. Kane County may exempt diesel fuel from the tax imposed pursuant to this Section. The initial tax rate may not be less than 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 and may not exceed 8 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 purposes ~~purpose~~ of operating, constructing , and improving public highways and waterways , and acquiring real property and rights-of-way ~~right-of-ways~~ for public highways and waterways within the county imposing the tax.

(a-5) By June 1, 2020, and by June 1 of each year thereafter, the Department of Revenue shall determine an annual rate increase to take effect on July 1 of that calendar year and continue through June 30 of the next calendar year. Not later than June 1 of each year, the Department of Revenue shall publish on its website the rate that will take effect on July 1 of that calendar year. The rate shall be equal to the ~~product of the~~ rate in effect increased by an amount equal to the percentage increase, if any, in the Consumer Price Index for All Urban Consumers for all items, published by the United States Department of Labor for the 12 months ending in March of each year ~~multiplied by the transportation fee index factor determined under Section 2e of the Motor Fuel Tax Law~~. The rate shall be rounded to the nearest one-tenth of ~~a~~ one cent. Each new rate may not exceed the rate in effect on June 30 of the previous year plus one cent.

(b) 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.

(b-5) 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.

(c) 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.

(d) The Department shall forthwith pay over to the State Treasurer, ex officio ~~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.

(e) ~~(f)~~ 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.

(f) Until January 1, 2020, an ~~(g) 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 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.

On and after January 1, 2020, 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.

~~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.~~

(g) ~~(h)~~ This Section shall be known and may be cited as the County Motor Fuel Tax Law.

(Source: P.A. 101-10, eff. 6-5-19; 101-32, eff. 6-28-19; 101-275, eff. 8-9-19; revised 9-10-19.)

(55 ILCS 5/5-1184 rep.)

Section 10-65. The Counties Code is amended by repealing Section 5-1184.

Section 10-70. 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, 8-11-2.3, 8-11-5, 11-74.3-6, 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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~8-11-22~~. For purposes of this Section ~~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 101st 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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019, 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 Section ~~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, 2019) 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 1.5% 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 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. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19.)

(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 July 1, 2030, 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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~8-11-22~~. For purposes of this Section ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019, 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 Section ~~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, 2019) 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 1.5% 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 Public Act 91-649 so as to collect the tax on and after January 1, 2002.

As used in this Section, "municipal" and "municipality" mean ~~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. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-47, eff. 1-1-20; 101-81, eff. 7-12-19; revised 8-19-19.)

(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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~8-11-22~~. For purposes of this Section ~~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 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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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 municipal retailers' occupation tax fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, 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 Section ~~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, 2019) 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 1.5% 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 Public Act 91-649 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; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19.)

(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 on 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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~8-11-22~~. For purposes of this Section ~~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 subject to the revenue use requirements of 49 U.S.C.

47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019, 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 Section ~~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, 2019) 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 1.5% 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. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19.)

(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, 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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~8-11-22~~. For purposes of this Section ~~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 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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019, 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 Section ~~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, 2019) 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 1.5% 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; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19.)

(65 ILCS 5/8-11-2.3)

Sec. 8-11-2.3. Municipal Motor Fuel Tax Law ~~Motor fuel tax~~. Notwithstanding any other provision of law, in addition to any other tax that may be imposed, a municipality in a county with a population of over 3,000,000 inhabitants may also impose, by ordinance, a tax upon all persons engaged in the municipality in the business of selling motor fuel, as 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 tax may be imposed, in one cent increments, ~~on motor fuel~~ at a rate not to exceed $0.03 per gallon of motor fuel sold at retail within the municipality for the purpose of use or consumption and not for the purpose of resale. The tax may not be imposed under this Section on aviation fuel, as defined in Section 3 of the Retailers' Occupation Tax 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.

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 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; collect all taxes and penalties due hereunder; dispose of taxes and penalties so collected in the manner hereinafter provided; and 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 Municipal Motor Fuel Tax Fund.

~~A license that is issued to a distributor or a receiver under the Motor Fuel Tax Law shall permit that distributor or receiver to act as a distributor or receiver, as applicable, under this Section. The provisions of Sections 2b, 2d, 6, 6a, 12, 12a, 13, 13a.2, 13a.7, 13a.8, 15.1, and 21 of the Motor Fuel Tax Law that are not inconsistent with this Section shall apply as far as practicable to the subject matter of this Section to the same extent as if those provisions were included in this Section.~~

The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section. Those taxes and penalties shall be deposited into the Municipal Motor Fuel Tax Fund, a trust fund created in the State treasury. Moneys in the Municipal Motor Fuel Tax Fund shall be used to make payments to municipalities and for the payment of refunds under this Section.

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 municipalities 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 municipality shall be the amount (not including credit memoranda) collected under this Section from retailers within the municipality during the second preceding calendar month by the Department ~~from the tax imposed by that municipality under this Section during the second preceding calendar month~~, plus an amount the Department determines is necessary to offset amounts that were erroneously paid to a different municipality, 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 municipality but were erroneously paid to the municipality, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement, 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.

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 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 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.

An ordinance adopted in accordance with the provisions of this Section in effect before the effective date of this amendatory Act of the 101st General Assembly shall be deemed to impose the tax in accordance with the provisions of this Section as amended by this amendatory Act of the 101st General Assembly and shall be administered by the Department of Revenue in accordance with the provisions of this Section as amended by this amendatory Act of the 101st General Assembly; provided that, on or before October 1, 2020, the municipality adopts and files a certified copy of a superseding ordinance that imposes the tax in accordance with the provisions of this Section as amended by this amendatory Act of the 101st General Assembly. If a superseding ordinance is not so adopted and filed, then the tax imposed in accordance with the provisions of this Section in effect before the effective date of this amendatory Act of the 101st General Assembly shall be discontinued on January 1, 2021.

This Section shall be known and may be cited as the Municipal Motor Fuel Tax Law.

(Source: P.A. 101-32, eff. 6-28-19.)

(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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~8-11-22~~. For purposes of this Section ~~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 101st 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 , and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019, 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 ~~State~~ Aviation Trust ~~Program~~ Fund under this Section ~~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, 2019) 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 1.5% 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; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19.)

(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 tangible personal property taxed at the rate of 1% under the Retailers' Occupation Tax Act. Beginning December 1, 2019 and through December 31, 2020, 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 2-22 of the Retailers' Occupation Tax Act ~~8-11-22~~. For purposes of this Section ~~Act~~, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019, 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 Section ~~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 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, 2019) 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, 2019), 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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, 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 2-22 of the Retailers' Occupation Tax Act ~~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. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019, 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 Section ~~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, 2019) 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, 2019), 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. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19.)

(65 ILCS 5/11-101-3)

Sec. 11-101-3. Noise mitigation; air quality.

(a) A municipality that has implemented a Residential Sound Insulation Program to mitigate aircraft noise shall perform indoor air quality monitoring and laboratory analysis of windows and doors installed pursuant to the Residential Sound Insulation Program to determine whether there are any adverse health impacts associated with off-gassing from such windows and doors. Such monitoring and analysis shall be consistent with applicable professional and industry standards. The municipality shall make any final reports resulting from such monitoring and analysis available to the public on the municipality's website.

The municipality shall develop a science-based mitigation plan to address significant health-related impacts, if any, associated with such windows and doors as determined by the results of the monitoring and analysis. In a municipality that has implemented a Residential Sound Insulation Program to mitigate aircraft noise, if requested by the homeowner pursuant to a process established by the municipality, which process shall include, at a minimum, notification in a newspaper of general circulation and a mailer sent to every address identified as a recipient of windows and doors installed under the Residential Sound Insulation Program, the municipality shall replace all windows and doors installed under the Residential Sound Insulation Program in such homes where one or more windows or doors have been found to have caused offensive odors. Only those homeowners who request that the municipality perform an odor inspection as prescribed by the process established by the municipality within 6 months of notification being published and mailers being sent ~~prior to March 31, 2020~~ shall be eligible for odorous window and odorous door replacement. Homes that have been identified by the municipality as having odorous windows or doors are not required to make said request to the municipality. The right to make a claim for replacement and have it considered pursuant to this Section shall not be affected by the fact of odor-related claims made or odor-related products received pursuant to the Residential Sound Insulation Program prior to June 5, 2019 (the effective date of this Section).

(b) An advisory committee shall be formed, composed of the following: (i) 2 members of the municipality who reside in homes that have received windows or doors pursuant to the Residential Sound Insulation Program and have been identified by the municipality as having odorous windows or doors, appointed by the Secretary of Transportation; (ii) one employee of the Aeronautics Division of the Department of Transportation; and (iii) 2 employees of the municipality that implemented the Residential Sound Insulation Program in question. The advisory committee shall determine by majority vote which homes contain windows or doors that cause offensive odors and thus are eligible for replacement, shall promulgate a list of such homes, and shall develop recommendations as to the order in which homes are to receive window replacement. The recommendations shall include reasonable and objective criteria for determining which windows or doors are odorous, consideration of the date of odor confirmation for prioritization, severity of odor, geography and individual hardship, and shall provide such recommendations to the municipality. The advisory committee shall comply with the requirements of the ~~Illinois~~ Open Meetings Act. The municipality shall consider the recommendations of the committee but shall retain final decision-making authority over replacement of windows and doors installed under the Residential Sound Insulation Program, and shall comply with all federal, State, and local laws involving procurement. A municipality administering claims pursuant to this Section shall provide to every address identified as having submitted a valid claim under this Section a quarterly report setting forth the municipality's activities undertaken pursuant to this Section for that quarter. However, the municipality shall replace windows and doors pursuant to this Section only if, and to the extent, grants are distributed to, and received by, the municipality from the Sound-Reducing Windows and Doors Replacement Fund for the costs associated with the replacement of sound-reducing windows and doors installed under the Residential Sound Insulation Program pursuant to Section 6z-20.1 of the State Finance Act. In addition, the municipality shall revise its specifications for procurement of windows for the Residential Sound Insulation Program to address potential off-gassing from such windows in future phases of the program. A municipality subject to the Section shall not legislate or otherwise regulate with regard to indoor air quality monitoring, laboratory analysis or replacement requirements, except as provided in this Section, but the foregoing restriction shall not limit said municipality's taxing power.

(c) A home rule unit may not regulate indoor air quality monitoring and laboratory analysis, and related mitigation and mitigation plans, in a manner inconsistent with this Section. 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.

(d) This Section shall not be construed to create a private right of action.

(Source: P.A. 101-10, eff. 6-5-19; revised 8-8-19.)

(65 ILCS 5/8-11-22 rep.)

Section 10-80. The Illinois Municipal Code is amended by repealing Section 8-11-22.

Section 10-85. 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, 2019 and through December 31, 2020, 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. The Authority must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section ~~Act~~, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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, 2019, 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, 2019, 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 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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019 and through December 31, 2020, 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. The Authority must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel 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, 2019, 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, 2019, 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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019 and through December 31, 2020, 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 ~~State~~ Aviation Trust ~~Program~~ Fund under this Section ~~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, 2019. 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. 101-10, eff. 6-5-19; revised 8-9-19.)

Section 10-90. 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, 2019 and through December 31, 2020, 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 2-22 of the Retailers' Occupation Tax Act ~~5-1184 of the Counties Code~~. 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.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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.

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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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, 2019 and through December 31, 2020, 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 2-22 of the Retailers' Occupation Tax Act ~~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. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or on personal property taxed at the 1% rate under the Retailers' Occupation Tax Act and the Service Occupation Tax Act.

(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, 2019 and through December 31, 2020, 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 ~~State~~ Aviation Trust ~~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, 2019 and through December 31, 2020) 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, 2019 and through December 31, 2020), 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 or the Local Government Aviation Trust Fund, as appropriate.

(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. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19.)

Section 10-95. 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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019 and through December 31, 2020, 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. The board must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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. 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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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.

~~On or before September 1, 2019, 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, 2019, 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.~~

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 or the Local Government Aviation Trust Fund, as appropriate.

(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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019 and through December 31, 2020, 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. The board must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel ~~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. 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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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.

~~On or before September 1, 2019, 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, 2019, 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.~~

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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019 and through December 31, 2020, 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 ~~State~~ Aviation Trust ~~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, 2019 and through December 31, 2020) 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) 1.5% 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. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; revised 9-12-19.)

Section 10-100. 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 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, 2019 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 additional amount authorized under subsection (d-5) ~~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 additional 0.50% of the 0.75% tax.

~~On or before September 1, 2019, 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, 2019, 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 Board must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019 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 additional amount authorized under subsection (d-5) ~~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 additional 0.50% of the 0.75% tax.

~~On or before December 1, 2019, and on or before each May 1 and November 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, 2019, 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 Board must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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, 2019) 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. If an airport-related purpose has been certified, taxes ~~Taxes~~ and penalties collected in St. Clair County ~~Counties~~ on aviation fuel sold on or after December 1, 2019 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 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, 2019 that are deposited into the Local Government Aviation Trust Fund) 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 1.5% 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. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 101-10, eff. 6-5-19.)

Section 10-105. 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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act, 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. The ~~Except that the~~ rate of tax imposed in DuPage, Kane, Lake, McHenry, and Will ~~these~~ counties under this Section on sales of aviation fuel on or after December 1, 2019 shall , however, 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 additional 0.50% of the 0.75% tax. 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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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.

~~On or before September 1, 2019, 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, 2019, 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 Board and DuPage, Kane, Lake, McHenry, and Will counties must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section ~~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.

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 or the Local Government Aviation Trust Fund, as appropriate.

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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act; 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. The ~~except that the~~ rate of tax imposed in DuPage, Kane, Lake, McHenry, and Will ~~these~~ counties under this Section on sales of aviation fuel on or after December 1, 2019 shall , however, 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 additional 0.5% of the 0.75% tax.

~~On or before September 1, 2019, 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, 2019, 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 Board and DuPage, Kane, Lake, McHenry, and Will counties must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section ~~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 subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 ~~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 or the Local Government Aviation Trust Fund, as appropriate.

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.

The ~~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, 2019 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), (e), (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. If an airport-related purpose has been certified, taxes and penalties collected in DuPage, Kane, Lake, McHenry and Will counties on aviation fuel sold on or after December 1, 2019 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. 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, (not including, if an airport-related purpose has been certified, the taxes and penalties collected from the 0.50% of the 0.75% rate on aviation fuel sold on or after December 1, 2019 that are deposited into the Local Government Aviation Trust Fund) (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 1.5% 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 paragraph (e), (f), or (g) of this Section are imposed and becomes effective. Once any tax authorized by paragraph (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 paragraph (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 paragraph (b), (c), or (d) of this Section shall not be affected by the imposition of a tax under paragraph (e), (f), or (g) of this Section.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; revised 9-19-19.)

(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 and separately accounting for the tax on aviation fuel deposited into the Local Government Aviation Trust Fund, 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 10-110. 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) impose (state type of tax or

YES

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taxes to be imposed) at the rate of 1/4%? NO

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. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel 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 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 tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act 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, 2019 and through December 31, 2020), 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 (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. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel 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 territory of the commission), 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax except that tangible personal property taxed at the 1% rate under the Service Occupation Tax Act 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, 2019 and through December 31, 2020), 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 (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 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 a county water commission tax fund established under subsection (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 (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 subsection (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 1.5% 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. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19.)

Section 10-130. The Environmental Impact Fee Law is amended by changing Sections 310, 315, and 320 as follows:

(415 ILCS 125/310)

(Section scheduled to be repealed on January 1, 2025)

Sec. 310. Environmental impact fee; imposition. Beginning January 1, 1996, all receivers of fuel are subject to an environmental impact fee of $60 per 7,500 gallons of fuel, or an equivalent amount per fraction thereof, that is sold or used in Illinois. The fee shall be paid by the receiver in this State who first sells or uses the fuel. The environmental impact fee imposed by this Law replaces the fee imposed under

the corresponding provisions of Article 3 of Public Act 89-428. Environmental impact fees paid under that Article 3 shall satisfy the receiver's corresponding liability under this Law.

A receiver of fuels is subject to the fee without regard to whether the fuel is intended to be used for operation of motor vehicles on the public highways and waters. However, no fee shall be imposed upon the importation or receipt of aviation fuels and kerosene at airports with over 170,000 operations per year, located in a city of more than 1,000,000 inhabitants, for sale to or use by holders of certificates of public convenience and necessity or foreign air carrier permits, issued by the United States Department of Transportation, and their air carrier affiliates, or upon the importation or receipt of aviation fuels and kerosene at facilities owned or leased by those certificate or permit holders and used in their activities at an airport described above. In addition, no fee may be imposed upon the importation or receipt of diesel fuel or liquefied natural gas sold to or used by a rail carrier registered under Section 18c-7201 of the Illinois Vehicle Code or otherwise recognized by the Illinois Commerce Commission as a rail carrier, to the extent used directly in railroad operations. In addition, no fee may be imposed when the sale is made with delivery to a purchaser outside this State or when the sale is made to a person holding a valid license as a receiver. In addition, no fee shall be imposed upon diesel fuel or liquefied natural gas consumed or used in the operation of ships, barges, or vessels, that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering on this State, if the diesel fuel or liquefied natural gas is delivered by a licensed receiver to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river. A specific notation thereof shall be made on the invoices or sales slips covering each sale. Beginning January 1, 2021 no fee shall be imposed under this Section on receivers of aviation fuel for sale or use 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.

(Source: P.A. 100-9, eff. 7-1-17.)

(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 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, 2019 and through December 31, 2020. ~~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 with returns due on January 20, 2019 and ending with returns due on January 20, 2021 ~~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, report and pay such tax on a separate ~~file an~~ aviation

fuel tax return , or on a separate line on the 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 jet fuel and aviation gasoline ~~a product that is intended for use or offered for sale as fuel for an aircraft~~.

If any payment provided for in this Section exceeds the receiver's liabilities under this Act, as shown on an original return, the Department may authorize the receiver to credit such excess payment against liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules adopted by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the receiver, the receiver's discount shall be reduced by an amount equal to the difference between the discount as applied to the credit taken and that actually due, and that receiver shall be liable for penalties and interest on such difference.

(Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; revised 7-16-19.)

(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 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, 2019 and ending with returns due on January 20, 2021, 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 jet fuel and aviation gasoline ~~a product that is intended for use or offered for sale as fuel for an aircraft~~.

(Source: P.A. 101-10, eff. 6-5-19.)

Section 10-135. The Franchise Tax and License Fee Amnesty Act of 2007 is amended by changing Section 5-10 as follows:

(805 ILCS 8/5-10)

Sec. 5-10. Amnesty program. The Secretary shall establish an amnesty program for all taxpayers owing any franchise tax or license fee imposed by Article XV of the Business Corporation Act of 1983. The amnesty program shall be for a period from February 1, 2008 through March 15, 2008. The amnesty program shall also be for a period between October 1, 2019 and November 15, 2019, and shall apply to franchise tax or license fee liabilities for any tax period ending after March 15, 2008 and on or before June 30, 2019. The amnesty program shall provide that, upon payment by a taxpayer of all franchise taxes and license fees due from that taxpayer to the State of Illinois for any taxable period, the Secretary shall abate and not seek to collect any interest or penalties that may be applicable, and the Secretary shall not seek civil or criminal prosecution for any taxpayer for the period of time for which amnesty has been granted to the taxpayer. Failure to pay all taxes due to the State for a taxable period shall not invalidate any amnesty granted under this Act with respect to the taxes paid pursuant to the amnesty program. Amnesty shall be granted only if all amnesty conditions are satisfied by the taxpayer. Amnesty shall not be granted to taxpayers who are a party to any criminal investigation or to any civil or criminal litigation that is pending in any circuit court or appellate court or the Supreme Court of this State for nonpayment, delinquency, or fraud in relation to any franchise tax or license fee imposed by Article XV of the Business Corporation Act of 1983. Voluntary payments made under this Act shall be made by check, guaranteed remittance, or ACH debit. The Secretary shall adopt rules as necessary to implement the provisions of this Act. Except as otherwise provided in this Section, all money collected under this Act that would otherwise be deposited into the General Revenue Fund shall be deposited into the General Revenue Fund. Two percent of all money collected under this Act shall be deposited by the State Treasurer into the Business Services Special Operations Fund ~~Franchise Tax and License Fee Amnesty Administration Fund~~ and, subject to appropriation, shall be used by the Secretary to cover costs associated with the administration of this Act.

(Source: P.A. 101-9, eff. 6-5-19.)

ARTICLE 15. USE AND OCCUPATION TAXES; MARKETPLACE FACILITATORS

Section 15-5. The State Comptroller Act is amended by changing Section 16 as follows:

(15 ILCS 405/16) (from Ch. 15, par. 216)

Sec. 16. Reports from State agencies. The comptroller shall prescribe the form and require the filing of quarterly fiscal reports by each State agency. Within 30 days after the end of each quarter, or at such earlier time as the comptroller by rule requires, each State agency shall file with the comptroller the report of activity for funds held outside of the State Treasury. The report shall include receipts and collections during the preceding quarter, including receipts and collections of taxes and fees, bond proceeds, gifts, grants and donations, and income from revenue producing activities. The report shall specify the nature, source and fair market value of any assets received, any increase or decrease in its security holdings, and such other related information as the comptroller, by rule, requires. The report shall, consistent with the uniform State accounting system, account for all disbursements and transfers by the State agency. This Section does not require the duplication of reports concerning security holdings and investment income of the State Treasurer which are issued by the Treasurer pursuant to law.

In addition to the quarterly reports required by this Section, each agency shall on an annual basis file a report giving that agency's best estimate of the cost of each tax expenditure related to each of the revenue sources administered by the agency. This annual report shall include the agency's best estimate of the cost of each tax expenditure including: (a) a citation of the legal authority for the tax expenditure, the year it was enacted, the fiscal year in which it first took effect, and any subsequent amendments; (b) to the extent that it can be determined, the total cost of the tax expenditure for the preceding fiscal year together with an estimate of the projected cost for the next succeeding fiscal year along with a description of the methodology used to determine or estimate the cost of the tax expenditure; and (c) an assessment of the impact of the tax expenditure on the incidence of the tax in terms of the relative shares of revenue received under the provisions of the tax expenditure and the revenue that would have been received had the tax expenditure not been in effect. For purposes of this Act, the term "tax expenditure" means any tax incentive authorized by law that by exemption, exclusion, deduction, allowance, credit, preferential tax rate, abatement, or other device reduces the amount of tax revenues that would otherwise accrue to the State, but shall not include reimbursements for services provided to the State by any person collecting and remitting tax under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Occupation Tax Act, or the Service Use Tax Act.
(Source: P.A. 101-34, eff. 6-28-19.)

Section 15-10. The Use Tax Act is amended by changing Sections 2 and 2d as follows:
(35 ILCS 105/2) (from Ch. 120, par. 439.2)
Sec. 2. Definitions.

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of such property in any form as tangible personal property in the regular course of business to the extent that such property is not first subjected to a use for which it was purchased, and does not include the use of such property by its owner for demonstration purposes: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. "Use" does not mean the demonstration use or interim use of tangible personal property by a retailer before he sells that tangible personal property. For watercraft or aircraft, if the period of demonstration use or interim use by the retailer exceeds 18 months, the retailer shall pay on the retailers' original cost price the tax imposed by this Act, and no credit for that tax is permitted if the watercraft or aircraft is subsequently sold by the retailer. "Use" does not mean the physical incorporation of tangible personal property, to the extent not first subjected to a use for which it was purchased, as an ingredient or constituent, into other tangible personal property (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing.

"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.

"Purchase at retail" means the acquisition of the ownership of or title to tangible personal property through a sale at retail.

"Purchaser" means anyone who, through a sale at retail, acquires the ownership of tangible personal property for a valuable consideration.

"Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration: Provided

that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. For this purpose, slag produced as an incident to manufacturing pig iron or steel and sold is considered to be an intentionally produced by-product of manufacturing. "Sale at retail" includes any such transfer made for resale unless made in compliance with Section 2c of the Retailers' Occupation Tax Act, as incorporated by reference into Section 12 of this Act. Transactions whereby the possession of the property is transferred but the seller retains the title as security for payment of the selling price are sales.

"Sale at retail" shall also be construed to include any Illinois florist's sales transaction in which the purchase order is received in Illinois by a florist and the sale is for use or consumption, but the Illinois florist has a florist in another state deliver the property to the purchaser or the purchaser's donee in such other state.

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of tangible personal property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property other than as hereinafter provided, and services, but, prior to January 1, 2020, not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold; beginning January 1, 2020, "selling price" includes the portion of the value of or credit given for traded-in motor vehicles of the First Division as defined in Section 1-146 of the Illinois Vehicle Code of like kind and character as that which is being sold that exceeds $10,000. "Selling price" shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's tax liability under the "Retailers' Occupation Tax Act", or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability under the Cigarette Tax Act, on account of the seller's duty to collect, from the purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the purchaser, any cigarette tax imposed by a home rule unit.

Notwithstanding any law to the contrary, for any motor vehicle, as defined in Section 1-146 of the Vehicle Code, that is sold on or after January 1, 2015 for the purpose of leasing the vehicle for a defined period that is longer than one year and (1) is a motor vehicle of the second division that: (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; or (C) has a gross vehicle weight rating of 8,000 pounds or less or (2) is a motor vehicle of the first division, "selling price" or "amount of sale" means the consideration received by the lessor pursuant to the lease contract, including amounts due at lease signing and all monthly or other regular payments charged over the term of the lease. Also included in the selling price is any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. For sales that occur in Illinois, with respect to any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, the lessor who purchased the motor vehicle does not incur the tax imposed by the Use Tax Act on those amounts, and the retailer who makes the retail sale of the motor vehicle to the lessor is not required to collect the tax imposed by this Act or to pay the tax imposed by the Retailers' Occupation Tax Act on those amounts. However, the lessor who purchased the motor vehicle assumes the liability for reporting and paying the tax on those amounts directly to the Department in the same form (Illinois

Retailers' Occupation Tax, and local retailers' occupation taxes, if applicable) in which the retailer would have reported and paid such tax if the retailer had accounted for the tax to the Department. For amounts received by the lessor from the lessee that are not calculated at the time the lease is executed, the lessor must file the return and pay the tax to the Department by the due date otherwise required by this Act for returns other than transaction returns. If the retailer is entitled under this Act to a discount for collecting and remitting the tax imposed under this Act to the Department with respect to the sale of the motor vehicle to the lessor, then the right to the discount provided in this Act shall be transferred to the lessor with respect to the tax paid by the lessor for any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed; provided that the discount is only allowed if the return is timely filed and for amounts timely paid. The "selling price" of a motor vehicle that is sold on or after January 1, 2015 for the purpose of leasing for a defined period of longer than one year shall not be reduced by the value of or credit given for traded-in tangible personal property owned by the lessor, nor shall it be reduced by the value of or credit given for traded-in tangible personal property owned by the lessee, regardless of whether the trade-in value thereof is assigned by the lessee to the lessor. In the case of a motor vehicle that is sold for the purpose of leasing for a defined period of longer than one year, the sale occurs at the time of the delivery of the vehicle, regardless of the due date of any lease payments. A lessor who incurs a Retailers' Occupation Tax liability on the sale of a motor vehicle coming off lease may not take a credit against that liability for the Use Tax the lessor paid upon the purchase of the motor vehicle (or for any tax the lessor paid with respect to any amount received by the lessor from the lessee for the leased vehicle that was not calculated at the time the lease was executed) if the selling price of the motor vehicle at the time of purchase was calculated using the definition of "selling price" as defined in this paragraph. Notwithstanding any other provision of this Act to the contrary, lessors shall file all returns and make all payments required under this paragraph to the Department by electronic means in the manner and form as required by the Department. This paragraph does not apply to leases of motor vehicles for which, at the time the lease is entered into, the term of the lease is not a defined period, including leases with a defined initial period with the option to continue the lease on a month-to-month or other basis beyond the initial defined period.

The phrase "like kind and character" shall be liberally construed (including but not limited to any form of motor vehicle for any form of motor vehicle, or any kind of farm or agricultural implement for any other kind of farm or agricultural implement), while not including a kind of item which, if sold at retail by that retailer, would be exempt from retailers' occupation tax and use tax as an isolated or occasional sale.

"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, guardian or other representative appointed by order of any court.

"Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Section.

A person who holds himself or herself out as being engaged (or who habitually engages) in selling tangible personal property at retail is a retailer hereunder with respect to such sales (and not primarily in a service occupation) notwithstanding the fact that such person designs and produces such tangible personal property on special order for the purchaser and in such a way as to render the property of value only to such purchaser, if such tangible personal property so produced on special order serves substantially the same function as stock or standard items of tangible personal property that are sold at retail.

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail (whether to the public or merely to members and their guests) is a retailer with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property which is not sold or offered for sale by persons organized for profit. The selling of school books and school supplies by schools at retail to students is not "primarily for the purposes of" the school which does such selling. This paragraph does not apply to nor subject to taxation occasional dinners, social or similar activities of a person organized and operated exclusively for charitable, religious or educational purposes, whether or not such activities are open to the public.

A person who is the recipient of a grant or contract under Title VII of the Older Americans Act of 1965 (P.L. 92-258) and serves meals to participants in the federal Nutrition Program for the Elderly in return for contributions established in amount by the individual participant pursuant to a schedule of suggested fees as provided for in the federal Act is not a retailer under this Act with respect to such transactions.

Persons who engage in the business of transferring tangible personal property upon the redemption of trading stamps are retailers hereunder when engaged in such business.

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling such tangible personal property at retail or a sale through a bulk vending machine does not make such person a retailer hereunder. However, any person who is engaged in a business which is not subject to the tax imposed by the "Retailers' Occupation Tax Act" because of involving the sale of or a contract to sell real estate or a construction contract to improve real estate, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is a retailer to the extent of the value of the tangible personal property so transferred. If, in such transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purposes of this Act, is the amount so separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal property.

"Retailer maintaining a place of business in this State", or any like term, means and includes any of the following retailers:

(1) A retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State. However, the ownership of property that is located at the premises of a printer with which the retailer has contracted for printing and that consists of the final printed product, property that becomes a part of the final printed product, or copy from which the printed product is produced shall not result in the retailer being deemed to have or maintain an office, distribution house, sales house, warehouse, or other place of business within this State.

(1.1) A retailer having a contract with a person located in this State under which the person, for a commission or other consideration based upon the sale of tangible personal property by the retailer, directly or indirectly refers potential customers to the retailer by providing to the potential customers a promotional code or other mechanism that allows the retailer to track purchases referred by such persons. Examples of mechanisms that allow the retailer to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers who are referred to the retailer by all persons in this State under such contracts exceed $10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December. A retailer meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods. ~~(Blank).~~

(1.2) Beginning July 1, 2011, a retailer having a contract with a person located in this State under which:

(A) the retailer sells the same or substantially similar line of products as the person located in this State and does so using an identical or substantially similar name, trade name, or trademark as the person located in this State; and

(B) the retailer provides a commission or other consideration to the person located in this State based upon the sale of tangible personal property by the retailer.

The provisions of this paragraph (1.2) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers in this State under all such contracts exceed $10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December. ~~(Blank).~~

(2) (Blank).

(3) (Blank).

(4) (Blank).

(5) (Blank).

(6) (Blank).

(7) (Blank).

(8) (Blank).

(9) Beginning October 1, 2018 ~~through June 30, 2020~~, a retailer making sales of tangible personal property to

purchasers in Illinois from outside of Illinois if:

(A) the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois are $100,000 or more; or

(B) the retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

The retailer shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) of this paragraph (9) for the preceding 12-month period. If the retailer meets the threshold ~~criteria~~ of either subparagraph (A) or (B) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the retailer shall determine whether he or she ~~the retailer~~ met the threshold ~~criteria~~ of either subparagraph (A) or (B) during the preceding 12-month period. If the retailer met the criteria in either subparagraph (A) or (B) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a retailer that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the threshold ~~criteria~~ in either subparagraph (A) or (B) during the preceding 12-month period, the retailer shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the threshold ~~criteria~~ of either subparagraph (A) or (B) for the preceding 12-month period.

Beginning January 1, 2020, neither the gross receipts from nor the number of separate transactions for sales of tangible personal property to purchasers in Illinois that a retailer makes through a marketplace facilitator and for which the retailer has received a certification from the marketplace facilitator pursuant to Section 2d of this Act shall be included for purposes of determining whether he or she has met the thresholds of this paragraph (9).

(10) Beginning January 1, 2020, a marketplace facilitator that meets a threshold set forth in subsection (b) of ~~, as defined in~~ Section 2d of this Act.

"Bulk vending machine" means a vending machine, containing unsorted confections, nuts, toys, or other items designed primarily to be used or played with by children which, when a coin or coins of a denomination not larger than $0.50 are inserted, are dispensed in equal portions, at random and without selection by the customer.

(Source: P.A. 100-587, eff. 6-4-18; 101-9, eff. 6-5-19; 101-31, eff. 1-1-20; revised 7-11-19.)

(35 ILCS 105/2d)

Sec. 2d. Marketplace facilitators and marketplace sellers.

(a) As used in this Section:

"Affiliate" means a person that, with respect to another person: (i) has a direct or indirect ownership interest of more than 5 percent in the other person; or (ii) is related to the other person because a third person, or a group of third persons who are affiliated with each other as defined in this subsection, holds a direct or indirect ownership interest of more than 5% in the related person.

"Marketplace" means a physical or electronic place, forum, platform, application, or other method by which a marketplace seller sells or offers to sell items.

"Marketplace facilitator" means a person who, pursuant to an agreement with an unrelated third-party marketplace seller, directly or indirectly through one or more affiliates facilitates a retail sale by an unrelated third party marketplace seller by:

(1) listing or advertising for sale by the marketplace seller in a marketplace, tangible personal property that is subject to tax under this Act; and

(2) either directly or indirectly, through agreements or arrangements with third parties, collecting payment from the customer and transmitting that payment to the marketplace seller regardless of whether the marketplace facilitator receives compensation or other consideration in exchange for its services.

~~"Marketplace facilitator" means a person who, pursuant to an agreement with a marketplace seller, facilitates sales of tangible personal property by that marketplace seller. A person facilitates a sale of tangible personal property by, directly or indirectly through one or more affiliates, doing both of the following: (i) listing or otherwise making available for sale the tangible personal property of the marketplace seller through a marketplace owned or operated by the marketplace facilitator; and (ii) processing sales or payments for marketplace sellers.~~

"Marketplace seller" means a person that sells or offers to sell tangible personal property through a marketplace operated by an unrelated third-party marketplace facilitator.

(b) Beginning on January 1, 2020, a marketplace facilitator who meets either of the following thresholds ~~criteria~~ is considered the retailer for ~~of~~ each sale of tangible personal property made through its ~~on the~~ marketplace:

(1) the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois by the marketplace facilitator and by marketplace sellers selling through the marketplace are $100,000 or more; or

(2) the marketplace facilitator and marketplace sellers selling through the marketplace cumulatively enter into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

A marketplace facilitator shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the threshold ~~criteria~~ of either paragraph (1) or (2) of this subsection (b) for the preceding 12-month period. If the marketplace facilitator meets the threshold ~~criteria~~ of either paragraph (1) or (2) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the marketplace facilitator shall determine whether the marketplace facilitator met the threshold ~~criteria~~ of either paragraph (1) or (2) during the preceding 12-month period. If the marketplace facilitator met the threshold ~~criteria~~ in either paragraph (1) or (2) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a marketplace facilitator that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the threshold ~~criteria~~ in either paragraph (1) or (2) during the preceding 12-month period, the marketplace facilitator shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the threshold ~~criteria~~ of either paragraph (1) or (2) for the preceding 12-month period.

(c) Beginning on January 1, 2020 a ~~A~~ marketplace facilitator considered to be the retailer pursuant to ~~that meets either of the thresholds in~~ subsection (b) of this Section is considered the retailer with respect to ~~of~~ each sale made through its marketplace and is liable for collecting and remitting the tax under this Act on all such sales. The marketplace facilitator who is considered to be the retailer under subsection (b) for sales made through its marketplace has all the rights and duties, and is required to comply with the same requirements and procedures, as all other retailers maintaining a place of business in this State who are registered or who are required to be registered to collect and remit the tax imposed by this Act with respect to such sales.

(d) A marketplace facilitator shall:

(1) certify to each marketplace seller that the marketplace facilitator assumes the rights and duties of a retailer under this Act with respect to sales made by the marketplace seller through the marketplace; and

(2) collect taxes imposed by this Act as required by Section 3-45 of this Act for sales made through the marketplace.

(e) A marketplace seller shall retain books and records for all sales made through a marketplace in accordance with the requirements of Section 11.

(f) A marketplace seller shall furnish to the marketplace facilitator information that is necessary for the marketplace facilitator to correctly collect and remit taxes for a retail sale. The information may include a certification that an item being sold is taxable, not taxable, exempt from taxation, or taxable at a specified rate. A marketplace seller shall be held harmless for liability for the tax imposed under this Act when a marketplace facilitator fails to correctly collect and remit tax after having been provided with information by a marketplace seller to correctly collect and remit taxes imposed under this Act.

(g) If ~~Except as provided in subsection (h), if~~ the marketplace facilitator demonstrates to the satisfaction of the Department that its failure to correctly collect and remit tax on a retail sale resulted from the marketplace facilitator's good faith reliance on incorrect or insufficient information provided by a marketplace seller, it shall be relieved of liability for the tax on that retail sale. In this case, a marketplace seller is liable for any resulting tax due.

(h) (Blank). ~~A marketplace facilitator and marketplace seller that are affiliates, as defined by subsection (a), are jointly and severally liable for tax liability resulting from a sale made by the affiliated marketplace seller through the marketplace.~~

(i) This Section does not affect the tax liability of a purchaser under this Act.

(j) (Blank). ~~The Department may adopt rules for the administration and enforcement of the provisions of this Section.~~

(k) A marketplace facilitator required to collect taxes imposed under this Section and this Act on retail sales made through its marketplace shall be liable to the Department for such taxes, except when the marketplace facilitator is relieved of the duty to remit such taxes by virtue of having paid to the Department taxes imposed by the Retailers' Occupation Tax Act upon his or her gross receipts from the same transactions.

(l) If, for any reason, the Department is prohibited from enforcing the marketplace facilitator's duty under this Act to collect and remit taxes pursuant to this Section, the duty to collect and remit such taxes reverts to the marketplace seller that is a retailer maintaining a place of business in this State pursuant to Section 2.

(Source: P.A. 101-9, eff. 6-5-19.)

Section 15-15. The Retailers' Occupation Tax Act is amended by changing Sections 1, 2, and 2-12 as follows:

(35 ILCS 120/1) (from Ch. 120, par. 440)

Sec. 1. Definitions. "Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use or consumption, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or byproduct of manufacturing. For this purpose, slag produced as an incident to manufacturing pig iron or steel and sold is considered to be an intentionally produced byproduct of manufacturing. Transactions whereby the possession of the property is transferred but the seller retains the title as security for payment of the selling price shall be deemed to be sales.

"Sale at retail" shall be construed to include any transfer of the ownership of or title to tangible personal property to a purchaser, for use or consumption by any other person to whom such purchaser may transfer the tangible personal property without a valuable consideration, and to include any transfer, whether made for or without a valuable consideration, for resale in any form as tangible personal property unless made in compliance with Section 2c of this Act.

Sales of tangible personal property, which property, to the extent not first subjected to a use for which it was purchased, as an ingredient or constituent, goes into and forms a part of tangible personal property subsequently the subject of a "Sale at retail", are not sales at retail as defined in this Act: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or byproduct of manufacturing.

"Sale at retail" shall be construed to include any Illinois florist's sales transaction in which the purchase order is received in Illinois by a florist and the sale is for use or consumption, but the Illinois florist has a florist in another state deliver the property to the purchaser or the purchaser's donee in such other state.

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of tangible personal property.

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail (whether to the public or merely to members and their guests) is engaged in the business of selling tangible personal property at retail with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property which is not sold or offered for sale by persons organized for profit. The selling of school books and school supplies by schools at retail to students is not "primarily for the purposes of" the school which does such selling. The provisions of this paragraph shall not apply to nor subject to taxation occasional dinners, socials or similar activities of a person organized and operated exclusively for charitable, religious or educational purposes, whether or not such activities are open to the public.

A person who is the recipient of a grant or contract under Title VII of the Older Americans Act of 1965 (P.L. 92-258) and serves meals to participants in the federal Nutrition Program for the Elderly in return for contributions established in amount by the individual participant pursuant to a schedule of suggested fees as provided for in the federal Act is not engaged in the business of selling tangible personal property at retail with respect to such transactions.

"Purchaser" means anyone who, through a sale at retail, acquires the ownership of or title to tangible personal property for a valuable consideration.

"Reseller of motor fuel" means any person engaged in the business of selling or delivering or transferring title of motor fuel to another person other than for use or consumption. No person shall act as a reseller of motor fuel within this State without first being registered as a reseller pursuant to Section 2c or a retailer pursuant to Section 2a.

"Selling price" or the "amount of sale" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property, other than as hereinafter provided, and services, but, prior to January 1, 2020, not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold; beginning January 1, 2020, "selling price" includes the portion of the value of or credit given for traded-in motor vehicles of the First Division as defined in Section 1-146 of the Illinois Vehicle Code of like kind and character as that which is being sold that exceeds $10,000. "Selling price" shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include charges that are added to prices by sellers on account of the seller's tax liability under this Act, or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by the Use Tax Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability under the Cigarette Tax Act, on account of the sellers' duty to collect, from the purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the purchaser, any cigarette tax imposed by a home rule unit.

Notwithstanding any law to the contrary, for any motor vehicle, as defined in Section 1-146 of the Vehicle Code, that is sold on or after January 1, 2015 for the purpose of leasing the vehicle for a defined period that is longer than one year and (1) is a motor vehicle of the second division that: (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; or (C) has a gross vehicle weight rating of 8,000 pounds or less or (2) is a motor vehicle of the first division, "selling price" or "amount of sale" means the consideration received by the lessor pursuant to the lease contract, including amounts due at lease signing and all monthly or other regular payments charged over the term of the lease. Also included in the selling price is any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. For sales that occur in Illinois, with respect to any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, the lessor who purchased the motor vehicle does not incur the tax imposed by the Use Tax Act on those amounts, and the retailer who makes the retail sale of the motor vehicle to the lessor is not required to collect the tax imposed by the Use Tax Act or to pay the tax imposed by this Act on those amounts. However, the lessor who purchased the motor vehicle assumes the liability for reporting and paying the tax on those amounts directly to the Department in the same form (Illinois Retailers' Occupation Tax, and local retailers' occupation taxes, if applicable) in which the retailer would have reported and paid such tax if the retailer had accounted for the tax to the Department. For amounts received by the lessor from the lessee that are not calculated at the time the lease is executed, the lessor must file the return and pay the tax to the Department by the due date otherwise required by this Act for returns other than transaction returns. If the retailer is entitled under this Act to a discount for collecting and remitting the tax imposed under this Act to the Department with respect to the sale of the motor vehicle to the lessor, then the right to the discount provided in this Act shall be transferred to the lessor with respect to the tax paid by the lessor for any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed; provided that the discount is only allowed if the return is timely filed and for amounts timely paid. The "selling price" of a motor vehicle that is sold on or after January 1, 2015 for the purpose of leasing for a defined period of longer than one year shall not be

reduced by the value of or credit given for traded-in tangible personal property owned by the lessor, nor shall it be reduced by the value of or credit given for traded-in tangible personal property owned by the lessee, regardless of whether the trade-in value thereof is assigned by the lessee to the lessor. In the case of a motor vehicle that is sold for the purpose of leasing for a defined period of longer than one year, the sale occurs at the time of the delivery of the vehicle, regardless of the due date of any lease payments. A lessor who incurs a Retailers' Occupation Tax liability on the sale of a motor vehicle coming off lease may not take a credit against that liability for the Use Tax the lessor paid upon the purchase of the motor vehicle (or for any tax the lessor paid with respect to any amount received by the lessor from the lessee for the leased vehicle that was not calculated at the time the lease was executed) if the selling price of the motor vehicle at the time of purchase was calculated using the definition of "selling price" as defined in this paragraph. Notwithstanding any other provision of this Act to the contrary, lessors shall file all returns and make all payments required under this paragraph to the Department by electronic means in the manner and form as required by the Department. This paragraph does not apply to leases of motor vehicles for which, at the time the lease is entered into, the term of the lease is not a defined period, including leases with a defined initial period with the option to continue the lease on a month-to-month or other basis beyond the initial defined period.

The phrase "like kind and character" shall be liberally construed (including but not limited to any form of motor vehicle for any form of motor vehicle, or any kind of farm or agricultural implement for any other kind of farm or agricultural implement), while not including a kind of item which, if sold at retail by that retailer, would be exempt from retailers' occupation tax and use tax as an isolated or occasional sale.

"Gross receipts" from the sales of tangible personal property at retail means the total selling price or the amount of such sales, as hereinbefore defined. In the case of charge and time sales, the amount thereof shall be included only as and when payments are received by the seller. Receipts or other consideration derived by a seller from the sale, transfer or assignment of accounts receivable to a wholly owned subsidiary will not be deemed payments prior to the time the purchaser makes payment on such accounts.

"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, guardian or other representative appointed by order of any court.

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling such tangible personal property at retail, or a sale through a bulk vending machine, does not constitute engaging in a business of selling such tangible personal property at retail within the meaning of this Act; provided that any person who is engaged in a business which is not subject to the tax imposed by this Act because of involving the sale of or a contract to sell real estate or a construction contract to improve real estate or a construction contract to engineer, install, and maintain an integrated system of products, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate or was not engineered and installed, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is engaged in the business of selling tangible personal property at retail to the extent of the value of the tangible personal property so transferred. If, in such a transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purpose of this Act, shall be the amount so separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal property. Construction contracts for the improvement of real estate consisting of engineering, installation, and maintenance of voice, data, video, security, and all telecommunication systems do not constitute engaging in a business of selling tangible personal property at retail within the meaning of this Act if they are sold at one specified contract price.

A person who holds himself or herself out as being engaged (or who habitually engages) in selling tangible personal property at retail is a person engaged in the business of selling tangible personal property at retail hereunder with respect to such sales (and not primarily in a service occupation) notwithstanding the fact that such person designs and produces such tangible personal property on special order for the purchaser and in such a way as to render the property of value only to such purchaser, if such tangible personal property so produced on special order serves substantially the same function as stock or standard items of tangible personal property that are sold at retail.

Persons who engage in the business of transferring tangible personal property upon the redemption of trading stamps are engaged in the business of selling such property at retail and shall be liable for and shall

pay the tax imposed by this Act on the basis of the retail value of the property transferred upon redemption of such stamps.

"Bulk vending machine" means a vending machine, containing unsorted confections, nuts, toys, or other items designed primarily to be used or played with by children which, when a coin or coins of a denomination not larger than $0.50 are inserted, are dispensed in equal portions, at random and without selection by the customer.

"Remote retailer" means a retailer ~~located outside of this State~~ that does not maintain within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent is located here permanently or temporarily or whether such retailer or subsidiary is licensed to do business in this State.

"Marketplace" means a physical or electronic place, forum, platform, application, or other method by which a marketplace seller sells or offers to sell items.

"Marketplace facilitator" means a person who, pursuant to an agreement with an unrelated third-party marketplace seller, directly or indirectly through one or more affiliates facilitates a retail sale by an unrelated third party marketplace seller by:

(1) listing or advertising for sale by the marketplace seller in a marketplace, tangible personal property that is subject to tax under this Act; and

(2) either directly or indirectly, through agreements or arrangements with third parties, collecting payment from the customer and transmitting that payment to the marketplace seller regardless of whether the marketplace facilitator receives compensation or other consideration in exchange for its services.

A person who provides advertising services, including listing products for sale, is not considered a marketplace facilitator, so long as the advertising service platform or forum does not engage, directly or indirectly through one or more affiliated persons, in the activities described in paragraph (2) of this definition of "marketplace facilitator".

"Marketplace seller" means a person that makes sales through a marketplace operated by an unrelated third party marketplace facilitator.

(Source: P.A. 101-31, eff. 6-28-19.)

(35 ILCS 120/2) (from Ch. 120, par. 441)

Sec. 2. Tax imposed.

(a) A tax is imposed upon persons engaged in the business of selling at retail tangible personal property, including computer software, and including photographs, negatives, and positives that are the product of photoprocessing, but not including products of photoprocessing produced for use in motion pictures for public commercial exhibition. Beginning January 1, 2001, prepaid telephone calling arrangements shall be considered tangible personal property subject to the tax imposed under this Act regardless of the form in which those arrangements may be embodied, transmitted, or fixed by any method now known or hereafter developed. Sales of (1) electricity delivered to customers by wire; (2) natural or artificial gas that is delivered to customers through pipes, pipelines, or mains; and (3) water that is delivered to customers through pipes, pipelines, or mains are not subject to tax under this Act. The provisions of this amendatory Act of the 98th General Assembly are declaratory of existing law as to the meaning and scope of this Act.

(b) Beginning on January 1, 2021 ~~July 1, 2020~~, a remote retailer is engaged in the occupation of selling at retail in Illinois for purposes of this Act, if:

(1) the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois are $100,000 or more; or

(2) the retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

Remote retailers that meet or exceed the threshold in either paragraph (1) or (2) above shall be liable for all applicable State retailers' and locally imposed retailers' occupation taxes administered by the Department on all retail sales to Illinois purchasers.

The remote retailer shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) of this subsection for the preceding 12-month period. If the retailer meets the criteria of either paragraph (1) or (2) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and all retailers' occupation tax imposed by local taxing jurisdictions in Illinois, provided such local taxes are administered by the Department, and to file all applicable returns for one year. At the end of that one-year period, the retailer shall determine whether the retailer met the criteria of either paragraph (1) or (2) for the preceding 12-month period. If the retailer met the criteria in either paragraph (1) or (2) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit all

applicable State and local retailers' occupation taxes and file returns for the subsequent year. If, at the end of a one-year period, a retailer that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either paragraph (1) or (2) during the preceding 12-month period, then the retailer shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) for the preceding 12-month period.

(b-5) For the purposes of this Section, neither the gross receipts from nor the number of separate transactions for sales of tangible personal property to purchasers in Illinois that a remote retailer makes through a marketplace facilitator shall be included for the purposes of determining whether he or she has met the thresholds of subsection (b) of this Section so long as the remote retailer has received certification from the marketplace facilitator that the marketplace facilitator is legally responsible for payment of tax on such sales.

(b-10) A remote retailer required to collect taxes imposed under the Use Tax Act on retail sales made to Illinois purchasers shall be liable to the Department for such taxes, except when the remote retailer is relieved of the duty to remit such taxes by virtue of having paid to the Department taxes imposed by this Act in accordance with this Section upon his or her gross receipts from such sales.

(c) Marketplace facilitators engaged in the business of selling at retail tangible personal property in Illinois. Beginning January 1, 2021, a marketplace facilitator is engaged in the occupation of selling at retail tangible personal property in Illinois for purposes of this Act if, during the previous 12-month period:

(1) the cumulative gross receipts from sales of tangible personal property on its own behalf or on behalf of marketplace sellers to purchasers in Illinois equals $100,000 or more; or

(2) the marketplace facilitator enters into 200 or more separate transactions on its own behalf or on behalf of marketplace sellers for the sale of tangible personal property to purchasers in Illinois, regardless of whether the marketplace facilitator or marketplace sellers for whom such sales are facilitated are registered as retailers in this State.

A marketplace facilitator who meets either paragraph (1) or (2) of this subsection is required to remit the applicable State retailers' occupation taxes under this Act and local retailers' occupation taxes administered by the Department on all taxable sales of tangible personal property made by the marketplace facilitator or facilitated for marketplace sellers to customers in this State. A marketplace facilitator selling or facilitating the sale of tangible personal property to customers in this State is subject to all applicable procedures and requirements of this Act.

The marketplace facilitator shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) of this subsection for the preceding 12-month period. If the marketplace facilitator meets the criteria of either paragraph (1) or (2) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to remit the tax imposed under this Act and all retailers' occupation tax imposed by local taxing jurisdictions in Illinois, provided such local taxes are administered by the Department, and to file all applicable returns for one year. At the end of that one-year period, the marketplace facilitator shall determine whether it met the criteria of either paragraph (1) or (2) for the preceding 12-month period. If the marketplace facilitator met the criteria in either paragraph (1) or (2) for the preceding 12-month period, it is considered a retailer maintaining a place of business in this State and is required to collect and remit all applicable State and local retailers' occupation taxes and file returns for the subsequent year. If at the end of a one-year period a marketplace facilitator that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either paragraph (1) or (2) during the preceding 12-month period, the marketplace facilitator shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) for the preceding 12-month period.

A marketplace facilitator shall be entitled to any credits, deductions, or adjustments to the sales price otherwise provided to the marketplace seller, in addition to any such adjustments provided directly to the marketplace facilitator. This Section pertains to, but is not limited to, adjustments such as discounts, coupons, and rebates. In addition, a marketplace facilitator shall be entitled to the retailers' discount provided in Section 3 of the Retailers' Occupation Tax Act on all marketplace sales, and the marketplace seller shall not include sales made through a marketplace facilitator when computing any retailers' discount on remaining sales. Marketplace facilitators shall report and remit the applicable State and local retailers' occupation taxes on sales facilitated for marketplace sellers separately from any sales or use tax collected on taxable retail sales made directly by the marketplace facilitator or its affiliates.

The marketplace facilitator is liable for the remittance of all applicable State retailers' occupation taxes under this Act and local retailers' occupation taxes administered by the Department on sales through the marketplace and is subject to audit on all such sales. The Department shall not audit marketplace sellers

for their marketplace sales where a marketplace facilitator remitted the applicable State and local retailers' occupation taxes unless the marketplace facilitator seeks relief as a result of incorrect information provided to the marketplace facilitator by a marketplace seller as set forth in this Section. The marketplace facilitator shall not be held liable for tax on any sales made by a marketplace seller that take place outside of the marketplace and which are not a part of any agreement between a marketplace facilitator and a marketplace seller. In addition, marketplace facilitators shall not be held liable to State and local governments of Illinois for having charged and remitted an incorrect amount of State and local retailers' occupation tax if, at the time of the sale, the tax is computed based on erroneous data provided by the State in database files on tax rates, boundaries, or taxing jurisdictions or incorrect information provided to the marketplace facilitator by the marketplace seller.

(d) A marketplace facilitator shall:

(1) certify to each marketplace seller that the marketplace facilitator assumes the rights and duties of a retailer under this Act with respect to sales made by the marketplace seller through the marketplace; and

(2) remit taxes imposed by this Act as required by this Act for sales made through the marketplace.

(e) A marketplace seller shall retain books and records for all sales made through a marketplace in accordance with the requirements of this Act.

(f) A marketplace facilitator is subject to audit on all marketplace sales for which it is considered to be the retailer, but shall not be liable for tax or subject to audit on sales made by marketplace sellers outside of the marketplace.

(g) A marketplace facilitator required to collect taxes imposed under the Use Tax Act on marketplace sales made to Illinois purchasers shall be liable to the Department for such taxes, except when the marketplace facilitator is relieved of the duty to remit such taxes by virtue of having paid to the Department taxes imposed by this Act in accordance with this Section upon his or her gross receipts from such sales.

(h) Nothing in this Section shall allow the Department to collect retailers' occupation taxes from both the marketplace facilitator and marketplace seller on the same transaction.

(i) If, for any reason, the Department is prohibited from enforcing the marketplace facilitator's duty under this Act to remit taxes pursuant to this Section, the duty to remit such taxes remains with the marketplace seller.

(j) Nothing in this Section affects the obligation of any consumer to remit use tax for any taxable transaction for which a certified service provider acting on behalf of a remote retailer or a marketplace facilitator does not collect and remit the appropriate tax.

(k) Nothing in this Section shall allow the Department to collect the retailers' occupation tax from both the marketplace facilitator and the marketplace seller.

(Source: P.A. 101-31, eff. 6-28-19.)

(35 ILCS 120/2-12)

Sec. 2-12. Location where retailer is deemed to be engaged in the business of selling. The purpose of this Section is to specify where a retailer is deemed to be engaged in the business of selling tangible personal property for the purposes of this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, and for the purpose of collecting any other local retailers' occupation tax administered by the Department. This Section applies only with respect to the particular selling activities described in the following paragraphs. The provisions of this Section are not intended to, and shall not be interpreted to, affect where a retailer is deemed to be engaged in the business of selling with respect to any activity that is not specifically described in the following paragraphs.

(1) If a purchaser who is present at the retailer's place of business, having no prior commitment to the retailer, agrees to purchase and makes payment for tangible personal property at the retailer's place of business, then the transaction shall be deemed an over-the-counter sale occurring at the retailer's same place of business where the purchaser was present and made payment for that tangible personal property if the retailer regularly stocks the purchased tangible personal property or similar tangible personal property in the quantity, or similar quantity, for sale at the retailer's same place of business and then either (i) the purchaser takes possession of the tangible personal property at the same place of business or (ii) the retailer delivers or arranges for the tangible personal property to be delivered to the purchaser.

(2) If a purchaser, having no prior commitment to the retailer, agrees to purchase tangible personal property and makes payment over the phone, in writing, or via the Internet and takes possession of the tangible personal property at the retailer's place of business, then the sale shall be deemed to have occurred at the retailer's place of business where the purchaser takes possession of the property if the retailer regularly stocks the item or similar items in the quantity, or similar quantities, purchased by the purchaser.

(3) A retailer is deemed to be engaged in the business of selling food, beverages, or

other tangible personal property through a vending machine at the location where the vending machine is located at the time the sale is made if (i) the vending machine is a device operated by coin, currency, credit card, token, coupon or similar device; (2) the food, beverage or other tangible personal property is contained within the vending machine and dispensed from the vending machine; and (3) the purchaser takes possession of the purchased food, beverage or other tangible personal property immediately.

(4) Minerals. A producer of coal or other mineral mined in Illinois is deemed to be engaged in the business of selling at the place where the coal or other mineral mined in Illinois is extracted from the earth. With respect to minerals (i) the term "extracted from the earth" means the location at which the coal or other mineral is extracted from the mouth of the mine, and (ii) a "mineral" includes not only coal, but also oil, sand, stone taken from a quarry, gravel and any other thing commonly regarded as a mineral and 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.

(5) A retailer selling tangible personal property to a nominal lessee or bailee pursuant to a lease with a dollar or other nominal option to purchase is engaged in the business of selling at the location where the property is first delivered to the lessee or bailee for its intended use.

(6) Beginning on January 1, 2021, a remote retailer making retail sales of tangible personal property that meet or exceed the thresholds established in paragraph (1) or (2) of subsection (b) of Section 2 of this Act is engaged in the business of selling at the Illinois location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser. ~~July 1, 2020, for the purposes of determining the correct local retailers' occupation tax rate, retail sales made by a remote retailer that meet or exceed the thresholds established in paragraph (1) or (2) of subsection (b) of Section 2 of this Act shall be deemed to be made at the Illinois location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser.~~

(7) Beginning January 1, 2021, a marketplace facilitator facilitating sales of tangible personal property that meet or exceed one of the thresholds established in paragraph (1) or (2) of subsection (c) of Section 2 of this Act is deemed to be engaged in the business of selling at the Illinois location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser when the sale is made by a marketplace seller on the marketplace facilitator's marketplace.

(Source: P.A. 101-31, eff. 6-28-19.)

Section 15-20. The Leveling the Playing Field for Illinois Retail Act is amended by changing Sections 5-5, 5-15, 5-20, 5-25, and 5-30 and by adding Section 5-27 as follows:

(35 ILCS 185/5-5)

Sec. 5-5. Findings. The General Assembly finds that certified service providers and certified automated systems simplify use and occupation tax compliance for remote retailers ~~out-of-state sellers~~, which fosters higher levels of accurate tax collection and remittance and generates administrative savings and new marginal tax revenue for both State and local taxing jurisdictions. By making the services of certified service providers and certified automated systems available to remote retailers without charge , other than their retailer customer's retail discount, as provided in this Act, the State will substantially eliminate the burden on those remote retailers to collect and remit both State and local taxing jurisdiction use and occupation taxes. While providing a means for remote retailers to collect and remit tax on an even basis with Illinois retailers, this Act also protects existing local tax revenue streams by retaining origin sourcing for all transactions by retailers maintaining a physical presence in Illinois.

(Source: P.A. 101-31, eff. 6-28-19.)

(35 ILCS 185/5-15)

Sec. 5-15. Certification of certified service providers. The Department shall~~, no later than December 31, 2019,~~ establish standards for the certification of certified service providers and certified automated systems and may act jointly with other states to accomplish these ends.

The Department may take other actions reasonably required to implement the provisions of this Act, including the adoption of rules and emergency rules and the procurement of goods and services, which also may be coordinated jointly with other states.

(Source: P.A. 101-31, eff. 6-28-19.)

(35 ILCS 185/5-20)

Sec. 5-20. Provision of databases. The Department shall, no later than July 1, 2020:

(1) provide and maintain an electronic~~, downloadable~~ database of defined product categories that identifies the taxability of each category;

(2) provide and maintain an electronic~~, downloadable~~ database of all retailers' occupation tax rates for the jurisdictions in this State that levy a retailers' occupation tax; and

(3) provide and maintain an electronic~~, downloadable~~ database that assigns delivery addresses in this State to the applicable taxing jurisdictions.

(Source: P.A. 101-31, eff. 6-28-19.)

(35 ILCS 185/5-25)

Sec. 5-25. Certification.

(a) The Department shall, no later than July 1, 2020:

(1) establish ~~provide~~ uniform minimum standards that companies wishing to be designated as a certified service provider in this State must meet; ~~those minimum standards must include an expedited certification process for companies that have been certified in at least 5 other states;~~

(2) establish ~~provide~~ uniform minimum standards that certified automated systems must meet; ~~those minimum standards may include an expedited certification process for automated systems that have been certified in at least 5 other states;~~

(3) establish a certification process to review the systems of companies wishing to be designated as a certified service provider in this State or of companies wishing to use a certified automated process; this certification process shall provide that companies that meet all required standards and whose systems have been tested and approved by the Department for properly determining the taxability of items to be sold, the correct tax rate to apply to a transaction, and the appropriate jurisdictions to which the tax shall be remitted, shall be certified;

(4) enter into a contractual relationship with each company that qualifies as a certified service provider or that will be using a certified automated system; those contracts shall, at a minimum, provide:

(A) that the certified service provider shall be held liable for the tax imposed under this Act and the Use Tax Act and all applicable local occupation taxes administered by the Department if the certified service provider fails to correctly remit the tax after having been provided with the tax and information by a remote retailer to correctly remit the taxes imposed under this Act and the Use Tax Act and all applicable local occupation taxes administered by the Department; if the certified service provider demonstrates to the satisfaction of the Department that its failure to correctly remit tax on a retail sale resulted from the certified service provider's good faith reliance on incorrect or insufficient information provided by the remote retailer, the certified service provider shall be relieved of liability for the tax on that retail sale; in that case, the remote retailer is liable for any resulting tax due ~~the responsibilities of the certified service provider and the remote retailers that contract with the certified service provider or the user of a certified automated system related to liability for proper collection and remittance of use and occupation taxes~~;

(B) the responsibilities of the certified service provider and the remote retailers that contract with the certified service provider or the user of a certified automated system ~~service provider~~ related to record keeping and auditing consistent with requirements imposed under the Retailers' Occupation Tax Act and the Use Tax Act;

(C) for the protection and confidentiality of tax information consistent with requirements imposed under the Retailers' Occupation Tax Act and the Use Tax Act; ~~and~~

(D) compensation equal to 1.75% of the tax dollars collected and remitted to the State by a certified service provider on a timely basis, along with a return that has been timely filed, on behalf of remote retailers; remote retailers using a certified service provider may not claim the vendor's discount allowed under the Retailers' Occupation Tax Act or the Service Occupation Tax Act; and ~~.~~

(E) that the certified service provider shall file a separate return for each remote retailer with which it has a Tax Remittance Agreement.

The provisions of this Section shall supersede the provisions of the Illinois Procurement Code.

(b) The Department may act jointly with other states to establish the minimum standards and process for certification required by paragraphs (1), (2), and (3) of subsection (a).

(c) When the systems of a certified service provider or certified automated systems are updated or upgraded, they must be recertified by the Department. Notification of changes shall be provided to the Department prior to implementation. Upon receipt of such notification, the Department shall review and test the changes to assess whether the updated system of the certified service provider or the updated certified automated system can properly determine the taxability of items to be sold, the correct tax rate to apply to a transaction, and the appropriate jurisdictions to which the tax shall be remitted. The Department shall recertify updated systems that meet these requirements. The certified service provider or retailer using a certified automated system shall be liable for any tax resulting from errors caused by use of an updated or upgraded system prior to recertification by the Department. In addition to these procedures, the Department may periodically review the system of a certified service provider or the certified automated

system used by a retailer to ensure that the system can properly determine the taxability of items to be sold, the correct tax rate to apply to a transaction, and the appropriate jurisdictions to which the tax shall be remitted.

(Source: P.A. 101-31, eff. 6-28-19.)

(35 ILCS 185/5-27 new)

Sec. 5-27. Tax remittance agreement.

(a) Before using the services of a certified service provider to remit taxes, remote retailers using a certified service provider shall enter into a tax remittance agreement with that certified service provider under which the certified service provider agrees to remit all State retailers' occupation taxes under this Act, use tax, and local occupation taxes administered by the Department for sales made by the remote retailer. A copy of the tax remittance agreement shall be electronically filed with the Department by the certified service provider no later than 30 days prior to its effective date.

(b) A certified service provider that has entered into a tax remittance agreement with a remote retailer is required to file all returns and remit all taxes required under the tax remittance agreement, including all local occupation taxes administered by the Department, with respect to all sales for which there is not otherwise an exemption.

(35 ILCS 185/5-30)

Sec. 5-30. Database; relief ~~Relief~~ from liability ; annual verification; refunds.

(a) The Department shall, to the best of its ability, utilize an electronic database to provide information assigning purchaser addresses to the proper local taxing jurisdiction.

(b) Remote ~~Beginning January 1, 2020, remote~~ retailers using certified service providers or certified automated systems and their certified service providers or certified automated systems providers are relieved from liability to the State for having remitted ~~charged and collected~~ the incorrect amount of use or occupation tax resulting from a certified service provider or certified automated system relying, at the time of the sale, on: (1) erroneous data provided by the State in database files on tax rates, boundaries, or taxing jurisdictions; or (2) erroneous data provided by the State concerning the taxability of products and services.

(c) Beginning February 1, 2022 and on or before February 1 of each year thereafter, the Department shall make available to each local taxing jurisdiction the taxing jurisdiction's boundaries, determined by the Department, for its verification. Jurisdictions shall verify these taxing jurisdiction boundaries and notify the Department of any changes, additions, or deletions by April 1 of each year in the form and manner required by the Department. The Department shall use its best judgment and information to confirm the information provided by the taxing jurisdictions and update its database. The Department shall administer and enforce such changes on the first day of the next following July. ~~The Department shall, to the best of its ability, assign addresses to the proper local taxing jurisdiction using a 9-digit zip code identifier. On an annual basis, the Department shall make available to local taxing jurisdictions the taxing jurisdiction boundaries determined by the Department for their verification. If a jurisdiction fails to verify their taxing jurisdiction boundaries to the Department in any given year, the Department shall assign retailers' occupation tax revenue from remote retail sales based on its best information. In that case, tax revenues from remote retail sales remitted to a taxing jurisdiction based on erroneous local tax boundary information will be assigned to the correct taxing jurisdiction on a prospective basis upon notice of the boundary error from a local taxing jurisdiction.~~

(d) The clerk of any municipality or county from which territory has been annexed or disconnected shall notify the Department of Revenue of that annexation or disconnection in the form and manner required by the Department. Required documentation shall include a certified copy of the plat of annexation or, in the case of disconnection, the ordinance, final judgment, or resolution of disconnection together with an accurate depiction of the territory disconnected. Notification shall be provided to the Department either (i) on or before the first day of April, whereupon the Department shall confirm the information provided by the municipality or county and update its database and proceed to administer and enforce the confirmed changes on the first day of July next following the proper notification; or (ii) on or before the first day of October, whereupon the Department shall confirm the information provided by the municipality or county and update its database and proceed to administer and enforce the confirmed changes on the first day of January next following proper notification.

~~No certified service provider or remote retailer using a certified automated system shall be subject to a class action brought on behalf of customers and arising from, or in any way related to, an overpayment of retailers' occupation tax collected by the certified service provider if, at the time of the sale, they relied on information provided by the Department, regardless of whether that claim is characterized as a tax refund claim.~~

(e) Nothing in this Section affects a customer's right to seek a refund from the remote retailer as provided in this Act.
(Source: P.A. 101-31, eff. 6-28-19.)

Section 15-97. Severability. The provisions of this Article are severable under Section 1.31 of the Statute on Statutes.

ARTICLE 20. VEHICLE CODE; JUNKING CERTIFICATE

Section 20-5. The Illinois Vehicle Code is amended by changing Section 3-821 as follows:
(625 ILCS 5/3-821) (from Ch. 95 1/2, par. 3-821)
Sec. 3-821. Miscellaneous registration and title fees.
(a) Except as provided under subsection (h), the fee to be paid to the Secretary of State for the following certificates, registrations or evidences of proper registration, or for corrected or duplicate documents shall be in accordance with the following schedule:

Certificate of Title, except for an all-terrain vehicle or off-highway motorcycle, prior to July 1, 2019	$95
Certificate of Title, except for an all-terrain vehicle, off-highway motorcycle, or motor home, mini motor home or van camper, on and after July 1, 2019	$150
Certificate of Title for a motor home, mini motor home, or van camper, on and after July 1,2019	$250
Certificate of Title for an all-terrain vehicle or off-highway motorcycle	$30
Certificate of Title for an all-terrain vehicle or off-highway motorcycle used for production agriculture, or accepted by a dealer in trade	$13
Certificate of Title for a low-speed vehicle	$30
Transfer of Registration or any evidence of proper registration	$25
Duplicate Registration Card for plates or other evidence of proper registration	$3
Duplicate Registration Sticker or Stickers, each	$20
Duplicate Certificate of Title, prior to July 1, 2019	$95
Duplicate Certificate of Title, on and after July 1, 2019	$50
Corrected Registration Card or Card for other evidence of proper registration	$3
Corrected Certificate of Title	$95
Salvage Certificate, prior to July 1, 2019	$4
Salvage Certificate, on and after July 1, 2019	$20
Fleet Reciprocity Permit	$15
Prorate Decal	$1
Prorate Backing Plate	$3
Special Corrected Certificate of Title	$15
Expedited Title Service (to be charged in addition to other applicable fees)	$30
Dealer Lien Release Certificate of Title	$20
~~Junking Certificate, on and after July 1, 2019~~	~~$10~~

A special corrected certificate of title shall be issued (i) to remove a co-owner's name due to the death of the co-owner, to transfer title to a spouse if the decedent-spouse was the sole owner on the title, or due to a divorce; (ii) to change a co-owner's name due to a marriage; or (iii) due to a name change under Article XXI of the Code of Civil Procedure.
There shall be no fee paid for a Junking Certificate ~~prior to July 1, 2019~~.
There shall be no fee paid for a certificate of title issued to a county when the vehicle is forfeited to the county under Article 36 of the Criminal Code of 2012.
(a-5) The Secretary of State may revoke a certificate of title and registration card and issue a corrected certificate of title and registration card, at no fee to the vehicle owner or lienholder, if there is proof that the vehicle identification number is erroneously shown on the original certificate of title.
(a-10) The Secretary of State may issue, in connection with the sale of a motor vehicle, a corrected title to a motor vehicle dealer upon application and submittal of a lien release letter from the lienholder listed in the files of the Secretary. In the case of a title issued by another state, the dealer must submit proof from

the state that issued the last title. The corrected title, which shall be known as a dealer lien release certificate of title, shall be issued in the name of the vehicle owner without the named lienholder. If the motor vehicle is currently titled in a state other than Illinois, the applicant must submit either (i) a letter from the current lienholder releasing the lien and stating that the lienholder has possession of the title; or (ii) a letter from the current lienholder releasing the lien and a copy of the records of the department of motor vehicles for the state in which the vehicle is titled, showing that the vehicle is titled in the name of the applicant and that no liens are recorded other than the lien for which a release has been submitted. The fee for the dealer lien release certificate of title is $20.

(b) The Secretary may prescribe the maximum service charge to be imposed upon an applicant for renewal of a registration by any person authorized by law to receive and remit or transmit to the Secretary such renewal application and fees therewith.

(c) If payment is delivered to the Office of the Secretary of State as payment of any fee or tax under this Code, and such payment is not honored for any reason, the registrant or other person tendering the payment remains liable for the payment of such fee or tax. The Secretary of State may assess a service charge of $25 in addition to the fee or tax due and owing for all dishonored payments.

If the total amount then due and owing exceeds the sum of $100 and has not been paid in full within 60 days from the date the dishonored payment was first delivered to the Secretary of State, the Secretary of State shall assess a penalty of 25% of such amount remaining unpaid.

All amounts payable under this Section shall be computed to the nearest dollar. Out of each fee collected for dishonored payments, $5 shall be deposited in the Secretary of State Special Services Fund.

(d) The minimum fee and tax to be paid by any applicant for apportionment of a fleet of vehicles under this Code shall be $15 if the application was filed on or before the date specified by the Secretary together with fees and taxes due. If an application and the fees or taxes due are filed after the date specified by the Secretary, the Secretary may prescribe the payment of interest at the rate of 1/2 of 1% per month or fraction thereof after such due date and a minimum of $8.

(e) Trucks, truck tractors, truck tractors with loads, and motor buses, any one of which having a combined total weight in excess of 12,000 lbs. shall file an application for a Fleet Reciprocity Permit issued by the Secretary of State. This permit shall be in the possession of any driver operating a vehicle on Illinois highways. Any foreign licensed vehicle of the second division operating at any time in Illinois without a Fleet Reciprocity Permit or other proper Illinois registration, shall subject the operator to the penalties provided in Section 3-834 of this Code. For the purposes of this Code, "Fleet Reciprocity Permit" means any second division motor vehicle with a foreign license and used only in interstate transportation of goods. The fee for such permit shall be $15 per fleet which shall include all vehicles of the fleet being registered.

(f) For purposes of this Section, "all-terrain vehicle or off-highway motorcycle used for production agriculture" means any all-terrain vehicle or off-highway motorcycle used in the raising of or the propagation of livestock, crops for sale for human consumption, crops for livestock consumption, and production seed stock grown for the propagation of feed grains and the husbandry of animals or for the purpose of providing a food product, including the husbandry of blood stock as a main source of providing a food product. "All-terrain vehicle or off-highway motorcycle used in production agriculture" also means any all-terrain vehicle or off-highway motorcycle used in animal husbandry, floriculture, aquaculture, horticulture, and viticulture.

(g) All of the proceeds of the additional fees imposed by Public Act 96-34 shall be deposited into the Capital Projects Fund.

(h) The fee for a duplicate registration sticker or stickers shall be the amount required under subsection (a) or the vehicle's annual registration fee amount, whichever is less.

(i) All of the proceeds of the additional fees imposed by this amendatory Act of the 101st General Assembly shall be deposited into the Road Fund.

(Source: P.A. 100-956, eff. 1-1-19; 101-32, eff. 6-28-19.)

ARTICLE 95. NON-ACCELERATION

Section 95-995. 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.

ARTICLE 99. EFFECTIVE DATE

Section 99-999. Effective date. This Act takes effect upon becoming law, except that the provisions of Article 15 take effect January 1, 2020.".

Under the rules, the foregoing **Senate Bill No. 119**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, 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. 177

A bill for AN ACT concerning State 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. 177
House Amendment No. 2 to SENATE BILL NO. 177
House Amendment No. 4 to SENATE BILL NO. 177
Passed the House, as amended, November 13, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 177

AMENDMENT NO. 1. Amend Senate Bill 177 by replacing everything after the enacting clause with the following:

"Section 5. The Business Enterprise for Minorities, Women, and Persons with Disabilities Act is amended by changing Section 8c as follows:

(30 ILCS 575/8c) (from Ch. 127, par. 132.608c)

(Section scheduled to be repealed on June 30, 2024)

Sec. 8c. Recommended rules and ~~and~~ regulations for the establishment and continuation of narrowly tailored sheltered markets under Section 8b shall be approved by the Council prior to submission by the Department of Central Management Services to the Joint Committee on Administrative Rules. These rules shall include but not be limited to agency goals, waivers and procedures for use of sheltered markets.
(Source: P.A. 86-269; 86-270.)".

AMENDMENT NO. 2 TO SENATE BILL 177

AMENDMENT NO. 2. Amend Senate Bill 177 by replacing everything after the enacting clause with the following:

"Article 1

Section 1-5. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that

may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services)

Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged

with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(ff) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection (ff). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection (ff). The adoption of emergency rules authorized by this subsection (ff) is deemed to be necessary for the public interest, safety, and welfare.

(gg) In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1, emergency rules may be adopted by the Department of Labor in accordance with this subsection (gg) to implement the changes made by Public Act 101-1 to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection (gg) is deemed to be necessary for the public interest, safety, and welfare.

(hh) In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-10 ~~this amendatory Act of the 101st General Assembly~~, emergency rules may be adopted in accordance with this subsection (hh) to implement the changes made by Public Act 101-10 ~~this amendatory Act of the 101st General Assembly~~ to subsection (j) of Section 5-5.2 of the Illinois Public Aid Code. The adoption of emergency rules authorized by this subsection (hh) is deemed to be necessary for the public interest, safety, and welfare.

(ii) In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-10 ~~this amendatory Act of the 101st General Assembly~~, emergency rules to implement the changes made by Public Act 101-10 ~~this amendatory Act of the 101st General Assembly~~ to Sections 5-5.4 and 5-5.4i of the Illinois Public Aid Code may be adopted in accordance with this subsection (ii) by the Department of Public Health. The adoption of emergency rules authorized by this subsection (ii) is deemed to be necessary for the public interest, safety, and welfare.

(jj) In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-10 ~~this amendatory Act of the 101st General Assembly~~, emergency rules to implement the changes made by Public Act 101-10 ~~this amendatory Act of the 101st General Assembly~~ to Section 74 of the Mental

Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (jj) by the Department of Human Services. The adoption of emergency rules authorized by this subsection (jj) is deemed to be necessary for the public interest, safety, and welfare.

(kk) ~~(gg)~~ In order to provide for the expeditious and timely implementation of the Cannabis Regulation and Tax Act and Public Act 101-27 ~~this amendatory Act of the 101st General Assembly~~, the Department of Revenue, the Department of Public Health, the Department of Agriculture, the Department of State Police, and the Department of Financial and Professional Regulation may adopt emergency rules in accordance with this subsection (kk) ~~(gg)~~. The rulemaking authority granted in this subsection (kk) ~~(gg)~~ shall apply only to rules adopted before December 31, 2021. Notwithstanding the provisions of subsection (c), emergency rules adopted under this subsection (kk) ~~(gg)~~ shall be effective for 180 days. The adoption of emergency rules authorized by this subsection (kk) ~~(gg)~~ is deemed to be necessary for the public interest, safety, and welfare.

(ll) ~~(hh)~~ In order to provide for the expeditious and timely implementation of the provisions of the Leveling the Playing Field for Illinois Retail Act, emergency rules may be adopted in accordance with this subsection (ll) ~~(hh)~~ to implement the changes made by the Leveling the Playing Field for Illinois Retail Act. The adoption of emergency rules authorized by this subsection (ll) ~~(hh)~~ is deemed to be necessary for the public interest, safety, and welfare.

(mm) ~~(ii)~~ In order to provide for the expeditious and timely implementation of the provisions of Section 25-70 of the Sports Wagering Act, emergency rules to implement Section 25-70 of the Sports Wagering Act may be adopted in accordance with this subsection (mm) ~~(ii)~~ by the Department of the Lottery as provided in the Sports Wagering Act. The adoption of emergency rules authorized by this subsection (mm) ~~(ii)~~ is deemed to be necessary for the public interest, safety, and welfare.

(nn) ~~(jj)~~ In order to provide for the expeditious and timely implementation of the Sports Wagering Act, emergency rules to implement the Sports Wagering Act may be adopted in accordance with this subsection (nn) ~~(jj)~~ by the Illinois Gaming Board. The adoption of emergency rules authorized by this subsection (nn) ~~(jj)~~ is deemed to be necessary for the public interest, safety, and welfare.

(oo) ~~(kk)~~ In order to provide for the expeditious and timely implementation of the provisions of subsection (c) of Section 20 of the Video Gaming Act, emergency rules to implement the provisions of subsection (c) of Section 20 of the Video Gaming Act may be adopted in accordance with this subsection (oo) ~~(kk)~~ by the Illinois Gaming Board. The adoption of emergency rules authorized by this subsection (oo) ~~(kk)~~ is deemed to be necessary for the public interest, safety, and welfare.

(pp) ~~(gg)~~ In order to provide for the expeditious and timely implementation of the provisions of Section 50 of the Sexual Assault Evidence Submission Act, emergency rules to implement Section 50 of the Sexual Assault Evidence Submission Act may be adopted in accordance with this subsection (pp) ~~(gg)~~ by the Department of State Police. The adoption of emergency rules authorized by this subsection (pp) ~~(gg)~~ is deemed to be necessary for the public interest, safety, and welfare.

(qq) In order to provide for the expeditious and timely implementation of the provisions of the Illinois Works Jobs Program Act, emergency rules may be adopted in accordance with this subsection (qq) to implement the Illinois Works Jobs Program Act. The adoption of emergency rules authorized by this subsection (qq) is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 3-8-19; 101-1, eff. 2-19-19; 101-10, Article 20, Section 20-5, eff. 6-5-19; 101-10, Article 35, Section 35-5, eff. 6-5-19; 101-27, eff. 6-25-19; 101-31, Article 15, Section 15-5, eff. 6-28-19; 101-31, Article 25, Section 25-900, eff. 6-28-19; 101-31, Article 35, Section 35-3, eff. 6-28-19; 101-377, eff. 8-16-19; revised 9-27-19.)

Section 1-15. The Illinois Works Jobs Program Act is amended by changing Sections 20-10, 20-15, 20-20, and 20-25 as follows:

(30 ILCS 559/20-10)

Sec. 20-10. Definitions.

"Apprentice" means a participant in an apprenticeship program approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training.

"Apprenticeship program" means an apprenticeship and training program approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training.

"Bid credit" means a virtual dollar for a contractor or subcontractor to use toward future bids on contracts with the State for public works projects ~~contracts~~.

"Community-based organization" means a nonprofit organization, including an accredited public college or university, selected by the Department to participate in the Illinois Works Preapprenticeship

Program. To qualify as a "community-based organization", the organization must demonstrate the following:

(1) the ability to effectively serve diverse and underrepresented populations, including by providing employment services to such populations;

(2) knowledge of the construction and building trades;

(3) the ability to recruit, prescreen, and provide preapprenticeship training to prepare workers for employment in the construction and building trades; and

(4) a plan to provide the following:

(A) preparatory classes;

(B) workplace readiness skills, such as resume preparation and interviewing techniques;

(C) strategies for overcoming barriers to entry and completion of an apprenticeship program; and

(D) any prerequisites for acceptance into an apprenticeship program.

"Contractor" means a person, corporation, partnership, limited liability company, or joint venture entering into a contract ~~with the State or any State agency~~ to construct a public work.

"Department" means the Department of Commerce and Economic Opportunity.

"Labor hours" means the total hours for workers who are receiving an hourly wage and who are directly employed for the public works project. "Labor hours" includes hours performed by workers employed by the contractor and subcontractors on the public works project. "Labor hours" does not include hours worked by the forepersons, superintendents, owners, and workers who are not subject to prevailing wage requirements.

"Minorities" means minority persons as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"Public works" means all projects, contracted or funded by the State or any agency of the State, in whole or in part, from appropriated capital funds, that constitute public works under the Prevailing Wage Act.

"Subcontractor" means a person, corporation, partnership, limited liability company, or joint venture that has contracted with the contractor to perform all or part of the work to construct a public work by a contractor.

"Underrepresented populations" means populations identified by the Department that historically have had barriers to entry or advancement in the workforce. "Underrepresented populations" includes, but is not limited to, minorities, women, and veterans.

(Source: P.A. 101-31, eff. 6-28-19.)

(30 ILCS 559/20-15)

Sec. 20-15. Illinois Works Preapprenticeship Program; Illinois Works Bid Credit Program.

(a) The Illinois Works Preapprenticeship Program is established and shall be administered by the Department. The goal of the Illinois Works Preapprenticeship Program is to create a network of community-based organizations throughout the State that will recruit, prescreen, and provide preapprenticeship skills training, for which participants may attend free of charge and receive a stipend, to create a qualified, diverse pipeline of workers who are prepared for careers in the construction and building trades. Upon completion of the Illinois Works Preapprenticeship Program, the candidates will be skilled and work-ready.

(b) There is created the Illinois Works Fund, a special fund in the State treasury. The Illinois Works Fund shall be administered by the Department. The Illinois Works Fund shall be used to provide funding for community-based organizations throughout the State. In addition to any other transfers that may be provided for by law, on and after July 1, 2019 ~~and until June 30, 2020,~~ at the direction of the Director of the Governor's Office of Management and Budget, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of $25,000,000 from the Rebuild Illinois Projects Fund to the Illinois Works Fund.

(c) Each community-based organization that receives funding from the Illinois Works Fund shall provide an annual report to the Illinois Works Review Panel by April 1 of each calendar year. The annual report shall include the following information:

(1) a description of the community-based organization's recruitment, screening, and training efforts;

(2) the number of individuals who apply to, participate in, and complete the community-based organization's program, broken down by race, gender, age, and veteran status; and

(3) the number of the individuals referenced in item (2) of this subsection who are initially accepted and placed into apprenticeship programs in the construction and building trades.

(d) The Department shall create and administer the Illinois Works Bid Credit Program that shall provide economic incentives, through bid credits, to encourage contractors and subcontractors to provide contracting and employment opportunities to historically underrepresented populations in the construction industry.

The Illinois Works Bid Credit Program shall allow contractors and subcontractors to earn bid credits for use toward future bids for public works projects contracted by the State or an agency of the State in order to increase the chances that the contractor and the subcontractors will be selected.

Contractors or subcontractors may be eligible for bid credits for employing apprentices who have completed the Illinois Works Preapprenticeship Program on public works projects contracted by the State or any agency of the State. Contractors or subcontractors shall earn bid credits at a rate established by the Department and based on labor hours worked on State-contracted public works projects by apprentices who have completed the Illinois Works Preapprenticeship Program. The Department shall establish the rate by rule and shall publish it ~~published~~ on the Department's website . The rule may include maximum bid credits allowed per contractor, per subcontractor, per apprentice, per bid, or per year ~~, including any appropriate caps~~.

The Illinois Works Credit Bank is hereby created and shall be administered by the Department. The Illinois Works Credit Bank shall track the bid credits.

A contractor or subcontractor who has been awarded bid credits under any other State program for employing apprentices who have completed the Illinois Works Preapprenticeship Program is not eligible to receive bid credits under the Illinois Works Bid Credit Program relating to the same contract.

The Department shall report to the Illinois Works Review Panel the following: (i) the number of bid credits awarded by the Department; (ii) the number of bid credits submitted by the contractor or subcontractor to the agency administering the public works contract; and (iii) the number of bid credits accepted by the agency for such contract. Any agency that awards bid credits pursuant to the Illinois Works Credit Bank Program shall report to the Department the number of bid credits it accepted for the public works contract.

Upon a finding that a contractor or subcontractor has reported falsified records to the Department in order to fraudulently obtain bid credits, the Department may ~~shall permanently~~ bar the contractor or subcontractor from participating in the Illinois Works Bid Credit Program and may suspend the contractor or subcontractor from bidding on or participating in any public works project. False or fraudulent claims for payment relating to false bid credits may be subject to damages and penalties under applicable law.

(e) The Department shall adopt any rules deemed necessary to implement this Section. In order to provide for the expeditious and timely implementation of this Act, the Department may adopt emergency rules. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 101-31, eff. 6-28-19.)

(30 ILCS 559/20-20)

Sec. 20-20. Illinois Works Apprenticeship Initiative.

(a) The Illinois Works Apprenticeship Initiative is established and shall be administered by the Department.

(1) Subject to the exceptions set forth in subsection (b) of this Section, apprentices shall be utilized on all public works projects estimated to cost $500,000 or more in accordance with this subsection (a).

(2) For public works projects estimated to cost $500,000 or more, the goal of the Illinois Works Apprenticeship Initiative is that apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less.

(b) Before or during the term of a contract subject to this Section, the Department may reduce or waive the goals set forth in paragraph (2) of subsection (a). Prior to the Department granting a request for a reduction or waiver, the Department shall determine, in its discretion, whether to hold a public hearing on the request. In determining whether to hold a public hearing, the Department may consider factors, including the scale of the project and whether the contractor or subcontractor seeking the reduction or waiver has previously requested reductions or waivers on other projects. The Department may also ~~and shall~~ consult with the Business Enterprise Council under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act and the Chief Procurement Officer of the agency administering the public works contract. The Department may grant a reduction or waiver upon a determination that:

(1) the contractor or subcontractor has demonstrated that insufficient apprentices are available;

(2) the reasonable and necessary requirements of the contract do not allow the goal to be met;

(3) there is a disproportionately high ratio of material costs to labor hours that makes meeting the goal infeasible; or

(4) apprentice labor hour goals conflict with existing requirements, including federal requirements, in connection with the public work.

(c) Contractors and subcontractors must submit a certification to the Department and the agency that is administering the contract, or the grant agreement funding the contract, demonstrating that the contractor or subcontractor has either:

(1) met the apprentice labor hour goals set forth in paragraph (2) of subsection (a); or

(2) received a reduction or waiver pursuant to subsection (b).

It shall be deemed to be a material breach of the contract, or the grant agreement funding the contract, and entitle the State to declare a default, terminate the contract or grant agreement funding it, and exercise those remedies provided for in the contract, at law, or in equity if the contractor or subcontractor fails to submit the certification required in this subsection or submits false or misleading information.

(d) No later than one year after the effective date of this Act, and by April 1 of every calendar year thereafter, the Department of Labor shall submit a report to the Illinois Works Review Panel regarding the use of apprentices under the Illinois Works Apprenticeship Initiative for public works projects. To the extent it is available, the report shall include the following information:

(1) the total number of labor hours on each project and the percentage of labor hours actually worked by apprentices on each public works project;

(2) the number of apprentices used in each public works project, broken down by trade; and

(3) the number and percentage of minorities, women, and veterans utilized as apprentices on each public works project.

(e) The Department shall adopt any rules deemed necessary to implement the Illinois Works Apprenticeship Initiative. In order to provide for the expeditious and timely implementation of this Act, the Department may adopt emergency rules. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(f) The Illinois Works Apprenticeship Initiative shall not interfere with any contracts or grants ~~program~~ in existence on the effective date of this Act.

(g) Notwithstanding any provisions to the contrary in this Act, any State agency that administers a construction program for which federal law or regulations establish standards and procedures for the utilization of apprentices may implement the Illinois Works Apprenticeship Initiative using the federal standards and procedures for the establishment of goals and utilization procedures for the State-funded, as well as the federally assisted, portions of the program. In such cases, these goals shall not exceed those established pursuant to the relevant federal statutes or regulations.

(Source: P.A. 101-31, eff. 6-28-19.)

(30 ILCS 559/20-25)

Sec. 20-25. The Illinois Works Review Panel.

(a) The Illinois Works Review Panel is created and shall be comprised of 17 ~~11~~ members, each serving 3-year terms. The Speaker of the House of Representatives and the President of the Senate shall each appoint 3 ~~2~~ members. The Minority Leader of the House of Representatives and the Minority Leader of the Senate shall each appoint 3 members ~~one member~~. The Director of Commerce and Economic Opportunity, or his or her designee, shall serve as a member. The Governor shall appoint the following individuals to serve as members: a representative from a contractor organization; a representative from a labor organization; and 2 members of the public with workforce development expertise, one of whom shall be a representative of a nonprofit organization that addresses workforce development.

(b) The members of the Illinois Works Review Panel shall make recommendations to the Department regarding identification and evaluation of community-based organizations.

(c) The Illinois Works Review Panel shall meet, at least quarterly, to review and evaluate (i) the Illinois Works Preapprenticeship Program and the Illinois Works Apprenticeship Initiative, (ii) ideas to diversify the trainee corps in the Illinois Works Preapprenticeship Program and the workforce in the construction industry in Illinois, (iii) ideas to increase diversity in active apprenticeship program in Illinois, and (iv) ~~(iii)~~ workforce demographic data collected by the Illinois Department of Labor.

(d) All State contracts and grant agreements funding State contracts shall include a requirement that the contractor and subcontractor shall, upon reasonable notice, appear before and respond to requests for information from the Illinois Works Review Panel.

(e) By August 1, 2020, and every August 1 thereafter, the Illinois Works Review Panel shall report to the General Assembly on its evaluation of the Illinois Works Preapprenticeship Program and the Illinois Works Apprenticeship Initiative, including any recommended modifications.
(Source: P.A. 101-31, eff. 6-28-19.)

Article 2

Section 2-5. The Department of Labor Law of the Civil Administrative Code of Illinois is amended by changing Section 1505-215 as follows:

(20 ILCS 1505/1505-215)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 1505-215. Bureau on Apprenticeship Programs; Advisory Board.

(a) There is created within the Department of Labor a Bureau on Apprenticeship Programs. This Bureau shall work to increase minority participation in active apprentice programs in Illinois that are approved by the United States Department of Labor. The Bureau shall identify barriers to minorities gaining access to construction careers and make recommendations to the Governor and the General Assembly for policies to remove those barriers. The Department may hire staff to perform outreach in promoting diversity in active apprenticeship programs approved by the United States Department of Labor. The Bureau shall annually compile racial and gender workforce diversity information from contractors receiving State or other public funds and by labor unions with members working on projects receiving State or other public funds.

~~(b) There is created the Advisory Board for Diversity in Active Apprenticeship Programs Approved by the United States Department of Labor. This Advisory Board shall be composed of 12 legislators; 3 members appointed by the President of the Senate, 3 members appointed by the Speaker of the House of Representatives, 3 members appointed by the Minority Leader of the Senate, and 3 members appointed by the Minority Leader of the House of Representatives. The President of the Senate and the Speaker of the House of Representatives shall each appoint a co-chairperson. Members of the Advisory Board shall receive no compensation for serving as members of the Advisory Board. The Advisory Board shall meet quarterly. The Advisory Board may request necessary additional information from the Department, other State agencies, or public institutions of higher education for the purposes of performing its duties under this Section. The Advisory Board may advise the Department of programs to increase diversity in active apprenticeship programs. The Department shall provide administrative support and staffing for the Advisory Board.~~
(Source: P.A. 101-170, eff. 1-1-20.)

Section 2-10. The Business Enterprise for Minorities, Women, and Persons with Disabilities Act is amended by changing Sections 2, 4, 5, and 7 as follows:

(30 ILCS 575/2)

(Section scheduled to be repealed on June 30, 2024)

Sec. 2. Definitions.

(A) For the purpose of this Act, the following terms shall have the following definitions:

(1) "Minority person" shall mean a person who is a citizen or lawful permanent resident of the United States and who is any of the following:

(a) American Indian or Alaska Native (a person having origins in any of the original peoples of North and South America, including Central America, and who maintains tribal affiliation or community attachment).

(b) Asian (a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, but not limited to, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam).

(c) Black or African American (a person having origins in any of the black racial groups of Africa). ~~Terms such as "Haitian" or "Negro" can be used in addition to "Black or African American".~~

(d) Hispanic or Latino (a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race).

(e) Native Hawaiian or Other Pacific Islander (a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands).

(2) "Woman" shall mean a person who is a citizen or lawful permanent resident of the United States and who is of the female gender.

(2.05) "Person with a disability" means a person who is a citizen or lawful resident of

the United States and is a person qualifying as a person with a disability under subdivision (2.1) of this subsection (A).

(2.1) "Person with a disability" means a person with a severe physical or mental disability that:

(a) results from:
amputation,
arthritis,
autism,
blindness,
burn injury,
cancer,
cerebral palsy,
Crohn's disease,
cystic fibrosis,
deafness,
head injury,
heart disease,
hemiplegia,
hemophilia,
respiratory or pulmonary dysfunction,
an intellectual disability,
mental illness,
multiple sclerosis,
muscular dystrophy,
musculoskeletal disorders,
neurological disorders, including stroke and epilepsy,
paraplegia,
quadriplegia and other spinal cord conditions,
sickle cell anemia,
ulcerative colitis,
specific learning disabilities, or
end stage renal failure disease; and

(b) substantially limits one or more of the person's major life activities.

Another disability or combination of disabilities may also be considered as a severe disability for the purposes of item (a) of this subdivision (2.1) if it is determined by an evaluation of rehabilitation potential to cause a comparable degree of substantial functional limitation similar to the specific list of disabilities listed in item (a) of this subdivision (2.1).

(3) "Minority-owned business" means a business which is at least 51% owned by one or more minority persons, or in the case of a corporation, at least 51% of the stock in which is owned by one or more minority persons; and the management and daily business operations of which are controlled by one or more of the minority individuals who own it.

(4) "Women-owned business" means a business which is at least 51% owned by one or more women, or, in the case of a corporation, at least 51% of the stock in which is owned by one or more women; and the management and daily business operations of which are controlled by one or more of the women who own it.

(4.1) "Business owned by a person with a disability" means a business that is at least 51% owned by one or more persons with a disability and the management and daily business operations of which are controlled by one or more of the persons with disabilities who own it. A not-for-profit agency for persons with disabilities that is exempt from taxation under Section 501 of the Internal Revenue Code of 1986 is also considered a "business owned by a person with a disability".

(4.2) "Council" means the Business Enterprise Council for Minorities, Women, and Persons with Disabilities created under Section 5 of this Act.

(5) "State contracts" means all contracts entered into by the State, any agency or department thereof, or any public institution of higher education, including community college districts, regardless of the source of the funds with which the contracts are paid, which are not subject to federal reimbursement. "State contracts" does not include contracts awarded by a retirement system, pension fund, or investment board subject to Section 1-109.1 of the Illinois Pension Code. This definition shall control over any existing definition under this Act or applicable administrative rule.

"State construction contracts" means all State contracts entered into by a State agency

or public institution of higher education for the repair, remodeling, renovation or construction of a building or structure, or for the construction or maintenance of a highway defined in Article 2 of the Illinois Highway Code.

(6) "State agencies" shall mean all departments, officers, boards, commissions, institutions and bodies politic and corporate of the State, but does not include the Board of Trustees of the University of Illinois, the Board of Trustees of Southern Illinois University, the Board of Trustees of Chicago State University, the Board of Trustees of Eastern Illinois University, the Board of Trustees of Governors State University, the Board of Trustees of Illinois State University, the Board of Trustees of Northeastern Illinois University, the Board of Trustees of Northern Illinois University, the Board of Trustees of Western Illinois University, municipalities or other local governmental units, or other State constitutional officers.

(7) "Public institutions of higher education" means the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the public community colleges of the State, and any other public universities, colleges, and community colleges now or hereafter established or authorized by the General Assembly.

(8) "Certification" means a determination made by the Council or by one delegated authority from the Council to make certifications, or by a State agency with statutory authority to make such a certification, that a business entity is a business owned by a minority, woman, or person with a disability for whatever purpose. A business owned and controlled by women shall be certified as a "woman-owned business". A business owned and controlled by women who are also minorities shall be certified as both a "women-owned business" and a "minority-owned business".

(9) "Control" means the exclusive or ultimate and sole control of the business including, but not limited to, capital investment and all other financial matters, property, acquisitions, contract negotiations, legal matters, officer-director-employee selection and comprehensive hiring, operating responsibilities, cost-control matters, income and dividend matters, financial transactions and rights of other shareholders or joint partners. Control shall be real, substantial and continuing, not pro forma. Control shall include the power to direct or cause the direction of the management and policies of the business and to make the day-to-day as well as major decisions in matters of policy, management and operations. Control shall be exemplified by possessing the requisite knowledge and expertise to run the particular business and control shall not include simple majority or absentee ownership.

(10) "Business" means a business that has annual gross sales of less than $75,000,000 as evidenced by the federal income tax return of the business. A firm with gross sales in excess of this cap may apply to the Council for certification for a particular contract if the firm can demonstrate that the contract would have significant impact on businesses owned by minorities, women, or persons with disabilities as suppliers or subcontractors or in employment of minorities, women, or persons with disabilities.

(11) "Utilization plan" means a form and additional documentations included in all bids or proposals that demonstrates a vendor's proposed utilization of vendors certified by the Business Enterprise Program to meet the targeted goal. The utilization plan shall demonstrate that the Vendor has either: (1) met the entire contract goal or (2) requested a full or partial waiver and made good faith efforts towards meeting the goal.

(12) "Business Enterprise Program" means the Business Enterprise Program of the Department of Central Management Services.

(B) When a business is owned at least 51% by any combination of minority persons, women, or persons with disabilities, even though none of the 3 classes alone holds at least a 51% interest, the ownership requirement for purposes of this Act is considered to be met. The certification category for the business is that of the class holding the largest ownership interest in the business. If 2 or more classes have equal ownership interests, the certification category shall be determined by the business.

(Source: P.A. 99-143, eff. 7-27-15; 99-462, eff. 8-25-15; 99-642, eff. 7-28-16; 100-391, eff. 8-25-17.)

(30 ILCS 575/4) (from Ch. 127, par. 132.604)

(Text of Section before amendment by P.A. 101-170)

(Section scheduled to be repealed on June 30, 2024)

Sec. 4. Award of State contracts.

(a) Except as provided in subsection ~~subsections~~ (b) ~~and (c)~~, not less than 20% of the total dollar amount of State contracts, as defined by the Secretary of the Council and approved by the Council, shall be established as an aspirational goal to be awarded to businesses owned by minorities, women, and persons with disabilities; provided, however, that of the total amount of all State contracts awarded to businesses owned by minorities, women, and persons with disabilities pursuant to this Section, contracts representing

at least 11% shall be awarded to businesses owned by minorities, contracts representing at least 7% shall be awarded to women-owned businesses, and contracts representing at least 2% shall be awarded to businesses owned by persons with disabilities.

The above percentage relates to the total dollar amount of State contracts during each State fiscal year, calculated by examining independently each type of contract for each agency or public institutions of higher education which lets such contracts. Only that percentage of arrangements which represents the participation of businesses owned by minorities, women, and persons with disabilities on such contracts shall be included. State contracts subject to the requirements of this Act shall include the requirement that only expenditures to businesses owned by minorities, women, and persons with disabilities that perform a commercially useful function may be counted toward the goals set forth by this Act. Contracts shall include a definition of "commercially useful function" that is consistent with 49 CFR 26.55(c).

(b) In the case of State construction contracts, the provisions of subsection (a) requiring a portion of State contracts to be awarded to businesses owned and controlled by persons with disabilities do not apply. The following aspirational goals are established for State construction contracts: not less than 20% of the total dollar amount of State construction contracts is established as a goal to be awarded to minority-owned and women-owned businesses.

(c) In the case of all work undertaken by the University of Illinois related to the planning, organization, and staging of the games, the University of Illinois shall establish a goal of awarding not less than 25% of the annual dollar value of all contracts, purchase orders, and other agreements (collectively referred to as "the contracts") to minority-owned businesses or businesses owned by a person with a disability and 5% of the annual dollar value the contracts to women-owned businesses. For purposes of this subsection, the term "games" has the meaning set forth in the Olympic Games and Paralympic Games (2016) Law.

(d) Within one year after April 28, 2009 (the effective date of Public Act 96-8), the Department of Central Management Services shall conduct a social scientific study that measures the impact of discrimination on minority and women business development in Illinois. Within 18 months after April 28, 2009 (the effective date of Public Act 96-8), the Department shall issue a report of its findings and any recommendations on whether to adjust the goals for minority and women participation established in this Act. Copies of this report and the social scientific study shall be filed with the Governor and the General Assembly. By December 1, 2022, the Department of Central Management Services Business Enterprise Program shall develop a model for social scientific disparity study sourcing for local governmental units to adapt and implement to address regional disparities in public procurement.

(e) Except as permitted under this Act or as otherwise mandated by federal law or regulation, those who submit bids or proposals for State contracts subject to the provisions of this Act, whose bids or proposals are successful and include a utilization plan but that fail to meet the goals set forth in subsection (b) of this Section, shall be notified of that deficiency and shall be afforded a period not to exceed 10 calendar days from the date of notification to cure that deficiency in the bid or proposal. The deficiency in the bid or proposal may only be cured by contracting with additional subcontractors who are owned by minorities or women, but in no case shall an identified subcontractor with a certification made pursuant to this Act be terminated from the contract without the written consent of the State agency or public institution of higher education entering into the contract.

(f) Non-construction solicitations that include Business Enterprise Program participation goals shall require bidders and offerors to include utilization plans. Utilization plans are due at the time of bid or offer submission. Failure to complete and include a utilization plan, including documentation demonstrating good faith effort when requesting a waiver, shall render the bid or offer non-responsive.
(Source: P.A. 99-462, eff. 8-25-15; 99-514, eff. 6-30-16; 100-391, eff. 8-25-17.)

(Text of Section after amendment by P.A. 101-170)

(Section scheduled to be repealed on June 30, 2024)

Sec. 4. Award of State contracts.

(a) Except as provided in subsection ~~subsections~~ (b) ~~and (c)~~, not less than 20% of the total dollar amount of State contracts, as defined by the Secretary of the Council and approved by the Council, shall be established as an aspirational goal to be awarded to businesses owned by minorities, women, and persons with disabilities; provided, however, that of the total amount of all State contracts awarded to businesses owned by minorities, women, and persons with disabilities pursuant to this Section, contracts representing at least 11% shall be awarded to businesses owned by minorities, contracts representing at least 7% shall be awarded to women-owned businesses, and contracts representing at least 2% shall be awarded to businesses owned by persons with disabilities.

The above percentage relates to the total dollar amount of State contracts during each State fiscal year, calculated by examining independently each type of contract for each agency or public institutions of

higher education which lets such contracts. Only that percentage of arrangements which represents the participation of businesses owned by minorities, women, and persons with disabilities on such contracts shall be included. State contracts subject to the requirements of this Act shall include the requirement that only expenditures to businesses owned by minorities, women, and persons with disabilities that perform a commercially useful function may be counted toward the goals set forth by this Act. Contracts shall include a definition of "commercially useful function" that is consistent with 49 CFR 26.55(c).

(b) Not less than 20% of the total dollar amount of State construction contracts is established as an aspirational goal to be awarded to businesses owned by minorities, women, and persons with disabilities; provided that, contracts representing at least 11% of the total dollar amount of State construction contracts shall be awarded to businesses owned by minorities; contracts representing at least 7% of the total dollar amount of State construction contracts shall be awarded to women-owned businesses; and contracts representing at least 2% of the total dollar amount of State construction contracts shall be awarded to businesses owned by persons with disabilities.

(c) (Blank).

(d) Within one year after April 28, 2009 (the effective date of Public Act 96-8), the Department of Central Management Services shall conduct a social scientific study that measures the impact of discrimination on minority and women business development in Illinois. Within 18 months after April 28, 2009 (the effective date of Public Act 96-8), the Department shall issue a report of its findings and any recommendations on whether to adjust the goals for minority and women participation established in this Act. Copies of this report and the social scientific study shall be filed with the Governor and the General Assembly.

By December 1, 2020, the Department of Central Management Services shall conduct a new social scientific study that measures the impact of discrimination on minority and women business development in Illinois. By June 1, 2022, the Department shall issue a report of its findings and any recommendations on whether to adjust the goals for minority and women participation established in this Act. Copies of this report and the social scientific study shall be filed with the Governor, the Advisory Board, and the General Assembly. By December 1, 2022, the Department of Central Management Services Business Enterprise Program shall develop a model for social scientific disparity study sourcing for local governmental units to adapt and implement to address regional disparities in public procurement.

(e) Except as permitted under this Act or as otherwise mandated by federal law or regulation, those who submit bids or proposals for State contracts subject to the provisions of this Act, whose bids or proposals are successful and include a utilization plan but that fail to meet the goals set forth in subsection (b) of this Section, shall be notified of that deficiency and shall be afforded a period not to exceed 10 calendar days from the date of notification to cure that deficiency in the bid or proposal. The deficiency in the bid or proposal may only be cured by contracting with additional subcontractors who are owned by minorities or women. Any increase in cost to a contract for the addition of a subcontractor to cure a bid's deficiency shall not affect the bid price, shall not be used in the request for an exemption in this Act, and in no case shall an identified subcontractor with a certification made pursuant to this Act be terminated from the contract without the written consent of the State agency or public institution of higher education entering into the contract.

(f) Non-construction solicitations that include Business Enterprise Program participation goals shall require bidders and offerors to include utilization plans. Utilization plans are due at the time of bid or offer submission. Failure to complete and include a utilization plan, including documentation demonstrating good faith effort when requesting a waiver, shall render the bid or offer non-responsive.

(Source: P.A. 100-391, eff. 8-25-17; 101-170, eff. 1-1-20.)

(30 ILCS 575/5) (from Ch. 127, par. 132.605)

(Section scheduled to be repealed on June 30, 2024)

Sec. 5. Business Enterprise Council.

(1) To help implement, monitor and enforce the goals of this Act, there is created the Business Enterprise Council for Minorities, Women, and Persons with Disabilities, hereinafter referred to as the Council, composed of the Secretary of Human Services and the Directors of the Department of Human Rights, the Department of Commerce and Economic Opportunity, the Department of Central Management Services, the Department of Transportation and the Capital Development Board, or their duly appointed representatives, with the Comptroller, or his or her designee, serving as an advisory member of the Council. Ten individuals representing businesses that are minority-owned or women-owned or owned by persons with disabilities, 2 individuals representing the business community, and a representative of public institutions of higher education shall be appointed by the Governor. These members shall serve 2 year terms and shall be eligible for reappointment. Any vacancy occurring on the Council shall also be filled by the Governor. Any member appointed to fill a vacancy occurring prior to the expiration of the term for

which his predecessor was appointed shall be appointed for the remainder of such term. Members of the Council shall serve without compensation but shall be reimbursed for any ordinary and necessary expenses incurred in the performance of their duties.

The Director of the Department of Central Management Services shall serve as the Council chairperson and shall select, subject to approval of the council, a Secretary responsible for the operation of the program who shall serve as the Division Manager of the Business Enterprise for Minorities, Women, and Persons with Disabilities Division of the Department of Central Management Services.

The Director of each State agency and the chief executive officer of each public institutions of higher education shall appoint a liaison to the Council. The liaison shall be responsible for submitting to the Council any reports and documents necessary under this Act.

(2) The Council's authority and responsibility shall be to:

(a) Devise a certification procedure to assure that businesses taking advantage of this Act are legitimately classified as businesses owned by minorities, women, or persons with disabilities and a registration procedure to recognize, without additional evidence of Business Enterprise Program eligibility, the certification of businesses owned by minorities, women, or persons with disabilities certified by the City of Chicago, Cook County, or other jurisdictional programs with requirements and procedures equaling or exceeding those in this Act.

(b) Maintain a list of all businesses legitimately classified as businesses owned by minorities, women, or persons with disabilities to provide to State agencies and public institutions of higher education.

(c) Review rules and regulations for the implementation of the program for businesses owned by minorities, women, and persons with disabilities.

(d) Review compliance plans submitted by each State agency and public institutions of higher education pursuant to this Act.

(e) Make annual reports as provided in Section 8f to the Governor and the General Assembly on the status of the program.

(f) Serve as a central clearinghouse for information on State contracts, including the maintenance of a list of all pending State contracts upon which businesses owned by minorities, women, and persons with disabilities may bid. At the Council's discretion, maintenance of the list may include 24-hour electronic access to the list along with the bid and application information.

(g) Establish a toll free telephone number to facilitate information requests concerning the certification process and pending contracts.

(3) No premium bond rate of a surety company for a bond required of a business owned by a minority, woman, or person with a disability bidding for a State contract shall be higher than the lowest rate charged by that surety company for a similar bond in the same classification of work that would be written for a business not owned by a minority, woman, or person with a disability.

(4) Any Council member who has direct financial or personal interest in any measure pending before the Council shall disclose this fact to the Council and refrain from participating in the determination upon such measure.

(5) The Secretary shall have the following duties and responsibilities:

(a) To be responsible for the day-to-day operation of the Council.

(b) To serve as a coordinator for all of the State's programs for businesses owned by minorities, women, and persons with disabilities and as the information and referral center for all State initiatives for businesses owned by minorities, women, and persons with disabilities.

(c) To establish an enforcement procedure whereby the Council may recommend to the appropriate State legal officer that the State exercise its legal remedies which shall include (1) termination of the contract involved, (2) prohibition of participation by the respondent in public contracts for a period not to exceed 3 years, (3) imposition of a penalty not to exceed any profit acquired as a result of violation, or (4) any combination thereof. Such procedures shall require prior approval by Council. All funds collected as penalties under this subsection shall be used exclusively for maintenance and further development of the Business Enterprise Program and encouragement of participation in State procurement by minorities, women, and persons with disabilities.

(d) To devise appropriate policies, regulations and procedures for including participation by businesses owned by minorities, women, and persons with disabilities as prime contractors including, but not limited to, (i) encouraging the inclusions of qualified businesses owned by minorities, women, and persons with disabilities on solicitation lists, (ii) investigating the potential of blanket bonding programs for small construction jobs, (iii) investigating and making recommendations concerning the use of the sheltered market process.

(e) To devise procedures for the waiver of the participation goals in appropriate

circumstances.

(f) To accept donations and, with the approval of the Council or the Director of Central Management Services, grants related to the purposes of this Act; to conduct seminars related to the purpose of this Act and to charge reasonable registration fees; and to sell directories, vendor lists and other such information to interested parties, except that forms necessary to become eligible for the program shall be provided free of charge to a business or individual applying for the program.

(Source: P.A. 99-462, eff. 8-25-15; 100-391, eff. 8-25-17; 100-801, eff. 8-10-18.)

(30 ILCS 575/7) (from Ch. 127, par. 132.607)

(Section scheduled to be repealed on June 30, 2024)

Sec. 7. Exemptions; waivers; publication of data.

(1) Individual contract exemptions. The Council, at the written request of the affected agency, public institution of higher education, or recipient of a grant or loan of State funds of $250,000 or more complying with Section 45 of the State Finance Act, may permit an individual contract or contract package, (related contracts being bid or awarded simultaneously for the same project or improvements) be made wholly or partially exempt from State contracting goals for businesses owned by minorities, women, and persons with disabilities prior to the advertisement for bids or solicitation of proposals whenever there has been a determination, reduced to writing and based on the best information available at the time of the determination, that there is an insufficient number of businesses owned by minorities, women, and persons with disabilities to ensure adequate competition and an expectation of reasonable prices on bids or proposals solicited for the individual contract or contract package in question. ~~The Council may charge a reasonable fee for written request of individual contract exemptions.~~ Any such exemptions shall be given by the Council to the Bureau on Apprenticeship Programs.

(a) Written request for contract exemption. A written request for an individual contract exemption ~~exception~~ must include, but is not limited to, the following:

(i) a list of eligible ~~qualified~~ businesses owned by minorities, women, and persons with disabilities ~~that would qualify for the purpose of the contract~~;

(ii) a clear demonstration ~~each business's deficiency~~ that the number of eligible businesses identified in subparagraph (i) above is insufficient to ensure ~~would impair~~ adequate competition ~~or qualification~~;

(iii) the difference in cost between the contract proposals being offered by businesses owned by minorities, women, and persons with disabilities and the agency or ~~the~~ public institution of higher education's expectations of reasonable prices on bids or proposals within that class; and

(iv) a list of eligible ~~qualified~~ businesses owned by minorities, women, and persons with disabilities that the contractor has used in the current and prior ~~most recent~~ fiscal years ~~year~~.

(b) Determination. The Council's determination concerning an individual contract exemption must consider, at a minimum, ~~include~~ the following:

(i) the justification for the requested exemption, including whether diligent efforts were undertaken to identify and solicit eligible businesses owned by minorities, women, and persons with disabilities ~~each business's disqualification~~;

(ii) the total number of exemptions granted to ~~waivers of~~ the affected agency, public institution of higher education, or recipient of a grant or loan of State funds of $250,000 or more complying with Section 45 of the State Finance Act that have been granted by the Council in the current and prior ~~for that~~ fiscal years ~~year~~; and

(iii) the percentage of ~~affected agency or public institution of higher education's most current percentages in~~ contracts awarded by the agency or public institution of higher education to eligible businesses owned by minorities, women, and persons with disabilities in the current and prior ~~for that~~ fiscal years ~~year~~.

(2) Class exemptions.

(a) Creation. The Council, at the written request of the affected agency or public institution of higher education, may permit an entire class of contracts be made exempt from State contracting goals for businesses owned by minorities, women, and persons with disabilities whenever there has been a determination, reduced to writing and based on the best information available at the time of the determination, that there is an insufficient number of qualified businesses owned by minorities, women, and persons with disabilities to ensure adequate competition and an expectation of reasonable prices on bids or proposals within that class. Any such exemption shall be given by the Council to the Bureau on Apprenticeship Programs.

(a-1) Written request for class exemption. A written request for a class exemption ~~exception~~ must include,

but is not limited to, the following:

(i) a list of eligible ~~qualified~~ businesses owned by minorities, women, and persons with disabilities ~~that pertain to the class of contracts in the requested waiver~~;

(ii) a clear demonstration ~~each business's deficiency~~ that the number of eligible businesses identified in subparagraph (i) above is insufficient to ensure ~~would impair~~ adequate competition ~~or qualification~~;

(iii) the difference in cost between the contract proposals being offered by eligible businesses owned by minorities, women, and persons with disabilities and the agency or ~~the~~ public institution of higher education's expectations of reasonable prices on bids or proposals within that class; and

(iv) the number of class exemptions the affected agency or public institution of higher education ~~has~~ requested in the current and prior ~~for that~~ fiscal years ~~year~~.

(a-2) Determination. The Council's determination concerning class exemptions must consider, at a minimum, ~~include~~ the following:

(i) the justification for the requested exemption, including whether diligent efforts were undertaken to identify and solicit eligible businesses owned by minorities, women, and persons with disabilities ~~each business's disqualification~~;

(ii) the total number of class exemptions granted to ~~waivers of~~ the requesting agency or public institution of higher education that have been granted by the Council in the current and prior ~~for that~~ fiscal years ~~year~~; and

(iii) the percentage of ~~agency or public institution of higher education's most current percentages in~~ contracts awarded by the agency or public institution of higher education to eligible businesses owned by minorities, women, and persons with disabilities the current and prior ~~for that~~ fiscal years ~~year~~.

(b) Limitation. Any such class exemption shall not be permitted for a period of more than one year at a time.

(3) Waivers. Where a particular contract requires a contractor to meet a goal established pursuant to this Act, the contractor shall have the right to request a waiver from such requirements. The Council shall grant the waiver where the contractor demonstrates that there has been made a good faith effort to comply with the goals for participation by businesses owned by minorities, women, and persons with disabilities. Any such waiver shall also be transmitted in writing to the Bureau on Apprenticeship Programs.

(a) Request for waiver. A contractor's request for a waiver under this subsection (3) must include, but is not limited to, the following, if available:

(i) a list of eligible ~~qualified~~ businesses owned by minorities, women, and persons with disabilities that pertain to the class of contracts in the requested waiver;

(ii) a clear demonstration ~~each business's deficiency~~ that the number of eligible businesses identified in subparagraph (i) above is insufficient to ensure ~~would impair adequate~~ competition ~~or qualification~~;

(iii) the difference in cost between the contract proposals being offered by businesses owned by minorities, women, and persons with disabilities and the agency or the public institution of higher education's expectations of reasonable prices on bids or proposals within that class; and ~~.~~

(iv) a list of businesses owned by minorities, women, and persons with disabilities that the contractor has used in the current and prior fiscal years.

(b) Determination. The Council's determination concerning waivers must include following:

(i) the justification for the requested waiver, including whether the requesting contractor made a good faith effort to identify and solicit eligible business owned by minorities, women, and persons with disabilities ~~each business's disqualification~~;

(ii) the total number of waivers the contractor has been granted by the Council in the current and prior ~~for that~~ fiscal years ~~year~~;

(iii) the percentage of ~~affected agency or public institution of higher education's most current percentages in~~ contracts awarded by the agency or public institution of higher education to eligible businesses owned by minorities, women, and persons with disabilities in the current and prior ~~for that~~ fiscal years ~~year~~; and

(iv) the contractor's use of ~~a list of qualified~~ businesses owned by minorities, women, and persons with disabilities ~~that the contractor has used~~ in the current and prior ~~most recent~~

fiscal years ~~year~~.

(3.5) (Blank). ~~Fees. The Council may charge a fee for a written request on individual contract exemptions. The Council shall not charge for a first request. For a second request, the Council shall charge no more than $1,000. For a fifth request or higher from a contractor, the Council shall charge no more than $5,000 per request. The Department shall collect the fees under this Section. Any fee collected under this Section shall be used by the Bureau on Apprenticeship Programs to increase minority participation in apprenticeship programs in the State.~~

(4) Conflict with other laws. In the event that any State contract, which otherwise would be subject to the provisions of this Act, is or becomes subject to federal laws or regulations which conflict with the provisions of this Act or actions of the State taken pursuant hereto, the provisions of the federal laws or regulations shall apply and the contract shall be interpreted and enforced accordingly.

(5) Each chief procurement officer, as defined in the Illinois Procurement Code, shall maintain on his or her official Internet website a database of the following: (i) waivers granted under this Section with respect to contracts under his or her jurisdiction; (ii) a State agency or public institution of higher education's written request for an exemption of an individual contract or an entire class of contracts; and (iii) the Council's written determination granting or denying a request for an exemption of an individual contract or an entire class of contracts. The database, which shall be updated periodically as necessary, shall be searchable by contractor name and by contracting State agency.

(6) Each chief procurement officer, as defined by the Illinois Procurement Code, shall maintain on its website a list of all firms that have been prohibited from bidding, offering, or entering into a contract with the State of Illinois as a result of violations of this Act.

Each public notice required by law of the award of a State contract shall include for each bid or offer submitted for that contract the following: (i) the bidder's or offeror's name, (ii) the bid amount, (iii) the name or names of the certified firms identified in the bidder's or offeror's submitted utilization plan, and (iv) the bid's amount and percentage of the contract awarded to businesses owned by minorities, women, and persons with disabilities identified in the utilization plan.

(Source: P.A. 100-391, eff. 8-25-17; 101-170, eff. 1-1-20; revised 9-20-19.)

Section 2-15. The Criminal Code of 2012 is amended by changing Section 17-10.3 as follows:

(720 ILCS 5/17-10.3)

(Text of Section before amendment by P.A. 101-170)

Sec. 17-10.3. Deception relating to certification of disadvantaged business enterprises.

(a) Fraudulently obtaining or retaining certification. A person who, in the course of business, fraudulently obtains or retains certification as a minority-owned business, women-owned business, service-disabled veteran-owned small business, or veteran-owned small business commits a Class 2 felony.

(b) Willfully making a false statement. A person who, in the course of business, willfully makes a false statement whether by affidavit, report or other representation, to an official or employee of a State agency or the Business Enterprise Council for Minorities, Women, and Persons with Disabilities for the purpose of influencing the certification or denial of certification of any business entity as a minority-owned business, women-owned business, service-disabled veteran-owned small business, or veteran-owned small business commits a Class 2 felony.

(c) Willfully obstructing or impeding an official or employee of any agency in his or her investigation. Any person who, in the course of business, willfully obstructs or impedes an official or employee of any State agency or the Business Enterprise Council for Minorities, Women, and Persons with Disabilities who is investigating the qualifications of a business entity which has requested certification as a minority-owned business, women-owned business, service-disabled veteran-owned small business, or veteran-owned small business commits a Class 2 felony.

(d) Fraudulently obtaining public moneys reserved for disadvantaged business enterprises. Any person who, in the course of business, fraudulently obtains public moneys reserved for, or allocated or available to, minority-owned businesses, women-owned businesses, service-disabled veteran-owned small businesses, or veteran-owned small businesses commits a Class 2 felony.

(e) Definitions. As used in this Article, "minority-owned business", "women-owned business", "State agency" with respect to minority-owned businesses and women-owned businesses, and "certification" with respect to minority-owned businesses and women-owned businesses shall have the meanings ascribed to them in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. As used in this Article, "service-disabled veteran-owned small business", "veteran-owned small business", "State agency" with respect to service-disabled veteran-owned small businesses and veteran-owned small businesses, and "certification" with respect to service-disabled veteran-owned small businesses and

veteran-owned small businesses have the same meanings as in Section 45-57 of the Illinois Procurement Code.
(Source: P.A. 100-391, eff. 8-25-17.)

(Text of Section after amendment by P.A. 101-170)

Sec. 17-10.3. Deception relating to certification of disadvantaged business enterprises.

(a) Fraudulently obtaining or retaining certification. A person who, in the course of business, fraudulently obtains or retains certification as a minority-owned business, women-owned business, service-disabled veteran-owned small business, or veteran-owned small business commits a Class 2 ~~1~~ felony.

(b) Willfully making a false statement. A person who, in the course of business, willfully makes a false statement whether by affidavit, report or other representation, to an official or employee of a State agency or the Business Enterprise Council for Minorities, Women, and Persons with Disabilities for the purpose of influencing the certification or denial of certification of any business entity as a minority-owned business, women-owned business, service-disabled veteran-owned small business, or veteran-owned small business commits a Class 2 ~~1~~ felony.

(c) Willfully obstructing or impeding an official or employee of any agency in his or her investigation. Any person who, in the course of business, willfully obstructs or impedes an official or employee of any State agency or the Business Enterprise Council for Minorities, Women, and Persons with Disabilities who is investigating the qualifications of a business entity which has requested certification as a minority-owned business, women-owned business, service-disabled veteran-owned small business, or veteran-owned small business commits a Class 2 ~~1~~ felony.

(d) Fraudulently obtaining public moneys reserved for disadvantaged business enterprises. Any person who, in the course of business, fraudulently obtains public moneys reserved for, or allocated or available to, minority-owned businesses, women-owned businesses, service-disabled veteran-owned small businesses, or veteran-owned small businesses commits a Class 2 ~~1~~ felony.

(e) Definitions. As used in this Article, "minority-owned business", "women-owned business", "State agency" with respect to minority-owned businesses and women-owned businesses, and "certification" with respect to minority-owned businesses and women-owned businesses shall have the meanings ascribed to them in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. As used in this Article, "service-disabled veteran-owned small business", "veteran-owned small business", "State agency" with respect to service-disabled veteran-owned small businesses and veteran-owned small businesses, and "certification" with respect to service-disabled veteran-owned small businesses and veteran-owned small businesses have the same meanings as in Section 45-57 of the Illinois Procurement Code.
(Source: P.A. 100-391, eff. 8-25-17; 101-170, eff. 1-1-20.)

Article 99

Section 99-95. 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 99-99. Effective date. This Act takes effect upon becoming law, except that Article 2 takes effect January 1, 2020.".

AMENDMENT NO. 4 TO SENATE BILL 177

AMENDMENT NO. 4. Amend Senate Bill 177, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, as follows:

on page 31, line 4, by replacing "17" with "25"; and

on page 31, line 6, by replacing "3" with "5"; and

on page 31, line 8, by replacing "3" with "5".

Under the rules, the foregoing **Senate Bill No. 177**, with House Amendments numbered 1, 2 and 4, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, 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. 667

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. 1 to SENATE BILL NO. 667

Passed the House, as amended, November 13, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 667

AMENDMENT NO. 1. Amend Senate Bill 667 by replacing everything after the enacting clause with the following:

"Section 1. Findings. The General Assembly finds and declares that:

(1) Diabetes affects approximately 1,300,000 adults in Illinois (12.5% of the population);

(2) Diabetes is the seventh leading cause of death nationally and in Illinois;

(3) The toll on the U.S. economy has increased by more than 40% since 2007, costing the country $245,000,000,000 in 2012;

(4) When someone has diabetes, the body either does not make enough insulin or is unable to use its own insulin, causing glucose levels to rise higher than normal in the blood;

(5) For people with Type 1 diabetes, near-constant self-management of glucose levels is essential to prevent life-threatening complications;

(6) From 2012 to 2016, the average price of insulin increased from 13 cents per unit to 25 cents per unit; therefore,

It is necessary for the State to enact laws to reduce the costs for Illinoisans with diabetes and increase their access to life-saving and life-sustaining insulin.

Section 5. The State Employees Group Insurance Act of 1971 is amended by changing Section 6.11 as follows:

(5 ILCS 375/6.11)

Sec. 6.11. Required health benefits; Illinois Insurance Code requirements. The program of health benefits shall provide the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t of the Illinois Insurance Code. The program of health benefits shall provide the coverage required under Sections 356g, 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, ~~and~~ 356z.33 , 356z.36, and 356z.41 of the Illinois Insurance Code. The program of health benefits must comply with Sections 155.22a, 155.37, 355b, 356z.19, 370c, and 370c.1 ~~,~~ and Article XXXIIB of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section with respect to Sections 370c and 370c.1 of the Illinois Insurance Code; all other requirements of this Section shall be enforced by the Department of Central Management Services.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 100-1170, eff. 6-1-19; 101-13, eff. 6-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 15. The Counties Code is amended by changing Section 5-1069.3 as follows:

(55 ILCS 5/5-1069.3)

Sec. 5-1069.3. Required health benefits. If a county, including a home rule county, is a self-insurer for purposes of providing health insurance coverage for its employees, the coverage shall include coverage

for the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, ~~and~~ 356z.32, ~~and~~ 356z.33 , 356z.36, and 356z.41 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, 356z.19, and 370c of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section. The requirement that health benefits be covered as provided in this Section is an exclusive power and function of the State and is a denial and limitation under Article VII, Section 6, subsection (h) of the Illinois Constitution. A home rule county to which this Section applies must comply with every provision of this Section.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 20. The Illinois Municipal Code is amended by changing Section 10-4-2.3 as follows:

(65 ILCS 5/10-4-2.3)

Sec. 10-4-2.3. Required health benefits. If a municipality, including a home rule municipality, is a self-insurer for purposes of providing health insurance coverage for its employees, the coverage shall include coverage for the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, ~~and~~ 356z.32, ~~and~~ 356z.33 , 356z.36, and 356z.41 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, 356z.19, and 370c of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section. The requirement that health benefits be covered as provided in this is an exclusive power and function of the State and is a denial and limitation under Article VII, Section 6, subsection (h) of the Illinois Constitution. A home rule municipality to which this Section applies must comply with every provision of this Section.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 25. The School Code is amended by changing Section 10-22.3f as follows:

(105 ILCS 5/10-22.3f)

Sec. 10-22.3f. Required health benefits. Insurance protection and benefits for employees shall provide the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, ~~and~~ 356z.32, ~~and~~ 356z.33 , 356z.36, and 356z.41 of the Illinois Insurance Code. Insurance policies shall comply with Section 356z.19 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, and 370c of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 30. The Illinois Insurance Code is amended by changing Section 356w and by adding Sections 356z.41 and 356z.42 as follows:

(215 ILCS 5/356w)

Sec. 356w. Diabetes self-management training and education.

(a) A group policy of accident and health insurance that is amended, delivered, issued, or renewed after the effective date of this amendatory Act of 1998 shall provide coverage for outpatient self-management training and education, equipment, and supplies, as set forth in this Section, for the treatment of type 1 diabetes, type 2 diabetes, and gestational diabetes mellitus.

(b) As used in this Section:

"Diabetes self-management training" means instruction in an outpatient setting which enables a diabetic patient to understand the diabetic management process and daily management of diabetic therapy as a means of avoiding frequent hospitalization and complications. Diabetes self-management training shall include the content areas listed in the National Standards for Diabetes Self-Management Education Programs as published by the American Diabetes Association, including medical nutrition therapy and education programs, as defined by the contract of insurance, that allow the patient to maintain an A1c level within the range identified in nationally recognized standards of care.

"Medical nutrition therapy" shall have the meaning ascribed to that term in the Dietitian Nutritionist Practice Act.

"Physician" means a physician licensed to practice medicine in all of its branches providing care to the individual.

"Qualified provider" for an individual that is enrolled in:

(1) a health maintenance organization that uses a primary care physician to control access to specialty care means (A) the individual's primary care physician licensed to practice medicine in all of its branches, (B) a physician licensed to practice medicine in all of its branches to whom the individual has been referred by the primary care physician, or (C) a certified, registered, or licensed network health care professional with expertise in diabetes management to whom the individual has been referred by the primary care physician.

(2) an insurance plan means (A) a physician licensed to practice medicine in all of its branches or (B) a certified, registered, or licensed health care professional with expertise in diabetes management to whom the individual has been referred by a physician.

(c) Coverage under this Section for diabetes self-management training, including medical nutrition education, shall be limited to the following:

(1) Up to 3 medically necessary visits to a qualified provider upon initial diagnosis of diabetes by the patient's physician or, if diagnosis of diabetes was made within one year prior to the effective date of this amendatory Act of 1998 where the insured was a covered individual, up to 3 medically necessary visits to a qualified provider within one year after that effective date.

(2) Up to 2 medically necessary visits to a qualified provider upon a determination by a patient's physician that a significant change in the patient's symptoms or medical condition has occurred. A "significant change" in condition means symptomatic hyperglycemia (greater than 250 mg/dl on repeated occasions), severe hypoglycemia (requiring the assistance of another person), onset or progression of diabetes, or a significant change in medical condition that would require a significantly different treatment regimen.

Payment by the insurer or health maintenance organization for the coverage required for diabetes self-management training pursuant to the provisions of this Section is only required to be made for services provided. No coverage is required for additional visits beyond those specified in items (1) and (2) of this subsection.

Coverage under this subsection (c) for diabetes self-management training shall be subject to the same deductible, co-payment, and co-insurance provisions that apply to coverage under the policy for other services provided by the same type of provider.

(d) Coverage shall be provided for the following equipment when medically necessary and prescribed by a physician licensed to practice medicine in all of its branches. Coverage for the following items shall be subject to deductible, co-payment and co-insurance provisions provided for under the policy or a durable medical equipment rider to the policy:

(1) blood glucose monitors;

(2) blood glucose monitors for the legally blind;

(3) cartridges for the legally blind; and

(4) lancets and lancing devices.

This subsection does not apply to a group policy of accident and health insurance that does not provide a durable medical equipment benefit.

(e) Coverage shall be provided for the following pharmaceuticals and supplies when medically necessary and prescribed by a physician licensed to practice medicine in all of its branches. Coverage for the following items shall be subject to the same coverage, deductible, co-payment, and co-insurance

provisions under the policy or a drug rider to the policy, except as otherwise provided for under Section 356z.41:

(1) insulin;

(2) syringes and needles;

(3) test strips for glucose monitors;

(4) FDA approved oral agents used to control blood sugar; and

(5) glucagon emergency kits.

This subsection does not apply to a group policy of accident and health insurance that does not provide a drug benefit.

(f) Coverage shall be provided for regular foot care exams by a physician or by a physician to whom a physician has referred the patient. Coverage for regular foot care exams shall be subject to the same deductible, co-payment, and co-insurance provisions that apply under the policy for other services provided by the same type of provider.

(g) If authorized by a physician, diabetes self-management training may be provided as a part of an office visit, group setting, or home visit.

(h) This Section shall not apply to agreements, contracts, or policies that provide coverage for a specified diagnosis or other limited benefit coverage.

(Source: P.A. 97-281, eff. 1-1-12; 97-1141, eff. 12-28-12.)

(215 ILCS 5/356z.41 new)

Sec. 356z.41. Cost sharing in prescription insulin drugs; limits; confidentiality of rebate information.

(a) As used in this Section, "prescription insulin drug" means a prescription drug that contains insulin and is used to control blood glucose levels to treat diabetes but does not include an insulin drug that is administered to a patient intravenously.

(b) This Section applies to a group or individual policy of accident and health insurance amended, delivered, issued, or renewed on or after the effective date of this amendatory Act of the 101st General Assembly.

(c) An insurer that provides coverage for prescription insulin drugs pursuant to the terms of a health coverage plan the insurer offers shall limit the total amount that an insured is required to pay for a 30-day supply of covered prescription insulin drugs at an amount not to exceed $100, regardless of the quantity or type of covered prescription insulin drug used to fill the insured's prescription.

(d) Nothing in this Section prevents an insurer from reducing an insured's cost sharing by an amount greater than the amount specified in subsection (c).

(e) The Director may use any of the Director's enforcement powers to obtain an insurer's compliance with this Section.

(f) The Department may adopt rules as necessary to implement and administer this Section and to align it with federal requirements.

(g) On January 1 of each year, the limit on the amount that an insured is required to pay for a 30-day supply of a covered prescription insulin drug shall increase by a percentage equal to the percentage change from the preceding year in the medical care component of the Consumer Price Index of the Bureau of Labor Statistics of the United States Department of Labor.

(215 ILCS 5/356z.42 new)

Sec. 356z.42. Insulin pricing report. By November 1, 2020, the Department of Insurance in conjunction with the Department of Human Services and the Department of Healthcare and Family Services shall make available to the public a report that details each Department's findings for the following:

(1) a summary of insulin pricing practices and variables that contribute to pricing of health coverage plans;

(2) public policy recommendations to control and prevent overpricing of prescription insulin drugs made available to Illinois consumers; and

(3) any other information the Department finds necessary.

This Section is repealed December 31, 2020.

Section 35. The Health Maintenance Organization Act is amended by changing Section 5-3 as follows:

(215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

Sec. 5-3. Insurance Code provisions.

(a) Health Maintenance Organizations shall be subject to the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3, 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33, 356z.35,

356z.36, 356z.41, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois Insurance Code.

(b) For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health Maintenance Organizations in the following categories are deemed to be "domestic companies":

(1) a corporation authorized under the Dental Service Plan Act or the Voluntary Health Services Plans Act;

(2) a corporation organized under the laws of this State; or

(3) a corporation organized under the laws of another state, 30% or more of the enrollees of which are residents of this State, except a corporation subject to substantially the same requirements in its state of organization as is a "domestic company" under Article VIII 1/2 of the Illinois Insurance Code.

(c) In considering the merger, consolidation, or other acquisition of control of a Health Maintenance Organization pursuant to Article VIII 1/2 of the Illinois Insurance Code,

(1) the Director shall give primary consideration to the continuation of benefits to enrollees and the financial conditions of the acquired Health Maintenance Organization after the merger, consolidation, or other acquisition of control takes effect;

(2)(i) the criteria specified in subsection (1)(b) of Section 131.8 of the Illinois Insurance Code shall not apply and (ii) the Director, in making his determination with respect to the merger, consolidation, or other acquisition of control, need not take into account the effect on competition of the merger, consolidation, or other acquisition of control;

(3) the Director shall have the power to require the following information:

(A) certification by an independent actuary of the adequacy of the reserves of the Health Maintenance Organization sought to be acquired;

(B) pro forma financial statements reflecting the combined balance sheets of the acquiring company and the Health Maintenance Organization sought to be acquired as of the end of the preceding year and as of a date 90 days prior to the acquisition, as well as pro forma financial statements reflecting projected combined operation for a period of 2 years;

(C) a pro forma business plan detailing an acquiring party's plans with respect to the operation of the Health Maintenance Organization sought to be acquired for a period of not less than 3 years; and

(D) such other information as the Director shall require.

(d) The provisions of Article VIII 1/2 of the Illinois Insurance Code and this Section 5-3 shall apply to the sale by any health maintenance organization of greater than 10% of its enrollee population (including without limitation the health maintenance organization's right, title, and interest in and to its health care certificates).

(e) In considering any management contract or service agreement subject to Section 141.1 of the Illinois Insurance Code, the Director (i) shall, in addition to the criteria specified in Section 141.2 of the Illinois Insurance Code, take into account the effect of the management contract or service agreement on the continuation of benefits to enrollees and the financial condition of the health maintenance organization to be managed or serviced, and (ii) need not take into account the effect of the management contract or service agreement on competition.

(f) Except for small employer groups as defined in the Small Employer Rating, Renewability and Portability Health Insurance Act and except for medicare supplement policies as defined in Section 363 of the Illinois Insurance Code, a Health Maintenance Organization may by contract agree with a group or other enrollment unit to effect refunds or charge additional premiums under the following terms and conditions:

(i) the amount of, and other terms and conditions with respect to, the refund or additional premium are set forth in the group or enrollment unit contract agreed in advance of the period for which a refund is to be paid or additional premium is to be charged (which period shall not be less than one year); and

(ii) the amount of the refund or additional premium shall not exceed 20% of the Health Maintenance Organization's profitable or unprofitable experience with respect to the group or other enrollment unit for the period (and, for purposes of a refund or additional premium, the profitable or unprofitable experience shall be calculated taking into account a pro rata share of the Health Maintenance Organization's administrative and marketing expenses, but shall not include any refund to be made or additional premium to be paid pursuant to this subsection (f)). The Health Maintenance

Organization and the group or enrollment unit may agree that the profitable or unprofitable experience may be calculated taking into account the refund period and the immediately preceding 2 plan years.

The Health Maintenance Organization shall include a statement in the evidence of coverage issued to each enrollee describing the possibility of a refund or additional premium, and upon request of any group or enrollment unit, provide to the group or enrollment unit a description of the method used to calculate (1) the Health Maintenance Organization's profitable experience with respect to the group or enrollment unit and the resulting refund to the group or enrollment unit or (2) the Health Maintenance Organization's unprofitable experience with respect to the group or enrollment unit and the resulting additional premium to be paid by the group or enrollment unit.

In no event shall the Illinois Health Maintenance Organization Guaranty Association be liable to pay any contractual obligation of an insolvent organization to pay any refund authorized under this Section.

(g) Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20; 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 40. The Limited Health Service Organization Act is amended by changing Section 4003 as follows:

(215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

Sec. 4003. Illinois Insurance Code provisions. Limited health service organizations shall be subject to the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v, 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33, 356z.41, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code. For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited health service organizations in the following categories are deemed to be domestic companies:

(1) a corporation under the laws of this State; or

(2) a corporation organized under the laws of another state, 30% or more of the enrollees of which are residents of this State, except a corporation subject to substantially the same requirements in its state of organization as is a domestic company under Article VIII 1/2 of the Illinois Insurance Code.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-201, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; revised 10-16-19.)

Section 45. The Voluntary Health Services Plans Act is amended by changing Section 10 as follows:

(215 ILCS 165/10) (from Ch. 32, par. 604)

Sec. 10. Application of Insurance Code provisions. Health services plan corporations and all persons interested therein or dealing therewith shall be subject to the provisions of Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140, 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g, 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y, 356z.1, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33, 356z.41, 364.01, 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of Section 367 of the Illinois Insurance Code.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; revised 10-16-19.)

Section 99. Effective date. This Act takes effect January 1, 2021, except that Section 356z.42 and this Section take effect upon becoming law.".

Under the rules, the foregoing **Senate Bill No. 667**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, 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. 670
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. 1 to SENATE BILL NO. 670
Passed the House, as amended, November 13, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 670

AMENDMENT NO. 1. Amend Senate Bill 670 on page 10, line 20, by replacing "that term" with ""company"".

Under the rules, the foregoing **Senate Bill No. 670**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, 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. 2104
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. 1 to SENATE BILL NO. 2104
Passed the House, as amended, November 13, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2104

AMENDMENT NO. 1. Amend Senate Bill 2104 by replacing everything after the enacting clause with the following:

"Section 5. The Regulatory Sunset Act is amended by changing Sections 4.30 and 4.33 as follows:
(5 ILCS 80/4.30)
Sec. 4.30. Acts repealed on January 1, 2020. The following Acts are repealed on January 1, 2020:
The Community Association Manager Licensing and Disciplinary Act.
The Illinois Landscape Architecture Act of 1989.
~~The Pharmacy Practice Act.~~
(Source: P.A. 100-497, eff. 9-8-17; 100-534, eff. 9-22-17; 100-863, eff. 8-14-18; 101-269, eff. 8-9-19; 101-310, eff. 8-9-19; 101-311, eff. 8-9-19; 101-312, eff. 8-9-19; 101-313, eff. 8-9-19; 101-345, eff. 8-9-19; 101-346, eff. 8-9-19; 101-357, eff. 8-9-19; revised 9-27-19.)
(5 ILCS 80/4.33)
Sec. 4.33. Acts repealed on January 1, 2023. The following Acts are repealed on January 1, 2023:
The Dietitian Nutritionist Practice Act.
The Elevator Safety and Regulation Act.
The Fire Equipment Distributor and Employee Regulation Act of 2011.
The Funeral Directors and Embalmers Licensing Code.
The Naprapathic Practice Act.

The Pharmacy Practice Act.

The Professional Counselor and Clinical Professional Counselor Licensing and Practice Act.

The Wholesale Drug Distribution Licensing Act.

(Source: P.A. 97-706, eff. 6-25-12; 97-778, eff. 7-13-12; 97-804, eff. 1-1-13; 97-979, eff. 8-17-12; 97-1048, eff. 8-22-12; 97-1130, eff. 8-28-12; 97-1141, eff. 12-28-12.)

Section 10. The Pharmacy Practice Act is amended by changing Sections 4.5, 9, 9.5, 17.1, 30, 33, 35.3, 35.5, 35.9, 35.10, and 35.21 and by adding Sections 15.1 and 22c as follows:

(225 ILCS 85/4.5)

(Section scheduled to be repealed on January 1, 2020)

Sec. 4.5. The Collaborative Pharmaceutical Task Force. In order to protect the public and provide quality pharmaceutical care, the Collaborative Pharmaceutical Task Force is established. The Task Force shall discuss how to further advance the practice of pharmacy in a manner that recognizes the needs of the healthcare system, patients, pharmacies, pharmacists, and pharmacy technicians. As a part of its discussions, the Task Force shall consider, at a minimum, the following:

(1) the extent to which providing whistleblower protections for pharmacists and pharmacy technicians reporting violation of worker policies and requiring pharmacies to have at least one pharmacy technician on duty whenever the practice of pharmacy is conducted, to set a prescription filling limit of not more than 10 prescriptions filled per hour, to mandate at least 10 pharmacy technician hours per 100 prescriptions filled, to place a general prohibition on activities that distract pharmacists, to provide a pharmacist a minimum of 2 15-minute paid rest breaks and one 30-minute meal period in each workday on which the pharmacist works at least 7 hours, to not require a pharmacist to work during a break period, to pay to the pharmacist 3 times the pharmacist's regular hourly rate of pay for each workday during which the required breaks were not provided, to make available at all times a room on the pharmacy's premises with adequate seating and tables for the purpose of allowing a pharmacist to enjoy break periods in a clean and comfortable environment, to keep a complete and accurate record of the break periods of its pharmacists, to limit a pharmacist from working more than 8 hours a workday, and to retain records of any errors in the receiving, filling, or dispensing of prescriptions of any kind could be integrated into the Pharmacy Practice Act; and

(2) the extent to which requiring the Department to adopt rules requiring pharmacy prescription systems contain mechanisms to require prescription discontinuation orders to be forwarded to a pharmacy, to require patient verification features for pharmacy automated prescription refills, and to require that automated prescription refills notices clearly communicate to patients the medication name, dosage strength, and any other information required by the Department governing the use of automated dispensing and storage systems to ensure that discontinued medications are not dispensed to a patient by a pharmacist or by any automatic refill dispensing systems whether prescribed through electronic prescriptions or paper prescriptions may be integrated into the Pharmacy Practice Act to better protect the public.

In developing standards related to its discussions, the Collaborative Pharmaceutical Task Force shall consider the extent to which Public Act 99-473 (enhancing continuing education requirements for pharmacy technicians) and Public Act 99-863 (enhancing reporting requirements to the Department of pharmacy employee terminations) may be relevant to the issues listed in paragraphs (1) and (2).

The voting members of the Collaborative Pharmaceutical Task Force shall be appointed as follows:

(1) the Speaker of the House of Representatives, or his or her designee, shall appoint: a representative of a statewide organization exclusively representing retailers, including pharmacies; and a retired licensed pharmacist who has previously served on the Board of Pharmacy and on the executive committee of a national association representing pharmacists and who shall serve as the chairperson of the Collaborative Pharmaceutical Task Force;

(2) the President of the Senate, or his or her designee, shall appoint: a representative of a statewide organization representing pharmacists; and a representative of a statewide organization representing unionized pharmacy employees;

(3) the Minority Leader of the House of Representatives, or his or her designee, shall appoint: a representative of a statewide organization representing physicians licensed to practice medicine in all its branches in Illinois; and a representative of a statewide professional association representing pharmacists, pharmacy technicians, pharmacy students, and others working in or with an interest in hospital and health-system pharmacy; and

(4) the Minority Leader of the Senate, or his or her designee, shall appoint: a representative of a statewide organization representing hospitals; and a representative of a statewide association exclusively representing long-term care pharmacists.

The Secretary, or his or her designee, shall appoint the following non-voting members of the Task Force: a representative of the University of Illinois at Chicago College of Pharmacy; a clinical pharmacist who has done extensive study in pharmacy e-prescribing and e-discontinuation; and a representative of the Department.

The Department shall provide administrative support to the Collaborative Pharmaceutical Task Force. The Collaborative Pharmaceutical Task Force shall meet at least monthly at the call of the chairperson.

No later than September 1, 2019, the voting members of the Collaborative Pharmaceutical Task Force shall vote on recommendations concerning the standards in paragraphs (1) and (2) of this Section.

No later than November 1, 2019, the Department, in direct consultation with the Collaborative Pharmaceutical Task Force, shall propose rules for adoption that are consistent with the Collaborative Pharmaceutical Task Force's recommendations, or recommend legislation to the General Assembly, concerning the standards in paragraphs (1) and (2) of this Section.

For the purposes of continuing dialogue on best practices for pharmacy in the State of Illinois, the Task Force shall be reconvened beginning January 1, 2020. Members who served on the Task Force before January 1, 2020 shall continue to serve. The following additional voting members shall be appointed to the Task Force as follows:

(A) one representative of a statewide organization exclusively representing retailers, including pharmacies, who shall be appointed by the Governor;

(B) one representative of a statewide organization representing unionized pharmacy employees who shall be appointed by the Governor;

(C) one member of the General Assembly who shall be appointed by the Speaker of the House of Representatives;

(D) one member of the General Assembly who shall be appointed by the Minority Leader of the House of Representatives;

(E) one member of the General Assembly who shall be appointed by the President of the Senate; and

(F) one member of the General Assembly who shall be appointed by the Minority Leader of the Senate.

All provisions relating to the operation and meeting of the Task Force shall continue to apply during the extended period beginning January 1, 2020.

No later than October 1, 2020, the voting members of the Task Force shall vote on recommendations that are in addition to those voted on or before September 1, 2019.

No later than November 1, 2020, the Department, in direct consultation with the Task Force, shall propose rules for adoption that are consistent with the Task Force's recommendations, or recommend legislation to the General Assembly, concerning the items considered by the Task Force.

This Section is repealed on November 1, 2021 ~~2020~~.

(Source: P.A. 100-497, eff. 9-8-17.)

(225 ILCS 85/9) (from Ch. 111, par. 4129)

(Section scheduled to be repealed on January 1, 2020)

Sec. 9. Licensure as registered pharmacy technician.

(a) Any person shall be entitled to licensure as a registered pharmacy technician who is of the age of 16 or over, has not engaged in conduct or behavior determined to be grounds for discipline under this Act, is attending or has graduated from an accredited high school or comparable school or educational institution or received a high school equivalency certificate, and has filed a written or electronic application for licensure on a form to be prescribed and furnished by the Department for that purpose. The Department shall issue a license as a registered pharmacy technician to any applicant who has qualified as aforesaid, and such license shall be the sole authority required to assist licensed pharmacists in the practice of pharmacy, under the supervision of a licensed pharmacist. ~~A registered pharmacy technician may, under the supervision of a pharmacist, assist in the practice of pharmacy and perform such functions as assisting in the dispensing process, offering counseling, receiving new verbal prescription orders, and having prescriber contact concerning prescription drug order clarification.~~ A registered pharmacy technician may be delegated to perform any task within the practice of pharmacy if specifically trained for that task, except for ~~not engage in~~ patient counseling, drug regimen review, or clinical conflict resolution.

(b) Beginning on January 1, 2017, within 2 years after initial licensure as a registered pharmacy technician, the licensee must meet the requirements described in Section 9.5 of this Act and become licensed as a registered certified pharmacy technician. If the licensee has not yet attained the age of 18, then upon the next renewal as a registered pharmacy technician, the licensee must meet the requirements described in Section 9.5 of this Act and become licensed as a registered certified pharmacy technician. This requirement does not apply to pharmacy technicians registered prior to January 1, 2008.

(c) Any person registered as a pharmacy technician who is also enrolled in a first professional degree program in pharmacy in a school or college of pharmacy or a department of pharmacy of a university approved by the Department or has graduated from such a program within the last 18 months, shall be considered a "student pharmacist" and entitled to use the title "student pharmacist". A student pharmacist must meet all of the requirements for licensure as a registered pharmacy technician set forth in this Section excluding the requirement of certification prior to the second license renewal and pay the required registered pharmacy technician license fees. A student pharmacist may, under the supervision of a pharmacist, assist in the practice of pharmacy and perform any and all functions delegated to him or her by the pharmacist.

(d) Any person seeking licensure as a pharmacist who has graduated from a pharmacy program outside the United States must register as a pharmacy technician and shall be considered a "student pharmacist" and be entitled to use the title "student pharmacist" while completing the 1,200 clinical hours of training approved by the Board of Pharmacy described and for no more than 18 months after completion of these hours. These individuals are not required to become registered certified pharmacy technicians while completing their Board approved clinical training, but must become licensed as a pharmacist or become licensed as a registered certified pharmacy technician before the second pharmacy technician license renewal following completion of the Board approved clinical training.

(e) The Department shall not renew the registered pharmacy technician license of any person who has been licensed as a registered pharmacy technician with the designation "student pharmacist" who: (1) has dropped out of or been expelled from an ACPE accredited college of pharmacy; (2) has failed to complete his or her 1,200 hours of Board approved clinical training within 24 months; or (3) has failed the pharmacist licensure examination 3 times. The Department shall require these individuals to meet the requirements of and become licensed as a registered certified pharmacy technician.

(f) The Department may take any action set forth in Section 30 of this Act with regard to a license pursuant to this Section.

(g) Any person who is enrolled in a non-traditional Pharm.D. program at an ACPE accredited college of pharmacy and is licensed as a registered pharmacist under the laws of another United States jurisdiction shall be permitted to engage in the program of practice experience required in the academic program by virtue of such license. Such person shall be exempt from the requirement of licensure as a registered pharmacy technician or registered certified pharmacy technician while engaged in the program of practice experience required in the academic program.

An applicant for licensure as a registered pharmacy technician may assist a pharmacist in the practice of pharmacy for a period of up to 60 days prior to the issuance of a license if the applicant has submitted the required fee and an application for licensure to the Department. The applicant shall keep a copy of the submitted application on the premises where the applicant is assisting in the practice of pharmacy. The Department shall forward confirmation of receipt of the application with start and expiration dates of practice pending licensure.

(Source: P.A. 99-473, eff. 1-1-17; 100-497, eff. 9-8-17.)

(225 ILCS 85/9.5)

(Section scheduled to be repealed on January 1, 2020)

Sec. 9.5. Registered certified pharmacy technician.

(a) An individual licensed as a registered pharmacy technician under this Act may be licensed as a registered certified pharmacy technician, if he or she meets all of the following requirements:

(1) He or she has submitted a written application in the form and manner prescribed by the Department.

(2) He or she has attained the age of 18.

(3) He or she is of good moral character, as determined by the Department.

(4) Beginning on January 1, 2022, a new pharmacy technician is required to have ~~He or she has~~ (i) graduated from a pharmacy technician training program that meets ~~meeting~~ the requirements set forth in subsection (a) of Section 17.1 of this Act or (ii) obtained documentation from the pharmacist-in-charge of the pharmacy where the applicant is employed verifying that he or she has successfully completed a standardized nationally accredited education and training program, and has successfully completed an objective assessment mechanism prepared in accordance with rules established by the Department.

(5) He or she has successfully passed an examination accredited by the National Commission for Certifying Agencies, as approved and required by the Board or by rule.

(6) He or she has paid the required licensure fees.

(b) No pharmacist whose license has been denied, revoked, suspended, or restricted for disciplinary purposes may be eligible to be registered as a certified pharmacy technician unless authorized by order of the Department as a condition of restoration from revocation, suspension, or restriction.

(c) The Department may, by rule, establish any additional requirements for licensure under this Section.

(d) A person who is not a licensed registered pharmacy technician and meets the requirements of this Section may be licensed as a registered certified pharmacy technician without first being licensed as a registered pharmacy technician.

(e) As a condition for the renewal of a license as a registered certified pharmacy technician, the licensee shall provide evidence to the Department of completion of a total of 20 hours of continuing pharmacy education during the 24 months preceding the expiration date of the certificate as established by rule. One hour of continuing pharmacy education must be in the subject of pharmacy law. One hour of continuing pharmacy education must be in the subject of patient safety. The continuing education shall be approved by the Accreditation Council on Pharmacy Education.

The Department may establish by rule a means for the verification of completion of the continuing education required by this subsection (e). This verification may be accomplished through audits of records maintained by licensees, by requiring the filing of continuing education certificates with the Department or a qualified organization selected by the Department to maintain such records, or by other means established by the Department.

Rules developed under this subsection (e) may provide for a reasonable annual fee, not to exceed $20, to fund the cost of such recordkeeping. The Department may, by rule, further provide an orderly process for the restoration of a license that has not been renewed due to the failure to meet the continuing pharmacy education requirements of this subsection (e). The Department may waive the requirements of continuing pharmacy education, in whole or in part, in cases of extreme hardship as defined by rule of the Department. The waivers may be granted for not more than one of any 2 ~~3~~ consecutive renewal periods.

(Source: P.A. 99-473, eff. 1-1-17; 100-497, eff. 9-8-17.)

(225 ILCS 85/15.1 new)

Sec. 15.1. Pharmacy working conditions.

(a) A pharmacy licensed under this Act shall not require a pharmacist, student pharmacist, or pharmacy technician to work longer than 12 continuous hours per day, inclusive of the breaks required under subsection (b).

(b) A pharmacist who works 6 continuous hours or longer per day shall be allowed to take, at a minimum, one 30-minute uninterrupted meal break and one 15-minute break during that 6-hour period. If such pharmacist is required to work 12 continuous hours per day, at a minimum, he or she qualifies for an additional 15-minute break. A pharmacist who is entitled to take such breaks shall not be required to work more than 5 continuous hours, excluding a 15-minute break, before being given the opportunity to take a 30-minute uninterrupted meal break. If the pharmacy has a private break room available, or if there is a private break room in the establishment or business in which the pharmacy is located, a pharmacist who is entitled to breaks must be given access to that private break room and allowed to spend his or her break time in that room.

(c) A pharmacy may, but is not required to, close when a pharmacist is allowed to take a break under subsection (b). If the pharmacy does not close, the pharmacist shall either remain within the licensed pharmacy or within the establishment in which the licensed pharmacy is located in order to be available for emergencies. In addition, the following applies:

(1) pharmacy technicians, student pharmacists, and other supportive staff authorized by the pharmacist on duty may continue to perform duties as allowed under this Act;

(2) no duties reserved to pharmacists and student pharmacists under this Act, or that require the professional judgment of a pharmacist, may be performed by pharmacy technicians or other supportive staff; and

(3) only prescriptions that have received final verification by a pharmacist may be dispensed while the pharmacist is on break, except those prescriptions that require counseling by a pharmacist, including all new prescriptions and those refill prescriptions for which a pharmacist has determined that counseling is necessary, may be dispensed only if the following conditions are met:

(i) the patient or other individual who is picking up the prescription on behalf of the patient is told that the pharmacist is on a break and is offered the chance to wait until the pharmacist returns from break in order to receive counseling;

(ii) if the patient or other individual who is picking up the prescription on behalf of the patient declines to wait, a telephone number at which the patient or other individual who is picking up the prescription on behalf of the patient can be reached is obtained;

(iii) after returning from the break, the pharmacist makes a reasonable effort to contact the patient or other individual who is picking up the prescription on behalf of the patient and provide counseling; and

(iv) the pharmacist documents the counseling that was provided or documents why counseling was not provided after a minimum of 2 attempts, including a description of the efforts made to contact the

patient or other individual who is picking up the prescription on behalf of the patient; the documentation shall be retained by the pharmacy and made available for inspection by the Board or its authorized representatives for at least 2 years.

(d) In a pharmacy staffed by 2 or more pharmacists, the pharmacists shall stagger breaks so that at least one pharmacist remains on duty during all times that the pharmacy remains open for the transaction of business.

(e) A pharmacy shall keep and maintain a complete and accurate record showing its pharmacists' daily break periods.

(f) Subsections (a) and (b) shall not apply when an emergency, as deemed by the professional judgment of the pharmacist, necessitates that a pharmacist, student pharmacist, or pharmacy technician work longer than 12 continuous hours, work without taking required meal breaks, or have a break interrupted in order to minimize immediate health risks for patients.

(225 ILCS 85/17.1)

(Section scheduled to be repealed on January 1, 2020)

Sec. 17.1. Registered pharmacy technician training.

(a) It ~~Beginning January 1, 2004, it~~ shall be the joint responsibility of a pharmacy and its pharmacist in charge to have trained all of its registered pharmacy technicians or obtain proof of prior training in all of the following practice areas as they apply to Illinois law and ~~topics as they~~ relate to the specific practice site and job responsibilities:

(1) The duties and responsibilities of the technicians and pharmacists.

(2) Tasks and technical skills, policies, and procedures.

(3) Compounding, packaging, labeling, and storage.

(4) Pharmaceutical and medical terminology.

(5) Record keeping requirements.

(6) The ability to perform and apply arithmetic calculations.

Beginning January 1, 2022, it shall also be the joint responsibility of a pharmacy and its pharmacist in charge to ensure that all new pharmacy technicians are educated and trained using a standard nationally accredited education and training program, such as those accredited by the Accreditation Council for Pharmacy Education (ACPE)/the American Society of Health-System Pharmacists (ASHP) or other board approved education and training programs. The pharmacist in charge is not required to provide the required education to the pharmacy technician, but the pharmacist in charge must ensure that the pharmacy technician has presented proof that he or she completed a standard nationally accredited or board approved education and training program.

(b) Within 2 years of initial licensure as a pharmacy technician and within 6 months before beginning any new ~~after initial employment or changing the~~ duties and responsibilities of a registered pharmacy technician, it shall be the joint responsibility of the pharmacy and the pharmacist in charge to train the registered pharmacy technician or obtain proof of prior training in the areas listed in subsection (a) of this Section as they relate to the practice site or to document that the pharmacy technician is making appropriate progress.

(c) All pharmacies shall maintain an up-to-date training program policies and procedures manual describing the duties and responsibilities of a registered pharmacy technician and registered certified pharmacy technician.

(d) All pharmacies shall create and maintain retrievable records of training or proof of training as required in this Section.

(Source: P.A. 100-497, eff. 9-8-17.)

(225 ILCS 85/22c new)

Sec. 22c. Automated prescription refills.

(a) Before a prescription that has a refill on file from a prescribing practitioner may be included in an auto-refill program, a patient or patient's agent must enroll each prescription medication in an auto-refill program. Prescriptions without a refill on file are not eligible for auto-refill.

(b) Beginning January 1, 2021, a pharmacy using the National Council for Prescription Drug Programs's SCRIPT standard for receiving electronic prescriptions must enable, activate, and maintain the ability to receive transmissions of electronic prescription cancellation and to transmit cancellation response transactions.

(c) Within 2 business days of receipt of a prescription cancellation transaction, pharmacy staff must either review the cancellation transaction for deactivation or provide that deactivation occurs automatically.

(d) The Department shall adopt rules to implement this Section. The rules shall ensure that discontinued medications are not dispensed to a patient by a pharmacist or by any automatic refill dispensing systems, whether prescribed through electronic prescriptions or paper prescriptions.

(225 ILCS 85/30) (from Ch. 111, par. 4150)

(Section scheduled to be repealed on January 1, 2020)

Sec. 30. Refusal, revocation, suspension, or other discipline.

(a) The Department may refuse to issue or renew, or may revoke a license, or may suspend, place on probation, fine, or take any disciplinary or non-disciplinary action as the Department may deem proper, including fines not to exceed $10,000 for each violation, with regard to any licensee for any one or combination of the following causes:

1. Material misstatement in furnishing information to the Department.

2. Violations of this Act, or the rules promulgated hereunder.

3. Making any misrepresentation for the purpose of obtaining licenses.

4. A pattern of conduct which demonstrates incompetence or unfitness to practice.

5. Aiding or assisting another person in violating any provision of this Act or rules.

6. Failing, within 60 days, to respond to a written request made by the Department for information.

7. Engaging in unprofessional, dishonorable, or unethical conduct of a character likely to deceive, defraud or harm the public.

8. Adverse action taken by another state or jurisdiction against a license or other authorization to practice as a pharmacy, pharmacist, registered certified pharmacy technician, or registered pharmacy technician that is the same or substantially equivalent to those set forth in this Section, a certified copy of the record of the action taken by the other state or jurisdiction being prima facie evidence thereof.

9. Directly or indirectly giving to or receiving from any person, firm, corporation, partnership, or association any fee, commission, rebate or other form of compensation for any professional services not actually or personally rendered. Nothing in this item 9 affects any bona fide independent contractor or employment arrangements among health care professionals, health facilities, health care providers, or other entities, except as otherwise prohibited by law. Any employment arrangements may include provisions for compensation, health insurance, pension, or other employment benefits for the provision of services within the scope of the licensee's practice under this Act. Nothing in this item 9 shall be construed to require an employment arrangement to receive professional fees for services rendered.

10. A finding by the Department that the licensee, after having his license placed on probationary status has violated the terms of probation.

11. Selling or engaging in the sale of drug samples provided at no cost by drug manufacturers.

12. Physical illness, including but not limited to, deterioration through the aging process, or loss of motor skill which results in the inability to practice the profession with reasonable judgment, skill or safety.

13. A finding that licensure or registration has been applied for or obtained by fraudulent means.

14. Conviction by plea of guilty or nolo contendere, finding of guilt, jury verdict, or entry of judgment or sentencing, including, but not limited to, convictions, preceding sentences of supervision, conditional discharge, or first offender probation, under the laws of any jurisdiction of the United States that is (i) a felony or (ii) a misdemeanor, an essential element of which is dishonesty, or that is directly related to the practice of pharmacy.

15. Habitual or excessive use or addiction to alcohol, narcotics, stimulants or any other chemical agent or drug which results in the inability to practice with reasonable judgment, skill or safety.

16. Willfully making or filing false records or reports in the practice of pharmacy, including, but not limited to false records to support claims against the medical assistance program of the Department of Healthcare and Family Services (formerly Department of Public Aid) under the Public Aid Code.

17. Gross and willful overcharging for professional services including filing false statements for collection of fees for which services are not rendered, including, but not limited to, filing false statements for collection of monies for services not rendered from the medical assistance program of the Department of Healthcare and Family Services (formerly Department of Public Aid) under the Public Aid Code.

18. Dispensing prescription drugs without receiving a written or oral prescription in violation of law.

19. Upon a finding of a substantial discrepancy in a Department audit of a prescription drug, including controlled substances, as that term is defined in this Act or in the Illinois Controlled Substances Act.

20. Physical or mental illness or any other impairment or disability, including, without limitation: (A) deterioration through the aging process or loss of motor skills that results in the inability to practice with reasonable judgment, skill or safety; or (B) mental incompetence, as declared by a court of competent jurisdiction.

21. Violation of the Health Care Worker Self-Referral Act.

22. Failing to sell or dispense any drug, medicine, or poison in good faith. "Good faith", for the purposes of this Section, has the meaning ascribed to it in subsection (u) of Section 102 of the Illinois Controlled Substances Act. "Good faith", as used in this item (22), shall not be limited to the sale or dispensing of controlled substances, but shall apply to all prescription drugs.

23. Interfering with the professional judgment of a pharmacist by any licensee under this Act, or the licensee's agents or employees.

24. Failing to report within 60 days to the Department any adverse final action taken against a pharmacy, pharmacist, registered pharmacy technician, or registered certified pharmacy technician by another licensing jurisdiction in any other state or any territory of the United States or any foreign jurisdiction, any governmental agency, any law enforcement agency, or any court for acts or conduct similar to acts or conduct that would constitute grounds for discipline as defined in this Section.

25. Failing to comply with a subpoena issued in accordance with Section 35.5 of this Act.

26. Disclosing protected health information in violation of any State or federal law.

27. Willfully failing to report an instance of suspected abuse, neglect, financial exploitation, or self-neglect of an eligible adult as defined in and required by the Adult Protective Services Act.

28. Being named as an abuser in a verified report by the Department on Aging under the Adult Protective Services Act, and upon proof by clear and convincing evidence that the licensee abused, neglected, or financially exploited an eligible adult as defined in the Adult Protective Services Act.

29. Using advertisements or making solicitations that may jeopardize the health, safety, or welfare of patients, including, but not be limited to, the use of advertisements or solicitations that:

(A) are false, fraudulent, deceptive, or misleading; or

(B) include any claim regarding a professional service or product or the cost or price thereof that cannot be substantiated by the licensee.

30. Requiring a pharmacist to participate in the use or distribution of advertisements or in making solicitations that may jeopardize the health, safety, or welfare of patients.

31. Failing to provide a working environment for all pharmacy personnel that protects the health, safety, and welfare of a patient, which includes, but is not limited to, failing to:

(A) employ sufficient personnel to prevent fatigue, distraction, or other conditions that interfere with a pharmacist's ability to practice with competency and safety or creates an environment that jeopardizes patient care;

(B) provide appropriate opportunities for uninterrupted rest periods and meal breaks;

(C) provide adequate time for a pharmacist to complete professional duties and responsibilities, including, but not limited to:

(i) drug utilization review;

(ii) immunization;

(iii) counseling;

(iv) verification of the accuracy of a prescription; and

(v) all other duties and responsibilities of a pharmacist as listed in the rules of the Department.

32. Introducing or enforcing external factors, such as productivity or production quotas or other programs against pharmacists, student pharmacists or pharmacy technicians, to the extent that they interfere with the ability of those individuals to provide appropriate professional services to the public.

33. Providing an incentive for or inducing the transfer of a prescription for a patient absent a professional rationale.

(b) The Department may refuse to issue or may suspend the license of any person who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax,

penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of any such tax Act are satisfied.

(c) The Department shall revoke any license issued under the provisions of this Act or any prior Act of this State of any person who has been convicted a second time of committing any felony under the Illinois Controlled Substances Act, or who has been convicted a second time of committing a Class 1 felony under Sections 8A-3 and 8A-6 of the Illinois Public Aid Code. A person whose license issued under the provisions of this Act or any prior Act of this State is revoked under this subsection (c) shall be prohibited from engaging in the practice of pharmacy in this State.

(d) Fines may be imposed in conjunction with other forms of disciplinary action, but shall not be the exclusive disposition of any disciplinary action arising out of conduct resulting in death or injury to a patient. Fines shall be paid within 60 days or as otherwise agreed to by the Department. Any funds collected from such fines shall be deposited in the Illinois State Pharmacy Disciplinary Fund.

(e) The entry of an order or judgment by any circuit court establishing that any person holding a license or certificate under this Act is a person in need of mental treatment operates as a suspension of that license. A licensee may resume his or her practice only upon the entry of an order of the Department based upon a finding by the Board that he or she has been determined to be recovered from mental illness by the court and upon the Board's recommendation that the licensee be permitted to resume his or her practice.

(f) The Department shall issue quarterly to the Board a status of all complaints related to the profession received by the Department.

(g) In enforcing this Section, the Board or the Department, upon a showing of a possible violation, may compel any licensee or applicant for licensure under this Act to submit to a mental or physical examination or both, as required by and at the expense of the Department. The examining physician, or multidisciplinary team involved in providing physical and mental examinations led by a physician consisting of one or a combination of licensed physicians, licensed clinical psychologists, licensed clinical social workers, licensed clinical professional counselors, and other professional and administrative staff, shall be those specifically designated by the Department. The Board or the Department may order the examining physician or any member of the multidisciplinary team to present testimony concerning this mental or physical examination of the licensee or applicant. No information, report, or other documents in any way related to the examination shall be excluded by reason of any common law or statutory privilege relating to communication between the licensee or applicant and the examining physician or any member of the multidisciplinary team. The individual to be examined may have, at his or her own expense, another physician of his or her choice present during all aspects of the examination. Failure of any individual to submit to a mental or physical examination when directed shall result in the automatic suspension of his or her license until such time as the individual submits to the examination. If the Board or Department finds a pharmacist, registered certified pharmacy technician, or registered pharmacy technician unable to practice because of the reasons set forth in this Section, the Board or Department shall require such pharmacist, registered certified pharmacy technician, or registered pharmacy technician to submit to care, counseling, or treatment by physicians or other appropriate health care providers approved or designated by the Department as a condition for continued, restored ~~reinstated~~, or renewed licensure to practice. Any pharmacist, registered certified pharmacy technician, or registered pharmacy technician whose license was granted, continued, restored ~~reinstated~~, renewed, disciplined, or supervised, subject to such terms, conditions, or restrictions, and who fails to comply with such terms, conditions, or restrictions or to complete a required program of care, counseling, or treatment, as determined by the chief pharmacy coordinator, shall be referred to the Secretary for a determination as to whether the licensee shall have his or her license suspended immediately, pending a hearing by the Board. In instances in which the Secretary immediately suspends a license under this subsection (g), a hearing upon such person's license must be convened by the Board within 15 days after such suspension and completed without appreciable delay. The Department and Board shall have the authority to review the subject pharmacist's, registered certified pharmacy technician's, or registered pharmacy technician's record of treatment and counseling regarding the impairment.

(h) An individual or organization acting in good faith, and not in a willful and wanton manner, in complying with this Section by providing a report or other information to the Board, by assisting in the investigation or preparation of a report or information, by participating in proceedings of the Board, or by serving as a member of the Board shall not, as a result of such actions, be subject to criminal prosecution or civil damages. Any person who reports a violation of this Section to the Department is protected under subsection (b) of Section 15 of the Whistleblower Act.

(i) Members of the Board shall have no liability in any action based upon any disciplinary proceedings or other activity performed in good faith as a member of the Board ~~be indemnified by the State for any actions occurring within the scope of services on the Board, done in good faith, and not willful and wanton~~

~~in nature~~. The Attorney General shall defend all such actions unless he or she determines either that there would be a conflict of interest in such representation or that the actions complained of were not in good faith or were willful and wanton.

If the Attorney General declines representation, the member shall have the right to employ counsel of his or her choice, whose fees shall be provided by the State, after approval by the Attorney General, unless there is a determination by a court that the member's actions were not in good faith or were willful and wanton.

The member must notify the Attorney General within 7 days of receipt of notice of the initiation of any action involving services of the Board. Failure to so notify the Attorney General shall constitute an absolute waiver of the right to a defense and indemnification.

The Attorney General shall determine, within 7 days after receiving such notice, whether he or she will undertake to represent the member.

(Source: P.A. 100-497, eff. 9-8-17.)

(225 ILCS 85/33) (from Ch. 111, par. 4153)

(Section scheduled to be repealed on January 1, 2020)

Sec. 33. The Secretary may, upon receipt of a written communication from the Secretary of Human Services, the Director of Healthcare and Family Services (formerly Director of Public Aid), or the Director of Public Health that continuation of practice of a person licensed or registered under this Act constitutes an immediate danger to the public, immediately suspend the license of such person without a hearing. In instances in which the Secretary immediately suspends a license under this Act, a hearing upon such person's license must be convened by the Board within 15 days after such suspension and completed without appreciable delay, such hearing held to determine whether to recommend to the Secretary that the person's license be revoked, suspended, placed on probationary status or <u>restored</u> ~~reinstated~~, or such person be subject to other disciplinary action. In such hearing, the written communication and any other evidence submitted therewith may be introduced as evidence against such person; provided however, the person, or his counsel, shall have the opportunity to discredit or impeach such evidence and submit evidence rebutting same.

(Source: P.A. 100-497, eff. 9-8-17.)

(225 ILCS 85/35.3) (from Ch. 111, par. 4155.3)

(Section scheduled to be repealed on January 1, 2020)

Sec. 35.3. The Department, at its expense, shall preserve a record of all proceedings at the formal hearing of any case involving the refusal to issue, renew or discipline of a license. The notice of hearing, complaint and all other documents in the nature of pleadings and written motions filed in the proceedings, the transcript of testimony, the report of the Board or hearing officer, <u>exhibits,</u> and orders of the Department shall be the record of such proceeding.

(Source: P.A. 85-796.)

(225 ILCS 85/35.5) (from Ch. 111, par. 4155.5)

(Section scheduled to be repealed on January 1, 2020)

Sec. 35.5. The Department shall have power to subpoena and bring before it any person in this State and to take testimony, either orally or by deposition or both, with the same fees and mileage and in the same manner as prescribed by law in judicial proceedings in civil cases in circuit courts of this State. The Department may subpoena and compel the production of documents, papers, files, books, and records in connection with any hearing or investigation.

The Secretary, <u>hearing officer,</u> and any member of the Board, shall each have power to administer oaths to witnesses at any hearing which the Department is authorized to conduct under this Act, and any other oaths required or authorized to be administered by the Department hereunder.

(Source: P.A. 100-497, eff. 9-8-17.)

(225 ILCS 85/35.9) (from Ch. 111, par. 4155.9)

(Section scheduled to be repealed on January 1, 2020)

Sec. 35.9. Whenever the <u>Secretary</u> ~~Director~~ is satisfied that substantial justice has not been done in the revocation, suspension or refusal to issue or renew a license or registration, the <u>Secretary</u> ~~Director~~ may order a rehearing by the same hearing officer and Board.

(Source: P.A. 88-428.)

(225 ILCS 85/35.10) (from Ch. 111, par. 4155.10)

(Section scheduled to be repealed on January 1, 2020)

Sec. 35.10. None of the disciplinary functions, powers and duties enumerated in this Act shall be exercised by the Department except upon the review of the Board.

~~In all instances, under this Act, in which the Board has rendered a recommendation to the Director with respect to a particular license or certificate, the Director shall, in the event that he or she disagrees with or~~

~~takes action contrary to the recommendation of the Board, file with the Board his or her specific written reasons of disagreement with the Board.~~

(Source: P.A. 95-689, eff. 10-29-07.)

(225 ILCS 85/35.21)

(Section scheduled to be repealed on January 1, 2020)

Sec. 35.21. Citations.

(a) The Department may issue ~~shall adopt rules to permit the issuance of~~ citations to any licensee for any violation of this Act or the rules. The citation shall be issued to the licensee or other person alleged to have committed one or more violations and shall contain the licensee's or other person's name and address, the licensee's license number, if any, a brief factual statement, the Sections of this Act or the rules allegedly violated, and the penalty imposed, which shall not exceed $1,000. The citation must clearly state that if the cited person wishes to dispute the citation, he or she may request in writing, within 30 days after the citation is served, a hearing before the Department. If the cited person does not request a hearing within 30 days after the citation is served, then the citation shall become a final, non-disciplinary order and any fine imposed is due and payable. If the cited person requests a hearing within 30 days after the citation is served, the Department shall afford the cited person a hearing conducted in the same manner as a hearing provided in this Act for any violation of this Act and shall determine whether the cited person committed the violation as charged and whether the fine as levied is warranted. If the violation is found, any fine shall constitute discipline and be due and payable within 30 days of the order of the Secretary. Failure to comply with any final order may subject the licensed person to further discipline or other action by the Department or a referral to the State's Attorney.

(b) A citation must be issued within 6 months after the reporting of a violation that is the basis for the citation.

(c) Service of a citation shall be made in person, electronically, or by mail to the licensee at the licensee's address of record or email address of record.

(d) Nothing in this Section shall prohibit or limit the Department from taking further action pursuant to this Act and rules for additional, repeated, or continuing violations.

(e) The Department may adopt rules for the issuance of citations in accordance with this Section.

(Source: P.A. 100-497, eff. 9-8-17.)

(225 ILCS 85/2.5 rep.) (225 ILCS 85/29 rep.) (225 ILCS 85/35.12 rep.)

Section 15. The Pharmacy Practice Act is amended by repealing Sections 2.5, 29, and 35.12.

Section 99. Effective date. This Act takes effect upon becoming law, except that Sections 10 and 15 take effect January 1, 2020.".

Under the rules, the foregoing **Senate Bill No. 2104**, with House Amendment No. 1, was referred to the Secretary's Desk.

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

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

SENATE BILL NO. 460

A bill for AN ACT concerning education.

SENATE BILL NO. 639

A bill for AN ACT concerning public aid.

Passed the House, November 13, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by
Mr. Hollman, 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. 718

A bill for AN ACT concerning safety.

Passed the House, November 13, 2019.

JOHN W. HOLLMAN, Clerk of the House

TH

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 3 to Senate Bill 10
Motion to Concur in House Amendment 1 to Senate Bill 119
Motion to Concur in House Amendment 1 to Senate Bill 667
Motion to Concur in House Amendment 1 to Senate Bill 670
Motion to Concur in House Amendment 1 to Senate Bill 1200
Motion to Concur in House Amendment 1 to Senate Bill 2104

COMMUNICATIONS FROM THE MINORITY LEADER

SPRINGFIELD OFFICE:
309G STATE HOUSE
SPRINGFIELD, ILLINOIS 62706
PHONE: 217/782-6216

DISTRICT OFFICE:
2203 EASTLAND DRIVE, SUITE 3
BLOOMINGTON, ILLINOIS 61704
PHONE: 309/664-4440
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BILLBRADY@SENATORBILLBRADY.COM

ILLINOIS STATE SENATE
BILL BRADY
SENATE REPUBLICAN LEADER
44TH SENATE DISTRICT

November 13, 2019

Tim Anderson
Secretary of the Senate
401 State House
Springfield, IL 62706

Dear Secretary Anderson:

Pursuant to the Senate President's letter dated today increasing the membership on the **Senate Special Committee on Opioid Crisis Abatement** and Senate Rules 3-2 and 3-3, I am appointing the following to the Senate Special Committee on Opioid Crisis Abatement:

Senator Dale Fowler

Sincerely,
s/Bill Brady
Bill Brady
Illinois Senate Republican Leader
44th District

Cc: President Cullerton
Scott Kaiser
Appointee

SPRINGFIELD OFFICE:
309G STATE HOUSE
SPRINGFIELD, ILLINOIS 62706
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DISTRICT OFFICE
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ILLINOIS STATE SENATE
BILL BRADY
SENATE REPUBLICAN LEADER
44TH SENATE DISTRICT

November 13, 2019

Mr. Tim Anderson
Secretary of the Senate
401 State House
Springfield, Illinois 62706

Dear Mr. Secretary:

Pursuant to Senate Rule 3-2 (c), I hereby appoint **Senator Dave Syverson** to temporarily replace **Senator Dale Righter** as **Minority Spokesperson** on the **Committee on Assignments**. This appointment is effective immediately and will automatically expire upon adjournment of the **Senate** today.

Sincerely,
s/Bill Brady
Bill Brady
Illinois Senate Republican Leader
44th District

Cc: Scott Kaiser, Assistant Secretary of the Senate
Senator Dave Syverson
President John Cullerton

At the hour of 4:28 o'clock p.m., President John J. Cullerton, presiding, for the introduction of a special guest.

REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Lightford, Chairperson of the Committee on Assignments, during its November 13, 2019 meeting, reported that the following Legislative Measures have been approved for consideration:

Floor Amendment No. 1 to Senate Bill 669
Floor Amendment No. 2 to Senate Bill 669

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

Senator Lightford, Chairperson of the Committee on Assignments, during its November 13, 2019 meeting, reported that the following Legislative Measure has been approved for consideration:

Senate Resolution No. 780

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

Pursuant to Senate Rule 3-8 (b-1), the following legislative measure(s) will remain in the Committee on Assignments**: Floor Amendment No. 1 to Senate Bill 263, Floor Amendment No. 1 to Senate Bill 671**

Senator Hunter asked and obtained unanimous consent to recess for the purpose of a Democrat caucus.

Senator Righter asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

At the hour of 4:42 o'clock p.m., the Chair announced that the Senate stands at recess subject to the call of the Chair.

RECESS

At the hour of 6:06 o'clock p.m., the Senate resumed consideration of business.
Senator Muñoz, presiding.

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 819
Offered by Senator Morrison and all Senators:
Mourns the death of Patsy Collison.

SENATE RESOLUTION NO. 820
Offered by Senator Harmon and all Senators:
Mourns the death of Anthony "Tony" Pinelli.

SENATE RESOLUTION NO. 821
Offered by Senator Harmon and all Senators:
Mourns the death of Jeannette M. Zeck.

SENATE RESOLUTION NO. 822
Offered by Senator Harmon and all Senators:
Mourns the death of Mary Alice Dixon.

SENATE RESOLUTION NO. 823
Offered by Senator Harmon and all Senators:
Mourns the death of Lee Waldron.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

MESSAGES FROM THE HOUSE

A message from the House by
Mr. Hollman, 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. 659

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. 5 to SENATE BILL NO. 659
House Amendment No. 6 to SENATE BILL NO. 659
Passed the House, as amended, November 13, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 5 TO SENATE BILL 659

AMENDMENT NO. 5. Amend Senate Bill 659 by replacing everything after the enacting clause with the following:

"Section 5. The Fire Sprinkler Contractor Licensing Act is amended by changing Section 30 as follows: (225 ILCS 317/30)

Sec. 30. Requirements for the installation, repair, inspection, and testing of fire protection systems.

(a) Equipment shall be listed by a nationally recognized testing laboratory, such as Underwriters Laboratories, Inc. or Factory Mutual Laboratories, Inc., or shall comply with nationally accepted standards. The State Fire Marshal shall adopt by rule procedures for determining whether a laboratory is nationally recognized, taking into account the laboratory's facilities, procedures, use of nationally recognized standards, and any other criteria reasonably calculated to reach an informed determination.

(b) Equipment shall be installed in accordance with the applicable standards of the National Fire Protection Association and the manufacturer's specifications.

(c) The contractor shall furnish the user with operating instructions for all equipment installed, together with a diagram of the final installation.

(d) All fire sprinkler systems shall have a backflow prevention device or, in a municipality with a population over 500,000, a double detector check assembly installed by a licensed plumber before the fire sprinkler system connection to the water service. Connection to the backflow prevention device or, in a municipality with a population over 500,000, a double detector assembly shall be done in a manner consistent with the Department of Public Health's Plumbing Code.

(e) This licensing Act is not intended to require any additional fire inspections at State level.

(f) Before January 1, 2022, inspection ~~Inspections~~ and testing of existing fire sprinkler systems and control equipment must be performed by a licensee or an individual employed or contracted by a licensee. Any individual who performs inspection and testing duties under this subsection (f) must possess proof of (i) certification by a nationally recognized certification organization at an appropriate level, such as NICET Level II in Inspection and Testing of Water Based Systems or the equivalent, (ii) a valid ASSE 15010 certification in "inspection, testing and maintenance for water-based fire protection systems", or (iii) ~~by January 1, 2009 or (ii)~~ satisfactory completion of a certified sprinkler fitter apprenticeship program approved by the U.S. Department of Labor. State employees who perform inspections and testing on behalf of State institutions and who meet all other requirements of this subsection (f) need not be licensed under this Act or employed by a licensee under this Act in order to perform inspection and testing duties under this subsection (f). The requirements of this subsection (f) do not apply to individuals performing inspections or testing of fire sprinkler systems on behalf of a municipality, a county, a fire protection district, or the Office of the State Fire Marshal. This subsection (f) does not apply to a stationary engineer, operating engineer, or other individual employed on a full-time basis by the facility owner or owner's representative performing ~~cursory~~ weekly and monthly inspections and tests ~~of gauges and control valves conducted~~ in accordance with applicable ~~the standards of the~~ National Fire Protection Association standards.

Before January 1, 2022, a ~~A~~ copy of the inspection report for an inspection performed pursuant to this subsection (f) must be forwarded by the entity performing the inspection to the local fire department or fire protection district in which the sprinkler system is located. The inspection report must include the NICET Level II Inspection and Testing of Water Based Systems certification number , ASSE 15010 certification number for "inspection, testing and maintenance for water-based fire protection systems", or journeymen number of the person performing the inspection.

After December 31, 2021, inspection and testing of existing fire sprinkler systems and control equipment must be performed by a licensee or an individual employed or contracted by a licensee. Any individual who performs inspection and testing duties under this subsection (f) must possess proof of (i) certification by a nationally recognized certification organization at an appropriate level, such as NICET Level III in Inspection and Testing of Water Based Systems or the equivalent, (ii) a valid ASSE 15010 certification in "inspection, testing and maintenance for water-based fire protection systems", or (iii) satisfactory completion of a certified sprinkler fitter apprenticeship program approved by the United States Department of Labor. State employees who perform inspections and testing on behalf of State institutions and who meet all other requirements of this subsection (f) need not be licensed under this Act or employed by a licensee under this Act in order to perform inspection and testing duties under this subsection (f). The requirements of this subsection (f) do not apply to individuals performing inspections or testing of fire sprinkler systems on behalf of a municipality, a county, a fire protection district, or the Office of the State Fire Marshal. This subsection (f) does not apply to a stationary engineer, operating engineer, or other individual employed on a full-time basis by the facility owner or owner's representative performing weekly

and monthly inspections and tests in accordance with applicable National Fire Protection Association standards.

After December 31, 2021, a copy of the inspection report for an inspection performed pursuant to this subsection (f) must be forwarded by the entity performing the inspection to the local fire department or fire protection district in which the sprinkler system is located. The inspection report must include the NICET Level III Inspection and Testing of Water Based Systems certification number, ASSE 15010 certification number for "inspection, testing and maintenance for water-based fire protection systems", or journeymen number of the person performing the inspection.

(Source: P.A. 96-256, eff. 1-1-10; 97-112, eff. 7-14-11.)

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

AMENDMENT NO. 6 TO SENATE BILL 659

AMENDMENT NO. 6. Amend Senate Bill 659, AS AMENDED, with reference to page and line numbers of House Amendment No. 5, on page 5, lines 17 and 18, by replacing "upon becoming law" with "June 1, 2020".

Under the rules, the foregoing **Senate Bill No. 659**, with House Amendments numbered 5 and 6, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, 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. 1300

A bill for AN ACT concerning public employee benefits.

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. 5 to SENATE BILL NO. 1300

House Amendment No. 6 to SENATE BILL NO. 1300

House Amendment No. 7 to SENATE BILL NO. 1300

Passed the House, as amended, November 13, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 5 TO SENATE BILL 1300

AMENDMENT NO. 5. Amend Senate Bill 1300 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Finance Authority Act is amended by changing Sections 801-10, 801-40, and 805-20 as follows:

(20 ILCS 3501/801-10)

Sec. 801-10. Definitions. The following terms, whenever used or referred to in this Act, shall have the following meanings, except in such instances where the context may clearly indicate otherwise:

(a) The term "Authority" means the Illinois Finance Authority created by this Act.

(b) The term "project" means an industrial project, conservation project, housing project, public purpose project, higher education project, health facility project, cultural institution project, municipal bond program project, PACE Project, agricultural facility or agribusiness, and "project" may include any combination of one or more of the foregoing undertaken jointly by any person with one or more other persons.

(c) The term "public purpose project" means (i) any project or facility, including without limitation land, buildings, structures, machinery, equipment and all other real and personal property, which is authorized or required by law to be acquired, constructed, improved, rehabilitated, reconstructed, replaced or maintained by any unit of government or any other lawful public purpose, including provision of working capital, which is authorized or required by law to be undertaken by any unit of government or (ii) costs incurred and other expenditures, including expenditures for management, investment, or working capital costs, incurred in connection with the reform, consolidation, or implementation of the transition process as described in Articles 22B and 22C of the Illinois Pension Code.

(d) The term "industrial project" means the acquisition, construction, refurbishment, creation, development or redevelopment of any facility, equipment, machinery, real property or personal property for use by any instrumentality of the State or its political subdivisions, for use by any person or institution, public or private, for profit or not for profit, or for use in any trade or business, including, but not limited to, any industrial, manufacturing or commercial enterprise that is located within or outside the State, provided that, with respect to a project involving property located outside the State, the property must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, and which is (1) a capital project, including, but not limited to: (i) land and any rights therein, one or more buildings, structures or other improvements, machinery and equipment, whether now existing or hereafter acquired, and whether or not located on the same site or sites; (ii) all appurtenances and facilities incidental to the foregoing, including, but not limited to, utilities, access roads, railroad sidings, track, docking and similar facilities, parking facilities, dockage, wharfage, railroad roadbed, track, trestle, depot, terminal, switching and signaling or related equipment, site preparation and landscaping; and (iii) all non-capital costs and expenses relating thereto or (2) any addition to, renovation, rehabilitation or improvement of a capital project or (3) any activity or undertaking within or outside the State, provided that, with respect to a project involving property located outside the State, the property must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, which the Authority determines will aid, assist or encourage economic growth, development or redevelopment within the State or any area thereof, will promote the expansion, retention or diversification of employment opportunities within the State or any area thereof or will aid in stabilizing or developing any industry or economic sector of the State economy. The term "industrial project" also means the production of motion pictures.

(e) The term "bond" or "bonds" shall include bonds, notes (including bond, grant or revenue anticipation notes), certificates and/or other evidences of indebtedness representing an obligation to pay money, including refunding bonds.

(f) The terms "lease agreement" and "loan agreement" shall mean: (i) an agreement whereby a project acquired by the Authority by purchase, gift or lease is leased to any person, corporation or unit of local government which will use or cause the project to be used as a project as heretofore defined upon terms providing for lease rental payments at least sufficient to pay when due all principal of, interest and premium, if any, on any bonds of the Authority issued with respect to such project, providing for the maintenance, insuring and operation of the project on terms satisfactory to the Authority, providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, and such other terms as may be deemed desirable by the Authority, or (ii) any agreement pursuant to which the Authority agrees to loan the proceeds of its bonds issued with respect to a project or other funds of the Authority to any person which will use or cause the project to be used as a project as heretofore defined upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, interest and premium, if any, on any bonds of the Authority, if any, issued with respect to the project, and providing for maintenance, insurance and other matters as may be deemed desirable by the Authority.

(g) The term "financial aid" means the expenditure of Authority funds or funds provided by the Authority through the issuance of its bonds, notes or other evidences of indebtedness or from other sources for the development, construction, acquisition or improvement of a project.

(h) The term "person" means an individual, corporation, unit of government, business trust, estate, trust, partnership or association, 2 or more persons having a joint or common interest, or any other legal entity.

(i) The term "unit of government" means the federal government, the State or unit of local government, a school district, or any agency or instrumentality, office, officer, department, division, bureau, commission, college or university thereof.

(j) The term "health facility" means: (a) any public or private institution, place, building, or agency required to be licensed under the Hospital Licensing Act; (b) any public or private institution, place, building, or agency required to be licensed under the Nursing Home Care Act, the Specialized Mental Health Rehabilitation Act of 2013, the ID/DD Community Care Act, or the MC/DD Act; (c) any public or licensed private hospital as defined in the Mental Health and Developmental Disabilities Code; (d) any such facility exempted from such licensure when the Director of Public Health attests that such exempted facility meets the statutory definition of a facility subject to licensure; (e) any other public or private health service institution, place, building, or agency which the Director of Public Health attests is subject to certification by the Secretary, U.S. Department of Health and Human Services under the Social Security Act, as now or hereafter amended, or which the Director of Public Health attests is subject to standard-setting by a recognized public or voluntary accrediting or standard-setting agency; (f) any public or private institution, place, building or agency engaged in providing one or more supporting services to a health

facility; (g) any public or private institution, place, building or agency engaged in providing training in the healing arts, including, but not limited to, schools of medicine, dentistry, osteopathy, optometry, podiatry, pharmacy or nursing, schools for the training of x-ray, laboratory or other health care technicians and schools for the training of para-professionals in the health care field; (h) any public or private congregate, life or extended care or elderly housing facility or any public or private home for the aged or infirm, including, without limitation, any Facility as defined in the Life Care Facilities Act; (i) any public or private mental, emotional or physical rehabilitation facility or any public or private educational, counseling, or rehabilitation facility or home, for those persons with a developmental disability, those who are physically ill or disabled, the emotionally disturbed, those persons with a mental illness or persons with learning or similar disabilities or problems; (j) any public or private alcohol, drug or substance abuse diagnosis, counseling treatment or rehabilitation facility, (k) any public or private institution, place, building or agency licensed by the Department of Children and Family Services or which is not so licensed but which the Director of Children and Family Services attests provides child care, child welfare or other services of the type provided by facilities subject to such licensure; (l) any public or private adoption agency or facility; and (m) any public or private blood bank or blood center. "Health facility" also means a public or private structure or structures suitable primarily for use as a laboratory, laundry, nurses or interns residence or other housing or hotel facility used in whole or in part for staff, employees or students and their families, patients or relatives of patients admitted for treatment or care in a health facility, or persons conducting business with a health facility, physician's facility, surgicenter, administration building, research facility, maintenance, storage or utility facility and all structures or facilities related to any of the foregoing or required or useful for the operation of a health facility, including parking or other facilities or other supporting service structures required or useful for the orderly conduct of such health facility. "Health facility" also means, with respect to a project located outside the State, any public or private institution, place, building, or agency which provides services similar to those described above, provided that such project is owned, operated, leased or managed by a participating health institution located within the State, or a participating health institution affiliated with an entity located within the State.

(k) The term "participating health institution" means (i) a private corporation or association or (ii) a public entity of this State, in either case authorized by the laws of this State or the applicable state to provide or operate a health facility as defined in this Act and which, pursuant to the provisions of this Act, undertakes the financing, construction or acquisition of a project or undertakes the refunding or refinancing of obligations, loans, indebtedness or advances as provided in this Act.

(l) The term "health facility project", means a specific health facility work or improvement to be financed or refinanced (including without limitation through reimbursement of prior expenditures), acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, with funds provided in whole or in part hereunder, any accounts receivable, working capital, liability or insurance cost or operating expense financing or refinancing program of a health facility with or involving funds provided in whole or in part hereunder, or any combination thereof.

(m) The term "bond resolution" means the resolution or resolutions authorizing the issuance of, or providing terms and conditions related to, bonds issued under this Act and includes, where appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of trust providing terms and conditions for such bonds.

(n) The term "property" means any real, personal or mixed property, whether tangible or intangible, or any interest therein, including, without limitation, any real estate, leasehold interests, appurtenances, buildings, easements, equipment, furnishings, furniture, improvements, machinery, rights of way, structures, accounts, contract rights or any interest therein.

(o) The term "revenues" means, with respect to any project, the rents, fees, charges, interest, principal repayments, collections and other income or profit derived therefrom.

(p) The term "higher education project" means, in the case of a private institution of higher education, an educational facility to be acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, or any combination thereof.

(q) The term "cultural institution project" means, in the case of a cultural institution, a cultural facility to be acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, or any combination thereof.

(r) The term "educational facility" means any property located within the State, or any property located outside the State, provided that, if the property is located outside the State, it must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, in each case constructed or acquired before or after the effective date of this Act, which is or will be, in whole or in part, suitable for the instruction, feeding, recreation or housing of students, the

conducting of research or other work of a private institution of higher education, the use by a private institution of higher education in connection with any educational, research or related or incidental activities then being or to be conducted by it, or any combination of the foregoing, including, without limitation, any such property suitable for use as or in connection with any one or more of the following: an academic facility, administrative facility, agricultural facility, assembly hall, athletic facility, auditorium, boating facility, campus, communication facility, computer facility, continuing education facility, classroom, dining hall, dormitory, exhibition hall, fire fighting facility, fire prevention facility, food service and preparation facility, gymnasium, greenhouse, health care facility, hospital, housing, instructional facility, laboratory, library, maintenance facility, medical facility, museum, offices, parking area, physical education facility, recreational facility, research facility, stadium, storage facility, student union, study facility, theatre or utility.

(s) The term "cultural facility" means any property located within the State, or any property located outside the State, provided that, if the property is located outside the State, it must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, in each case constructed or acquired before or after the effective date of this Act, which is or will be, in whole or in part, suitable for the particular purposes or needs of a cultural institution, including, without limitation, any such property suitable for use as or in connection with any one or more of the following: an administrative facility, aquarium, assembly hall, auditorium, botanical garden, exhibition hall, gallery, greenhouse, library, museum, scientific laboratory, theater or zoological facility, and shall also include, without limitation, books, works of art or music, animal, plant or aquatic life or other items for display, exhibition or performance. The term "cultural facility" includes buildings on the National Register of Historic Places which are owned or operated by nonprofit entities.

(t) "Private institution of higher education" means a not-for-profit educational institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which is authorized by law to provide a program of education beyond the high school level and which:

(1) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) Provides an educational program for which it awards a bachelor's degree, or provides an educational program, admission into which is conditioned upon the prior attainment of a bachelor's degree or its equivalent, for which it awards a postgraduate degree, or provides not less than a 2-year program which is acceptable for full credit toward such a degree, or offers a 2-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(3) Is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than 3 institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited, and holds an unrevoked certificate of approval under the Private College Act from the Board of Higher Education, or is qualified as a "degree granting institution" under the Academic Degree Act; and

(4) Does not discriminate in the admission of students on the basis of race or color.

"Private institution of higher education" also includes any "academic institution".

(u) The term "academic institution" means any not-for-profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which institution engages in, or facilitates academic, scientific, educational or professional research or learning in a field or fields of study taught at a private institution of higher education. Academic institutions include, without limitation, libraries, archives, academic, scientific, educational or professional societies, institutions, associations or foundations having such purposes.

(v) The term "cultural institution" means any not-for-profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which institution engages in the cultural, intellectual, scientific, educational or artistic enrichment of the people of the State. Cultural institutions include, without limitation, aquaria, botanical societies, historical societies, libraries, museums, performing arts associations or societies, scientific societies and zoological societies.

(w) The term "affiliate" means, with respect to financing of an agricultural facility or an agribusiness, any lender, any person, firm or corporation controlled by, or under common control with, such lender, and any person, firm or corporation controlling such lender.

(x) The term "agricultural facility" means land, any building or other improvement thereon or thereto, and any personal properties deemed necessary or suitable for use, whether or not now in existence, in farming, ranching, the production of agricultural commodities (including, without limitation, the products

of aquaculture, hydroponics and silviculture) or the treating, processing or storing of such agricultural commodities when such activities are customarily engaged in by farmers as a part of farming and which land, building, improvement or personal property is located within the State, or is located outside the State, provided that, if such property is located outside the State, it must be owned, operated, leased, or managed by an entity located within the State or an entity affiliated with an entity located within the State.

(y) The term "lender" with respect to financing of an agricultural facility or an agribusiness, means any federal or State chartered bank, Federal Land Bank, Production Credit Association, Bank for Cooperatives, federal or State chartered savings and loan association or building and loan association, Small Business Investment Company or any other institution qualified within this State to originate and service loans, including, but without limitation to, insurance companies, credit unions and mortgage loan companies. "Lender" also means a wholly owned subsidiary of a manufacturer, seller or distributor of goods or services that makes loans to businesses or individuals, commonly known as a "captive finance company".

(z) The term "agribusiness" means any sole proprietorship, limited partnership, co-partnership, joint venture, corporation or cooperative which operates or will operate a facility located within the State or outside the State, provided that, if any facility is located outside the State, it must be owned, operated, leased, or managed by an entity located within the State or an entity affiliated with an entity located within the State, that is related to the processing of agricultural commodities (including, without limitation, the products of aquaculture, hydroponics and silviculture) or the manufacturing, production or construction of agricultural buildings, structures, equipment, implements, and supplies, or any other facilities or processes used in agricultural production. Agribusiness includes but is not limited to the following:

(1) grain handling and processing, including grain storage, drying, treatment, conditioning, mailing and packaging;

(2) seed and feed grain development and processing;

(3) fruit and vegetable processing, including preparation, canning and packaging;

(4) processing of livestock and livestock products, dairy products, poultry and poultry products, fish or apiarian products, including slaughter, shearing, collecting, preparation, canning and packaging;

(5) fertilizer and agricultural chemical manufacturing, processing, application and supplying;

(6) farm machinery, equipment and implement manufacturing and supplying;

(7) manufacturing and supplying of agricultural commodity processing machinery and equipment, including machinery and equipment used in slaughter, treatment, handling, collecting, preparation, canning or packaging of agricultural commodities;

(8) farm building and farm structure manufacturing, construction and supplying;

(9) construction, manufacturing, implementation, supplying or servicing of irrigation, drainage and soil and water conservation devices or equipment;

(10) fuel processing and development facilities that produce fuel from agricultural commodities or byproducts;

(11) facilities and equipment for processing and packaging agricultural commodities specifically for export;

(12) facilities and equipment for forestry product processing and supplying, including sawmilling operations, wood chip operations, timber harvesting operations, and manufacturing of prefabricated buildings, paper, furniture or other goods from forestry products;

(13) facilities and equipment for research and development of products, processes and equipment for the production, processing, preparation or packaging of agricultural commodities and byproducts.

(aa) The term "asset" with respect to financing of any agricultural facility or any agribusiness, means, but is not limited to the following: cash crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests in trusts; government payments or grants; and any other assets.

(bb) The term "liability" with respect to financing of any agricultural facility or any agribusiness shall include, but not be limited to the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and any other liability.

(cc) The term "Predecessor Authorities" means those authorities as described in Section 845-75.

(dd) The term "housing project" means a specific work or improvement located within the State or outside the State and undertaken to provide residential dwelling accommodations, including the

acquisition, construction or rehabilitation of lands, buildings and community facilities and in connection therewith to provide nonhousing facilities which are part of the housing project, including land, buildings, improvements, equipment and all ancillary facilities for use for offices, stores, retirement homes, hotels, financial institutions, service, health care, education, recreation or research establishments, or any other commercial purpose which are or are to be related to a housing development, provided that any work or improvement located outside the State is owned, operated, leased or managed by an entity located within the State, or any entity affiliated with an entity located within the State.

(ee) The term "conservation project" means any project including the acquisition, construction, rehabilitation, maintenance, operation, or upgrade that is intended to create or expand open space or to reduce energy usage through efficiency measures. For the purpose of this definition, "open space" has the definition set forth under Section 10 of the Illinois Open Land Trust Act.

(ff) The term "significant presence" means the existence within the State of the national or regional headquarters of an entity or group or such other facility of an entity or group of entities where a significant amount of the business functions are performed for such entity or group of entities.

(gg) The term "municipal bond issuer" means the State or any other state or commonwealth of the United States, or any unit of local government, school district, agency or instrumentality, office, department, division, bureau, commission, college or university thereof located in the State or any other state or commonwealth of the United States.

(hh) The term "municipal bond program project" means a program for the funding of the purchase of bonds, notes or other obligations issued by or on behalf of a municipal bond issuer.

(ii) The term "participating lender" means any trust company, bank, savings bank, credit union, merchant bank, investment bank, broker, investment trust, pension fund, building and loan association, savings and loan association, insurance company, venture capital company, or other institution approved by the Authority which provides a portion of the financing for a project.

(jj) The term "loan participation" means any loan in which the Authority co-operates with a participating lender to provide all or a portion of the financing for a project.

(kk) The term "PACE Project" means an energy project as defined in Section 5 of the Property Assessed Clean Energy Act.

(Source: P.A. 99-180, eff. 7-29-15; 100-919, eff. 8-17-18.)

(20 ILCS 3501/801-40)

Sec. 801-40. In addition to the powers otherwise authorized by law and in addition to the foregoing general corporate powers, the Authority shall also have the following additional specific powers to be exercised in furtherance of the purposes of this Act.

(a) The Authority shall have power (i) to accept grants, loans or appropriations from the federal government or the State, or any agency or instrumentality thereof, to be used for the operating expenses of the Authority, or for any purposes of the Authority, including the making of direct loans of such funds with respect to projects, and (ii) to enter into any agreement with the federal government or the State, or any agency or instrumentality thereof, in relationship to such grants, loans or appropriations.

(b) The Authority shall have power to procure and enter into contracts for any type of insurance and indemnity agreements covering loss or damage to property from any cause, including loss of use and occupancy, or covering any other insurable risk.

(c) The Authority shall have the continuing power to issue bonds for its corporate purposes. Bonds may be issued by the Authority in one or more series and may provide for the payment of any interest deemed necessary on such bonds, of the costs of issuance of such bonds, of any premium on any insurance, or of the cost of any guarantees, letters of credit or other similar documents, may provide for the funding of the reserves deemed necessary in connection with such bonds, and may provide for the refunding or advance refunding of any bonds or for accounts deemed necessary in connection with any purpose of the Authority. The bonds may bear interest payable at any time or times and at any rate or rates, notwithstanding any other provision of law to the contrary, and such rate or rates may be established by an index or formula which may be implemented or established by persons appointed or retained therefor by the Authority, or may bear no interest or may bear interest payable at maturity or upon redemption prior to maturity, may bear such date or dates, may be payable at such time or times and at such place or places, may mature at any time or times not later than 40 years from the date of issuance, may be sold at public or private sale at such time or times and at such price or prices, may be secured by such pledges, reserves, guarantees, letters of credit, insurance contracts or other similar credit support or liquidity instruments, may be executed in such manner, may be subject to redemption prior to maturity, may provide for the registration of the bonds, and may be subject to such other terms and conditions all as may be provided by the resolution or indenture authorizing the issuance of such bonds. The holder or holders of any bonds issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any person or by

the Authority or any of its agents or employees of any contract or covenant made with the holders of such bonds and to compel such person or 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 by the provision of the resolution authorizing their issuance, and to enjoin such person or the Authority and any of its agents or employees from taking any action in conflict with any such contract or covenant. Notwithstanding the form and tenor of any such bonds and in the absence of any express recital on the face thereof that it is non-negotiable, all such bonds shall be negotiable instruments. Pending the preparation and execution of any such bonds, temporary bonds may be issued as provided by the resolution. The bonds shall be sold by the Authority in such manner as it shall determine. The bonds may be secured as provided in the authorizing resolution by the receipts, revenues, income and other available funds of the Authority and by any amounts derived by the Authority from the loan agreement or lease agreement with respect to the project or projects; and bonds may be issued as general obligations of the Authority payable from such revenues, funds and obligations of the Authority as the bond resolution shall provide, or may be issued as limited obligations with a claim for payment solely from such revenues, funds and obligations as the bond resolution shall provide. The Authority may grant a specific pledge or assignment of and lien on or security interest in such rights, revenues, income, or amounts and may grant a specific pledge or assignment of and lien on or security interest in any reserves, funds or accounts established in the resolution authorizing the issuance of bonds. Any such pledge, assignment, lien or security interest for the benefit of the holders of the Authority's bonds shall be valid and binding from the time the bonds are issued without any physical delivery or further act, and shall be valid and binding as against and prior to the claims of all other parties having claims against the Authority or any other person irrespective of whether the other parties have notice of the pledge, assignment, lien or security interest. As evidence of such pledge, assignment, lien and security interest, the Authority may execute and deliver a mortgage, trust agreement, indenture or security agreement or an assignment thereof. A remedy for any breach or default of the terms of any such agreement by the Authority may be by mandamus proceedings in any court of competent jurisdiction to compel the performance and compliance therewith, but the agreement may prescribe by whom or on whose behalf such action may be instituted. It is expressly understood that the Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(d) With respect to the powers granted by this Act, the Authority may adopt rules and regulations prescribing the procedures by which persons may apply for assistance under this Act. Nothing herein shall be deemed to preclude the Authority, prior to the filing of any formal application, from conducting preliminary discussions and investigations with respect to the subject matter of any prospective application.

(e) The Authority shall have power to acquire by purchase, lease, gift or otherwise any property or rights therein from any person useful for its purposes, whether improved for the purposes of any prospective project, or unimproved. The Authority may also accept any donation of funds for its purposes from any such source. The Authority shall have no independent power of condemnation but may acquire any property or rights therein obtained upon condemnation by any other authority, governmental entity or unit of local government with such power.

(f) The Authority shall have power to develop, construct and improve either under its own direction, or through collaboration with any approved applicant, or to acquire through purchase or otherwise, any project, using for such purpose the proceeds derived from the sale of its bonds or from governmental loans or grants, and to hold title in the name of the Authority to such projects.

(g) The Authority shall have power to lease pursuant to a lease agreement any project so developed and constructed or acquired to the approved tenant on such terms and conditions as may be appropriate to further the purposes of this Act and to maintain the credit of the Authority. Any such lease may provide for either the Authority or the approved tenant to assume initially, in whole or in part, the costs of maintenance, repair and improvements during the leasehold period. In no case, however, shall the total rentals from any project during any initial leasehold period or the total loan repayments to be made pursuant to any loan agreement, be less than an amount necessary to return over such lease or loan period (1) all costs incurred in connection with the development, construction, acquisition or improvement of the project and for repair, maintenance and improvements thereto during the period of the lease or loan; provided, however, that the rentals or loan repayments need not include costs met through the use of funds other than those obtained by the Authority through the issuance of its bonds or governmental loans; (2) a reasonable percentage additive to be agreed upon by the Authority and the borrower or tenant to cover a properly allocable portion of the Authority's general expenses, including, but not limited to, administrative expenses, salaries and general insurance, and (3) an amount sufficient to pay when due all principal of, interest and premium, if any on, any bonds issued by the Authority with respect to the project. The portion of total rentals payable under clause (3) of this subsection (g) shall be deposited in such special accounts,

including all sinking funds, acquisition or construction funds, debt service and other funds as provided by any resolution, mortgage or trust agreement of the Authority pursuant to which any bond is issued.

(h) The Authority has the power, upon the termination of any leasehold period of any project, to sell or lease for a further term or terms such project on such terms and conditions as the Authority shall deem reasonable and consistent with the purposes of the Act. The net proceeds from all such sales and the revenues or income from such leases shall be used to satisfy any indebtedness of the Authority with respect to such project and any balance may be used to pay any expenses of the Authority or be used for the further development, construction, acquisition or improvement of projects. In the event any project is vacated by a tenant prior to the termination of the initial leasehold period, the Authority shall sell or lease the facilities of the project on the most advantageous terms available. The net proceeds of any such disposition shall be treated in the same manner as the proceeds from sales or the revenues or income from leases subsequent to the termination of any initial leasehold period.

(i) The Authority shall have the power to make loans, or to purchase loan participations in loans made, to persons to finance a project, to enter into loan agreements or agreements with participating lenders with respect thereto, and to accept guarantees from persons of its loans or the resultant evidences of obligations of the Authority.

(j) The Authority may fix, determine, charge and collect any premiums, fees, charges, costs and expenses, including, without limitation, any application fees, commitment fees, program fees, financing charges or publication fees from any person in connection with its activities under this Act.

(k) In addition to the funds established as provided herein, the Authority shall have the power to create and establish such reserve funds and accounts as may be necessary or desirable to accomplish its purposes under this Act and to deposit its available monies into the funds and accounts.

(l) At the request of the governing body of any unit of local government, the Authority is authorized to market such local government's revenue bond offerings by preparing bond issues for sale, advertising for sealed bids, receiving bids at its offices, making the award to the bidder that offers the most favorable terms or arranging for negotiated placements or underwritings of such securities. The Authority may, at its discretion, offer for concurrent sale the revenue bonds of several local governments. Sales by the Authority of revenue bonds under this Section shall in no way imply State guarantee of such debt issue. The Authority may require such financial information from participating local governments as it deems necessary in order to carry out the purposes of this subsection (1).

(m) The Authority may make grants to any county to which Division 5-37 of the Counties Code is applicable to assist in the financing of capital development, construction and renovation of new or existing facilities for hospitals and health care facilities under that Act. Such grants may only be made from funds appropriated for such purposes from the Build Illinois Bond Fund.

(n) The Authority may establish an urban development action grant program for the purpose of assisting municipalities in Illinois which are experiencing severe economic distress to help stimulate economic development activities needed to aid in economic recovery. The Authority shall determine the types of activities and projects for which the urban development action grants may be used, provided that such projects and activities are broadly defined to include all reasonable projects and activities the primary objectives of which are the development of viable urban communities, including decent housing and a suitable living environment, and expansion of economic opportunity, principally for persons of low and moderate incomes. The Authority shall enter into grant agreements from monies appropriated for such purposes from the Build Illinois Bond Fund. The Authority shall monitor the use of the grants, and shall provide for audits of the funds as well as recovery by the Authority of any funds determined to have been spent in violation of this subsection (n) or any rule or regulation promulgated hereunder. The Authority shall provide technical assistance with regard to the effective use of the urban development action grants. The Authority shall file an annual report to the General Assembly concerning the progress of the grant program.

(o) The Authority may establish a Housing Partnership Program whereby the Authority provides zero-interest loans to municipalities for the purpose of assisting in the financing of projects for the rehabilitation of affordable multi-family housing for low and moderate income residents. The Authority may provide such loans only upon a municipality's providing evidence that it has obtained private funding for the rehabilitation project. The Authority shall provide 3 State dollars for every 7 dollars obtained by the municipality from sources other than the State of Illinois. The loans shall be made from monies appropriated for such purpose from the Build Illinois Bond Fund. The total amount of loans available under the Housing Partnership Program shall not exceed $30,000,000. State loan monies under this subsection shall be used only for the acquisition and rehabilitation of existing buildings containing 4 or more dwelling units. The terms of any loan made by the municipality under this subsection shall require repayment of the loan to the municipality upon any sale or other transfer of the project. In addition, the

Authority may use any moneys appropriated for such purpose from the Build Illinois Bond Fund, including funds loaned under this subsection and repaid as principal or interest, and investment income on such funds, to make the loans authorized by subsection (z), without regard to any restrictions or limitations provided in this subsection.

(p) The Authority may award grants to universities and research institutions, research consortiums and other not-for-profit entities for the purposes of: remodeling or otherwise physically altering existing laboratory or research facilities, expansion or physical additions to existing laboratory or research facilities, construction of new laboratory or research facilities or acquisition of modern equipment to support laboratory or research operations provided that such grants (i) be used solely in support of project and equipment acquisitions which enhance technology transfer, and (ii) not constitute more than 60 percent of the total project or acquisition cost.

(q) Grants may be awarded by the Authority to units of local government for the purpose of developing the appropriate infrastructure or defraying other costs to the local government in support of laboratory or research facilities provided that such grants may not exceed 40% of the cost to the unit of local government.

(r) In addition to the powers granted to the Authority under subsection (i), and in all cases supplemental to it, the Authority may establish a direct loan program to make loans to, or may purchase participations in loans made by participating lenders to, individuals, partnerships, corporations, or other business entities for the purpose of financing an industrial project, as defined in Section 801-10 of this Act. For the purposes of such program and not by way of limitation on any other program of the Authority, including, without limitation, programs established under subsection (i), the Authority shall have the power to issue bonds, notes, or other evidences of indebtedness including commercial paper for purposes of providing a fund of capital from which it may make such loans. The Authority shall have the power to use any appropriations from the State made especially for the Authority's direct loan program, or moneys at any time held by the Authority under this Act outside the State treasury in the custody of either the Treasurer of the Authority or a trustee or depository appointed by the Authority, for additional capital to make such loans or purchase such loan participations, or for the purposes of reserve funds or pledged funds which secure the Authority's obligations of repayment of any bond, note or other form of indebtedness established for the purpose of providing capital for which it intends to make such loans or purchase such loan participations. For the purpose of obtaining such capital, the Authority may also enter into agreements with financial institutions, participating lenders, and other persons for the purpose of administering a loan participation program, selling loans or developing a secondary market for such loans or loan participations. Loans made under the direct loan program specifically established under this subsection (r), including loans under such program made by participating lenders in which the Authority purchases a participation, may be in an amount not to exceed $600,000 and shall be made for a portion of an industrial project which does not exceed 50% of the total project. No loan may be made by the Authority unless approved by the affirmative vote of at least 8 members of the board. The Authority shall establish procedures and publish rules which shall provide for the submission, review, and analysis of each direct loan and loan participation application and which shall preserve the ability of each board member and the Executive Director, as applicable, to reach an individual business judgment regarding the propriety of each direct loan or loan participation. The collective discretion of the board to approve or disapprove each loan shall be unencumbered. The Authority may establish and collect such fees and charges, determine and enforce such terms and conditions, and charge such interest rates as it determines to be necessary and appropriate to the successful administration of the direct loan program, including purchasing loan participations. The Authority may require such interests in collateral and such guarantees as it determines are necessary to protect the Authority's interest in the repayment of the principal and interest of each loan and loan participation made under the direct loan program. The restrictions established under this subsection (r) shall not be applicable to any loan or loan participation made under subsection (i) or to any loan or loan participation made under any other Section of this Act.

(s) The Authority may guarantee private loans to third parties up to a specified dollar amount in order to promote economic development in this State.

(t) The Authority may adopt rules and regulations as may be necessary or advisable to implement the powers conferred by this Act.

(u) The Authority shall have the power to issue bonds, notes or other evidences of indebtedness, which may be used to make loans to units of local government which are authorized to enter into loan agreements and other documents and to issue bonds, notes and other evidences of indebtedness for the purpose of financing the protection of storm sewer outfalls, the construction of adequate storm sewer outfalls, and the provision for flood protection of sanitary sewage treatment plans, in counties that have established a stormwater management planning committee in accordance with Section 5-1062 of the Counties Code. Any such loan shall be made by the Authority pursuant to the provisions of Section 820-5 to 820-60 of

this Act. The unit of local government shall pay back to the Authority the principal amount of the loan, plus annual interest as determined by the Authority. The Authority shall have the power, subject to appropriations by the General Assembly, to subsidize or buy down a portion of the interest on such loans, up to 4% per annum.

(v) The Authority may accept security interests as provided in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

(w) Moral Obligation. 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 Chairperson, 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 apply only 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 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 Chairperson 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. The Authority shall obtain written approval from the Governor for any bonds and notes to be issued under this Section. In addition to any other bonds authorized to be issued under Sections 825-60, 825-65(e), 830-25 and 845-5, the principal amount of Authority bonds outstanding issued under this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS 360/2-6(c), which have been assumed by the Authority, shall not exceed $150,000,000. This subsection (w) shall in no way be applied to any bonds issued by the Authority on behalf of the Illinois Power Agency under Section 825-90 of this Act.

(x) The Authority may enter into agreements or contracts with any person necessary or appropriate to place the payment obligations of the Authority under any of its bonds in whole or in part on any interest rate basis, cash flow basis, or other basis desired by the Authority, including without limitation agreements or contracts commonly known as "interest rate swap agreements", "forward payment conversion agreements", and "futures", or agreements or contracts to exchange cash flows or a series of payments, or agreements or contracts, including without limitation agreements or contracts commonly known as "options", "puts", or "calls", to hedge payment, rate spread, or similar exposure; provided that any such agreement or contract shall not constitute an obligation for borrowed money and shall not be taken into account under Section 845-5 of this Act or any other debt limit of the Authority or the State of Illinois.

(y) The Authority shall publish summaries of projects and actions approved by the members of the Authority on its website. These summaries shall include, but not be limited to, information regarding the:

(1) project;
(2) Board's action or actions;
(3) purpose of the project;
(4) Authority's program and contribution;
(5) volume cap;
(6) jobs retained;
(7) projected new jobs;
(8) construction jobs created;
(9) estimated sources and uses of funds;
(10) financing summary;
(11) project summary;
(12) business summary;
(13) ownership or economic disclosure statement;
(14) professional and financial information;
(15) service area; and
(16) legislative district.

The disclosure of information pursuant to this subsection shall comply with the Freedom of Information Act.

(z) Consistent with the findings and declaration of policy set forth in item (j) of Section 801-5 of this Act, the Authority shall have the power to make loans to the Police Officers' Pension Investment Fund authorized by Section 22B-120 of the Illinois Pension Code and to make loans to the Firefighters' Pension Investment Fund authorized by Section 22C-120 of the Illinois Pension Code. Notwithstanding anything

in this Act to the contrary, loans authorized by Section 22B-120 and Section 22C-120 of the Illinois Pension Code may be made from any of the Authority's funds, including, but not limited to, funds in its Illinois Housing Partnership Program Fund, its Industrial Project Insurance Fund, or its Illinois Venture Investment Fund.

(Source: P.A. 100-919, eff. 8-17-18.)

(20 ILCS 3501/805-20)

Sec. 805-20. Powers and Duties; Industrial Project Insurance Program. The Authority has the power:

(a) to insure and make advance commitments to insure all or any part of the payments required on the bonds issued or a loan made to finance any environmental facility under the Illinois Environmental Facilities Financing Act or for any industrial project upon such terms and conditions as the Authority may prescribe in accordance with this Article. The insurance provided by the Authority shall be payable solely from the Fund created by Section 805-15 and shall not constitute a debt or pledge of the full faith and credit of the State, the Authority, or any political subdivision thereof;

(b) to enter into insurance contracts, letters of credit or any other agreements or contracts with financial institutions with respect to the Fund and any bonds or loans insured thereunder. Any such agreement or contract may contain terms and provisions necessary or desirable in connection with the program, subject to the requirements established by this Act, including without limitation terms and provisions relating to loan documentation, review and approval procedures, origination and servicing rights and responsibilities, default conditions, procedures and obligations with respect to insurance contracts made under this Act. The agreements or contracts may be executed on an individual, group or master contract basis with financial institutions;

(c) to charge reasonable fees to defray the cost of obtaining letters of credit or other similar documents, other than insurance contracts under paragraph (b). Any such fees shall be payable by such person, in such amounts and at such times as the Authority shall determine, and the amount of the fees need not be uniform among the various bonds or loans insured;

(d) to fix insurance premiums for the insurance of payments under the provisions of this Article. Such premiums shall be computed as determined by the Authority. Any premiums for the insurance of loan payments under the provisions of this Act shall be payable by such person, in such amounts and at such times as the Authority shall determine, and the amount of the premiums need not be uniform among the various bonds or loans insured;

(e) to establish application fees and prescribe application, notification, contract and insurance forms, rules and regulations it deems necessary or appropriate;

(f) to make loans and to issue bonds secured by insurance or other agreements authorized by paragraphs (a) and (b) of this Section 805-20 and to issue bonds secured by loans that are guaranteed by the federal government or agencies thereof;

(g) to issue a single bond issue, or a series of bond issues, for a group of industrial projects, a group of corporations, or a group of business entities or any combination thereof insured by insurance or backed by any other agreement authorized by paragraphs (a) and (b) of this Section or secured by loans that are guaranteed by the federal government or agencies thereof;

(h) to enter into trust agreements for the management of the Fund created under Section 805-15 of this Act;

(i) to exercise such other powers as are necessary or incidental to the powers granted in this Section and to the issuance of State Guarantees under Article 830 of this Act; and

(j) at the discretion of the Authority, (i) to insure and make advance commitments to insure, and issue State Guarantees for, all or any part of the payments required on the bonds issued or loans made to finance any agricultural facility, project, farmer, producer, agribusiness, qualified veteran-owned small business, or program under Article 830 or Article 835 of this Act upon such terms and conditions as the Authority may prescribe in accordance with this Article or (ii) to make loans authorized by subsection (z) of Section 801-40 of this Act upon such terms and conditions as the Authority may prescribe, consistent with Sections 22B-120 and 22C-120 of the Illinois Pension Code and without regard to any other restrictions or limitations provided in this Article. The insurance and State Guarantees provided by the Authority may be payable from the Fund created by Section 805-15 and is in addition to and not in replacement of the Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund created under Article 830 of this Act.

(Source: P.A. 99-509, eff. 6-24-16.)

Section 10. The Illinois Pension Code is amended by changing Sections 1-109.3, 1-113.12, 1-160, 1A-102, 1A-104, 1A-109, 1A-111, 1A-112, 1A-113, 3-111, 3-112, 3-125, 3-132, 4-109, 4-114, 4-118, 4-123,

7-159, 14-110, 14-152.1, 15-120, 15-135, 15-136, 15-159, 15-198, 16-163, 16-164, and 16-165 and by adding Sections 1-101.6, 3-124.3, 3-132.1, 4-117.2, and 4-123.2 and Articles 22B and 22C as follows:

(40 ILCS 5/1-101.6 new)

Sec. 1-101.6. Transferor pension fund. "Transferor pension fund" means any pension fund established pursuant to Article 3 or 4 of this Code.

(40 ILCS 5/1-109.3)

Sec. 1-109.3. Training requirement for pension trustees.

(a) All elected and appointed trustees under Article 3 and 4 of this Code must participate in a mandatory trustee certification training seminar that consists of at least 16 ~~32~~ hours of initial trustee certification at a training facility that is accredited and affiliated with a State of Illinois certified college or university. This training must include without limitation all of the following:

(1) Duties and liabilities of a fiduciary with respect to the administration and payment of pension benefits ~~under Article 1 of the Illinois Pension Code~~.

(2) Adjudication of pension claims.

(3) (Blank) ~~Basic accounting and actuarial training~~.

(4) Trustee ethics.

(5) The Illinois Open Meetings Act.

(6) The Illinois Freedom of Information Act.

The training required under this subsection (a) must be completed within the first year that a trustee is elected or appointed under an Article 3 or 4 pension fund. Any trustee who has completed the training required under Section 1.05 of the Open Meetings Act shall not be required to participate in training concerning item (5) of this subsection. The elected and appointed trustees of an Article 3 or 4 pension fund who are police officers (as defined in Section 3-106 of this Code) or firefighters (as defined in Section 4-106 of this Code) or are employed by the municipality shall be permitted time away from their duties to attend such training without reduction of accrued leave or benefit time. Active or appointed trustees serving on the effective date of this amendatory Act of the 96th General Assembly shall not be required to attend the training required under this subsection (a).

(a-5) In addition to the initial trustee certification training required under subsection (a), all elected and appointed trustees who were elected or appointed on or before the effective date of this amendatory Act of the 101st General Assembly shall also participate in 4 hours of training on the changes made by this amendatory Act of the 101st General Assembly. For trustees of funds under Article 3, this training shall be conducted at a training facility that is accredited and affiliated with a State of Illinois certified college or university. For trustees of funds under Article 4, this training may be conducted by a fund, the Department of Insurance, or both a fund and the Department of Insurance. This training is only required to be completed once by each trustee required to participate.

(b) In addition to the initial trustee certification training required under subsection (a), all elected and appointed trustees under Article 3 and 4 of this Code, including trustees serving on the effective date of this amendatory Act of the 96th General Assembly, shall also participate in a minimum of 8 ~~16~~ hours of continuing trustee education each year after the first year that the trustee is elected or appointed.

(c) The training required under this Section shall be paid for by the pension fund.

(d) Any board member who does not timely complete the training required under this Section is not eligible to serve on the board of trustees of an Article 3 or 4 pension fund, unless the board member completes the missed training within 6 months after the date the member failed to complete the required training. In the event of a board member's failure to complete the required training, a successor shall be appointed or elected, as applicable, for the unexpired term. A successor who is elected under such circumstances must be elected at a special election called by the board and conducted in the same manner as a regular election under Article 3 or 4, as applicable.

(Source: P.A. 96-429, eff. 8-13-09.)

(40 ILCS 5/1-113.12)

Sec. 1-113.12. Application.

(a) Except as provided in subsection (b) of this Section, Sections 1-113.1 through 1-113.10 apply only to pension funds established under Article 3 or 4 of this Code.

(b) Upon the transfer of the securities, funds, assets, and moneys of a transferor pension fund to a fund created under Article 22B or 22C, that pension fund shall no longer exercise any investment authority with respect to those securities, funds, assets, and moneys and Sections 1-113.1 through 113.10 shall not apply to those securities, funds, assets, and moneys.

(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/1-160)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, 15 or 18 of this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code, to any person with respect to service as a sheriff's law enforcement employee under Article 7, or to any participant of the retirement plan established under Section 22-101. Notwithstanding anything to the contrary in this Section, for purposes of this Section, a person who participated in a retirement system under Article 15 prior to January 1, 2011 shall be deemed a person who first became a member or participant prior to January 1, 2011 under any retirement system or pension fund subject to this Section. The changes made to this Section by Public Act 98-596 are a clarification of existing law and are intended to be retroactive to January 1, 2011 (the effective date of Public Act 96-889), notwithstanding the provisions of Section 1-103.1 of this Code.

This Section does not apply to a person who first becomes a noncovered employee under Article 14 on or after the implementation date of the plan created under Section 1-161 for that Article, unless that person elects under subsection (b) of Section 1-161 to instead receive the benefits provided under this Section and the applicable provisions of that Article.

This Section does not apply to a person who first becomes a member or participant under Article 16 on or after the implementation date of the plan created under Section 1-161 for that Article, unless that person elects under subsection (b) of Section 1-161 to instead receive the benefits provided under this Section and the applicable provisions of that Article.

This Section does not apply to a person who elects under subsection (c-5) of Section 1-161 to receive the benefits under Section 1-161.

This Section does not apply to a person who first becomes a member or participant of an affected pension fund on or after 6 months after the resolution or ordinance date, as defined in Section 1-162, unless that person elects under subsection (c) of Section 1-162 to receive the benefits provided under this Section and the applicable provisions of the Article under which he or she is a member or participant.

(b) "Final average salary" means the average monthly (or annual) salary obtained by dividing the total salary or earnings calculated under the Article applicable to the member or participant during the 96 consecutive months (or 8 consecutive years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the applicable Article was the highest by the number of months (or years) of service in that period. For the purposes of a person who first becomes a member or participant of any retirement system or pension fund to which this Section applies on or after January 1, 2011, in this Code, "final average salary" shall be substituted for the following:

(1) In Article 7 (except for service as sheriff's law enforcement employees), "final rate of earnings".

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed $106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

(c) A member or participant is entitled to a retirement annuity upon written application if he or she has attained age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article.

A member or participant who has attained age 62 (beginning January 1, 2015, age 60 with respect to service under Article 12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(c-5) A person who first becomes a member or a participant subject to this Section on or after July 6, 2017 (the effective date of Public Act 100-23), notwithstanding any other provision of this Code to the contrary, is entitled to a retirement annuity under Article 8 or Article 11 upon written application if he or she has attained age 65 and has at least 10 years of service credit and is otherwise eligible under the requirements of Article 8 or Article 11 of this Code, whichever is applicable.

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 (beginning January 1, 2015, age 60 with respect to service under Article 12 of this Code that is subject to this Section) with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section).

(d-5) The retirement annuity payable under Article 8 or Article 11 to an eligible person subject to subsection (c-5) of this Section who is retiring at age 60 with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 65.

(d-10) Each person who first became a member or participant under Article 8 or Article 11 of this Code on or after January 1, 2011 and prior to the effective date of this amendatory Act of the 100th General Assembly shall make an irrevocable election either:

(i) to be eligible for the reduced retirement age provided in subsections (c-5) and (d-5) of this Section, the eligibility for which is conditioned upon the member or participant agreeing to the increases in employee contributions for age and service annuities provided in subsection (a-5) of Section 8-174 of this Code (for service under Article 8) or subsection (a-5) of Section 11-170 of this Code (for service under Article 11); or

(ii) to not agree to item (i) of this subsection (d-10), in which case the member or participant shall continue to be subject to the retirement age provisions in subsections (c) and (d) of this Section and the employee contributions for age and service annuity as provided in subsection (a) of Section 8-174 of this Code (for service under Article 8) or subsection (a) of Section 11-170 of this Code (for service under Article 11).

The election provided for in this subsection shall be made between October 1, 2017 and November 15, 2017. A person subject to this subsection who makes the required election shall remain bound by that election. A person subject to this subsection who fails for any reason to make the required election within the time specified in this subsection shall be deemed to have made the election under item (ii).

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section and beginning on the effective date of this amendatory Act of the 100th General Assembly, age 65 with respect to service under Article 8 or Article 11 for eligible persons who: (i) are subject to subsection (c-5) of this Section; or (ii) made the election under item (i) of subsection (d-10) of this Section) or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

For the purposes of Section 1-103.1 of this Code, the changes made to this Section by this amendatory Act of the 100th General Assembly are applicable without regard to whether the employee was in active service on or after the effective date of this amendatory Act of the 100th General Assembly.

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be 66 2/3% of the earned annuity without a reduction due to age. A child's annuity of an otherwise eligible child shall be in the amount prescribed under each Article if applicable. Any survivor's or widow's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring after the first anniversary of the

commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(g) The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, a conservation police officer, an investigator for the Secretary of State, an arson investigator, a Commerce Commission police officer, a security employee of the Department of Corrections or the Department of Juvenile Justice, or a security employee of the Department of Innovation and Technology, as those terms are defined in subsection (b) and subsection (c) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(h) If a person who first becomes a member or a participant of a retirement system or pension fund subject to this Section on or after January 1, 2011 is receiving a retirement annuity or retirement pension under that system or fund and becomes a member or participant under any other system or fund created by this Code and is employed on a full-time basis, except for those members or participants exempted from the provisions of this Section under subsection (a) of this Section, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and be recalculated if recalculation is provided for under the applicable Article of this Code.

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit such notification shall be guilty of a Class A misdemeanor and required to pay a fine of $1,000. Upon termination of that contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) (Blank).

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17; 100-563, eff. 12-8-17; 100-611, eff. 7-20-18; 100-1166, eff. 1-4-19.)

(40 ILCS 5/1A-102)

Sec. 1A-102. Definitions. As used in this Article, the following terms have the meanings ascribed to them in this Section, unless the context otherwise requires:

"Accrued liability" means the actuarial present value of future benefit payments and appropriate administrative expenses under a plan, reduced by the actuarial present value of all future normal costs (including any participant contributions) with respect to the participants included in the actuarial valuation of the plan.

"Actuarial present value" means the single amount, as of a given valuation date, that results from applying actuarial assumptions to an amount or series of amounts payable or receivable at various times.

"Actuarial value of assets" means the value assigned by the actuary to the assets of a plan for the purposes of an actuarial valuation.

"Basis point" means 1/100th of one percent.

"Beneficiary" means a person eligible for or receiving benefits from a pension fund as provided in the Article of this Code under which the fund is established.

"Consolidated Fund" means: (i) with respect to the pension funds established under Article 3 of this Code, the Police Officers' Pension Investment Fund established under Article 22B of this Code; and (ii) with respect to the pension funds established under Article 4 of this Code, the Firefighters' Pension Investment Fund established under Article 22C of this Code.

"Credited projected benefit" means that portion of a participant's projected benefit based on an allocation taking into account service to date determined in accordance with the terms of the plan based on anticipated future compensation.

"Current value" means the fair market value when available; otherwise, the fair value as determined in good faith by a trustee, assuming an orderly liquidation at the time of the determination.

"Department" means the Department of Insurance of the State of Illinois.

"Director" means the Director of the Department of Insurance.

"Division" means the Public Pension Division of the Department of Insurance.

"Governmental unit" means the State of Illinois, any instrumentality or agency thereof (except transit authorities or agencies operating within or within and without cities with a population over 3,000,000), and any political subdivision or municipal corporation that establishes and maintains a public pension fund.

"Normal cost" means that part of the actuarial present value of all future benefit payments and appropriate administrative expenses assigned to the current year under the actuarial valuation method used by the plan (excluding any amortization of the unfunded accrued liability).

"Participant" means a participating member or deferred pensioner or annuitant of a pension fund as provided in the Article of this Code under which the pension fund is established, or a beneficiary thereof.

"Pension fund" means any public pension fund, annuity and benefit fund, or retirement system established under this Code.

"Plan year" means the calendar or fiscal year on which the records of a given plan are kept.

"Projected benefits" means benefit amounts under a plan which are expected to be paid at various future times under a particular set of actuarial assumptions, taking into account, as applicable, the effect of advancement in age and past and anticipated future compensation and service credits.

"Supplemental annual cost" means that portion of the unfunded accrued liability assigned to the current year under one of the following bases:

(1) interest only on the unfunded accrued liability;

(2) the level annual amount required to amortize the unfunded accrued liability over a period not exceeding 40 years;

(3) the amount required for the current year to amortize the unfunded accrued liability over a period not exceeding 40 years as a level percentage of payroll.

"Total annual cost" means the sum of the normal cost plus the supplemental annual cost.

"Transition period" means the period described in Section 22B-120 with respect to the pension funds established under Article 3 of this Code and the period described in Section 22C-120 with respect to the pension funds established under Article 4 of this Code.

"Unfunded accrued liability" means the excess of the accrued liability over the actuarial value of the assets of a plan.

"Vested pension benefit" means an interest obtained by a participant or beneficiary in that part of an immediate or deferred benefit under a plan which arises from the participant's service and is not conditional upon the participant's continued service for an employer any of whose employees are covered under the plan, and which has not been forfeited under the terms of the plan.

(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/1A-104)

Sec. 1A-104. Examinations and investigations.

(a) Except as described in the following paragraph with respect to pension funds established under Article 3 or 4 of this Code, the ~~The~~ Division shall make periodic examinations and investigations of all pension funds established under this Code and maintained for the benefit of employees and officers of governmental units in the State of Illinois. However, in lieu of making an examination and investigation, the Division may accept and rely upon a report of audit or examination of any pension fund made by an independent certified public accountant pursuant to the provisions of the Article of this Code governing the pension fund. The acceptance of the report of audit or examination does not bar the Division from making a further audit, examination, and investigation if deemed necessary by the Division.

For pension funds established under Article 3 or 4 of this Code: (i) prior to the conclusion of the transition period, the Division shall make the periodic examinations and investigations described in the preceding paragraph; and (ii) after the conclusion of the transition period, the Division may accept and rely upon a report of audit or examination of such pension fund made by an independent certified public accountant retained by the Consolidated Fund. The acceptance of the report of audit or examination does not bar the Division from making a further audit, examination, and investigation if deemed necessary by the Division.

The Department may implement a flexible system of examinations under which it directs resources as it deems necessary or appropriate. In consultation with the pension fund being examined, the Division may retain attorneys, independent actuaries, independent certified public accountants, and other professionals and specialists as examiners, the cost of which (except in the case of pension funds established under Article 3 or 4) shall be borne by the pension fund that is the subject of the examination.

(b) The Division or the Consolidated Fund, as appropriate, shall examine or investigate each pension fund established under Article 3 or Article 4 of this Code. The schedule of each examination shall be such that each fund shall be examined once every 3 years.

Each examination shall include the following:

(1) an audit of financial transactions, investment policies, and procedures;

(2) an examination of books, records, documents, files, and other pertinent memoranda relating to financial, statistical, and administrative operations;

(3) a review of policies and procedures maintained for the administration and operation of the pension fund;

(4) a determination of whether or not full effect is being given to the statutory provisions governing the operation of the pension fund;

(5) a determination of whether or not the administrative policies in force are in accord with the purposes of the statutory provisions and effectively protect and preserve the rights and equities of the participants;

(6) a determination of whether or not proper financial and statistical records have been established and adequate documentary evidence is recorded and maintained in support of the several types of annuity and benefit payments being made; and

(7) a determination of whether or not the calculations made by the fund for the payment of all annuities and benefits are accurate.

In addition, the Division or the Consolidated Fund, as appropriate, may conduct investigations, which shall be identified as such and which may include one or more of the items listed in this subsection.

A copy of the report of examination or investigation as prepared by the Division or the Consolidated Fund, as appropriate, shall be submitted to the secretary of the board of trustees of the pension fund examined or investigated and to the chief executive officer of the municipality. The Director, upon request, shall grant a hearing to the officers or trustees of the pension fund and to the officers or trustees of the Consolidated Fund, as appropriate, or their duly appointed representatives, upon any facts contained in the report of examination. The hearing shall be conducted before filing the report or making public any information contained in the report. The Director may withhold the report from public inspection for up to 60 days following the hearing.

(Source: P.A. 95-950, eff. 8-29-08.)

(40 ILCS 5/1A-109)

Sec. 1A-109. Annual statements by pension funds. Each pension fund shall furnish to the Division an annual statement in a format prepared by the Division.

The Division shall design the form and prescribe the content of the annual statement and, at least 60 days prior to the filing date, shall furnish the form to each pension fund for completion. The annual statement shall be prepared by each fund, properly certified by its officers, and submitted to the Division within 6 months following the close of the fiscal year of the pension fund.

The annual statement shall include, but need not be limited to, the following:

(1) a financial balance sheet as of the close of the fiscal year;

(2) a statement of income and expenditures;

(3) an actuarial balance sheet;

(4) statistical data reflecting age, service, and salary characteristics concerning all participants;

(5) special facts concerning disability or other claims;

(6) details on investment transactions that occurred during the fiscal year covered by the report;

(7) details on administrative expenses; and

(8) such other supporting data and schedules as in the judgement of the Division may be necessary for a proper appraisal of the financial condition of the pension fund and the results of its operations. The annual statement shall also specify the actuarial and interest tables used in the operation of the pension fund.

For pension funds under Article 3 or 4 of this Code, after the conclusion of the transition period, the Consolidated Fund shall furnish directly to the Division the information described in items (1) and (6) of this Section and shall otherwise cooperate with the pension fund in the preparation of the annual statement.

A pension fund that fails to file its annual statement within the time prescribed under this Section is subject to the penalty provisions of Section 1A-113.
(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/1A-111)

Sec. 1A-111. Actuarial statements by pension funds established under Article 3 or 4.

(a) For each ~~Each~~ pension fund established under Article 3 or 4 of this Code , a complete actuarial statement applicable to its plan year shall be included ~~include~~ as part of its annual statement in accordance with the following: ~~a complete actuarial statement applicable to the plan year.~~

(1) Prior to the conclusion of the transition period, if ~~If~~ the actuarial statement is prepared by a person other than the Department, it shall be

filed with the Division within 9 months after the close of the fiscal year of the pension fund. Any pension fund that fails to file within that time shall be subject to the penalty provisions of Section 1A-113. The statement shall be prepared by or under the supervision of a qualified actuary, signed by the qualified actuary, and contain such information as the Division may by rule require.

(2) After the conclusion of the transition period, each actuarial statement shall be prepared by or under the supervision of a qualified actuary retained by the Consolidated Fund and signed by the qualified actuary and shall contain such information as the Division may by rule require. The actuarial statement shall be filed with the Division within 9 months after the close of the fiscal year of the pension fund.

(a-5) Prior to the conclusion of the transition period, the actuarial statements may be prepared utilizing the method for calculating the actuarially required contribution for the pension fund that was in effect prior to the effective date of this amendatory Act of the 101st General Assembly.

After the conclusion of the transition period, the actuarial statements shall be prepared by or under the supervision of a qualified actuary retained by the Consolidated Fund, and if a change occurs in an actuarial or investment assumption that increases or decreases the actuarially required contribution for the pension fund, that change shall be implemented in equal annual amounts over the 3-year period beginning in the fiscal year of the pension fund in which such change first occurs.

The actuarially required contribution as described in this subsection shall determine the annual required employer contribution.

(b) For the purposes of this Section, "qualified actuary" means (i) a member of the American Academy of Actuaries, or (ii) an individual who has demonstrated to the satisfaction of the Director that he or she has the educational background necessary for the practice of actuarial science and has at least 7 years of actuarial experience.
(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/1A-112)

Sec. 1A-112. Fees.

(a) Every pension fund that is required to file an annual statement under Section 1A-109 shall pay to the Department an annual compliance fee. In the case of a pension fund under Article 3 or 4 of this Code, (i) prior to the conclusion of the transition period, the annual compliance fee shall be 0.02% (2 basis points) of the total assets of the pension fund, as reported in the most current annual statement of the fund, but not more than $8,000 and (ii) after the conclusion of the transition period, the annual compliance fee shall be $8,000 and shall be paid by the Consolidated Fund. In the case of all other pension funds and retirement systems, the annual compliance fee shall be $8,000.

(b) The annual compliance fee shall be due on June 30 for the following State fiscal year, except that the fee payable in 1997 for fiscal year 1998 shall be due no earlier than 30 days following the effective date of this amendatory Act of 1997.

(c) Any information obtained by the Division that is available to the public under the Freedom of Information Act and is either compiled in published form or maintained on a computer processible medium shall be furnished upon the written request of any applicant and the payment of a reasonable information services fee established by the Director, sufficient to cover the total cost to the Division of compiling, processing, maintaining, and generating the information. The information may be furnished by means of published copy or on a computer processed or computer processible medium.

No fee may be charged to any person for information that the Division is required by law to furnish to that person.

(d) Except as otherwise provided in this Section, all fees and penalties collected by the Department under this Code shall be deposited into the Public Pension Regulation Fund.

(e) Fees collected under subsection (c) of this Section and money collected under Section 1A-107 shall be deposited into the Technology Management Revolving Fund and credited to the account of the Department's Public Pension Division. This income shall be used exclusively for the purposes set forth in Section 1A-107. Notwithstanding the provisions of Section 408.2 of the Illinois Insurance Code, no surplus

funds remaining in this account shall be deposited in the Insurance Financial Regulation Fund. All money in this account that the Director certifies is not needed for the purposes set forth in Section 1A-107 of this Code shall be transferred to the Public Pension Regulation Fund.

(f) Nothing in this Code prohibits the General Assembly from appropriating funds from the General Revenue Fund to the Department for the purpose of administering or enforcing this Code.

(Source: P.A. 100-23, eff. 7-6-17.)

(40 ILCS 5/1A-113)

Sec. 1A-113. Penalties.

(a) A pension fund that fails, without just cause, to file its annual statement within the time prescribed under Section 1A-109 shall pay to the Department a penalty to be determined by the Department, which shall not exceed $100 for each day's delay.

(b) A pension fund that fails, without just cause, to file its actuarial statement within the time prescribed under Section 1A-110 or 1A-111 shall pay to the Department a penalty to be determined by the Department, which shall not exceed $100 for each day's delay.

(c) A pension fund that fails to pay a fee within the time prescribed under Section 1A-112 shall pay to the Department a penalty of 5% of the amount of the fee for each month or part of a month that the fee is late. The entire penalty shall not exceed 25% of the fee due.

(d) This subsection applies to any governmental unit, as defined in Section 1A-102, that is subject to any law establishing a pension fund or retirement system for the benefit of employees of the governmental unit.

Whenever the Division determines by examination, investigation, or in any other manner that the governing body or any elected or appointed officer or official of a governmental unit has failed to comply with any provision of that law:

(1) The Director shall notify in writing the governing body, officer, or official of the specific provision or provisions of the law with which the person has failed to comply.

(2) Upon receipt of the notice, the person notified shall take immediate steps to comply with the provisions of law specified in the notice.

(3) If the person notified fails to comply within a reasonable time after receiving the notice, the Director may hold a hearing at which the person notified may show cause for noncompliance with the law.

(4) If upon hearing the Director determines that good and sufficient cause for noncompliance has not been shown, the Director may order the person to submit evidence of compliance within a specified period of not less than 30 days.

(5) If evidence of compliance has not been submitted to the Director within the period of time prescribed in the order and no administrative appeal from the order has been initiated, the Director may assess a civil penalty of up to $2,000 against the governing body, officer, or official for each noncompliance with an order of the Director.

The Director shall develop by rule, with as much specificity as practicable, the standards and criteria to be used in assessing penalties and their amounts. The standards and criteria shall include, but need not be limited to, consideration of evidence of efforts made in good faith to comply with applicable legal requirements. This rulemaking is subject to the provisions of the Illinois Administrative Procedure Act.

If a penalty is not paid within 30 days of the date of assessment, the Director without further notice shall report the act of noncompliance to the Attorney General of this State. It shall be the duty of the Attorney General or, if the Attorney General so designates, the State's Attorney of the county in which the governmental unit is located to apply promptly by complaint on relation of the Director of Insurance in the name of the people of the State of Illinois, as plaintiff, to the circuit court of the county in which the governmental unit is located for enforcement of the penalty prescribed in this subsection or for such additional relief as the nature of the case and the interest of the employees of the governmental unit or the public may require.

(e) Whoever knowingly makes a false certificate, entry, or memorandum upon any of the books or papers pertaining to any pension fund or upon any statement, report, or exhibit filed or offered for file with the Division or the Director of Insurance in the course of any examination, inquiry, or investigation, with intent to deceive the Director, the Division, or any of its employees is guilty of a Class A misdemeanor.

(f) Subsections (b) and (c) shall apply to pension funds established under Article 3 or Article 4 of this Code only prior to the conclusion of the transition period, and this Section shall not apply to the Consolidated Funds.

(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/3-111) (from Ch. 108 1/2, par. 3-111)

Sec. 3-111. Pension.

(a) A police officer age 50 or more with 20 or more years of creditable service, who is not a participant in the self-managed plan under Section 3-109.3 and who is no longer in service as a police officer, shall receive a pension of 1/2 of the salary attached to the rank held by the officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years of service through 30 years of service, to a maximum of 75% of such salary.

The changes made to this subsection (a) by this amendatory Act of the 91st General Assembly apply to all pensions that become payable under this subsection on or after January 1, 1999. All pensions payable under this subsection that began on or after January 1, 1999 and before the effective date of this amendatory Act shall be recalculated, and the amount of the increase accruing for that period shall be payable to the pensioner in a lump sum.

(a-5) No pension in effect on or granted after June 30, 1973 shall be less than $200 per month. Beginning July 1, 1987, the minimum retirement pension for a police officer having at least 20 years of creditable service shall be $400 per month, without regard to whether or not retirement occurred prior to that date. If the minimum pension established in Section 3-113.1 is greater than the minimum provided in this subsection, the Section 3-113.1 minimum controls.

(b) A police officer mandatorily retired from service due to age by operation of law, having at least 8 but less than 20 years of creditable service, shall receive a pension equal to 2 1/2% of the salary attached to the rank he or she held on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater, for each year of creditable service.

A police officer who retires or is separated from service having at least 8 years but less than 20 years of creditable service, who is not mandatorily retired due to age by operation of law, and who does not apply for a refund of contributions at his or her last separation from police service, shall receive a pension upon attaining age 60 equal to 2.5% of the salary attached to the rank held by the police officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater, for each year of creditable service.

(c) A police officer no longer in service who has at least one but less than 8 years of creditable service in a police pension fund but meets the requirements of this subsection (c) shall be eligible to receive a pension from that fund equal to 2.5% of the salary attached to the rank held on the last day of service under that fund or for one year prior to that last day, whichever is greater, for each year of creditable service in that fund. The pension shall begin no earlier than upon attainment of age 60 (or upon mandatory retirement from the fund by operation of law due to age, if that occurs before age 60) and in no event before the effective date of this amendatory Act of 1997.

In order to be eligible for a pension under this subsection (c), the police officer must have at least 8 years of creditable service in a second police pension fund under this Article and be receiving a pension under subsection (a) or (b) of this Section from that second fund. The police officer need not be in service on or after the effective date of this amendatory Act of 1997.

(d) Notwithstanding any other provision of this Article, the provisions of this subsection (d) apply to a person who is not a participant in the self-managed plan under Section 3-109.3 and who first becomes a police officer under this Article on or after January 1, 2011.

A police officer age 55 or more who has 10 or more years of service in that capacity shall be entitled at his option to receive a monthly pension for his service as a police officer computed by multiplying 2.5% for each year of such service by his or her final average salary.

The pension of a police officer who is retiring after attaining age 50 with 10 or more years of creditable service shall be reduced by one-half of 1% for each month that the police officer's age is under age 55.

The maximum pension under this subsection (d) shall be 75% of final average salary.

For the purposes of this subsection (d), "final average salary" means the greater of: (i) the average monthly salary obtained by dividing the total salary of the police officer during the 48 ~~96~~ consecutive months of service within the last 60 ~~120~~ months of service in which the total salary was the highest by the number of months of service in that period ; or (ii) the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual salary based on the plan year of a member or participant to whom this Section applies shall not exceed $106,800; however, that amount shall annually

thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) ~~one-half~~ the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

Nothing in this amendatory Act of the 101st General Assembly shall cause or otherwise result in any retroactive adjustment of any employee contributions.

(Source: P.A. 96-1495, eff. 1-1-11.)

(40 ILCS 5/3-112) (from Ch. 108 1/2, par. 3-112)

Sec. 3-112. Pension to survivors.

(a) Upon the death of a police officer entitled to a pension under Section 3-111, the surviving spouse shall be entitled to the pension to which the police officer was then entitled. Upon the death of the surviving spouse, or upon the remarriage of the surviving spouse if that remarriage terminates the surviving spouse's eligibility under Section 3-121, the police officer's unmarried children who are under age 18 or who are dependent because of physical or mental disability shall be entitled to equal shares of such pension. If there is no eligible surviving spouse and no eligible child, the dependent parent or parents of the officer shall be entitled to receive or share such pension until their death or marriage or remarriage after the death of the police officer.

Notwithstanding any other provision of this Article, for a person who first becomes a police officer under this Article on or after January 1, 2011, the pension to which the surviving spouse, children, or parents are entitled under this subsection (a) shall be in an ~~the~~ amount equal to the greater of (i) 54% of the police officer's monthly salary at the date of death, or (ii) ~~of~~ 66 2/3% of the police officer's earned pension at the date of death , and, if there is a surviving spouse, 12% of such monthly salary shall be granted to the guardian of any minor child or children, including a child who has been conceived but not yet born, for each such child until attainment of age 18. Upon the death of the surviving spouse leaving one or more minor children, or upon the death of a police officer leaving one or more minor children but no surviving spouse, a monthly pension of 20% of the monthly salary shall be granted to the duly appointed guardian of each such child for the support and maintenance of each such child until the child reaches age 18. The total pension provided under this paragraph shall not exceed 75% of the monthly salary of the deceased police officer (1) when paid to the survivor of a police officer who has attained 20 or more years of service credit and who receives or is eligible to receive a retirement pension under this Article, (2) when paid to the survivor of a police officer who dies as a result of illness or accident, (3) when paid to the survivor of a police officer who dies from any cause while in receipt of a disability pension under this Article, or (4) when paid to the survivor of a deferred pensioner. Nothing in this subsection (a) shall act to diminish the survivor's benefits described in subsection (e) of this Section.

Notwithstanding Section 1-103.1, the changes made to this subsection apply without regard to whether the deceased police officer was in service on or after the effective date of this amendatory Act of the 101st General Assembly.

Notwithstanding any other provision of this Article, the monthly pension of a survivor of a person who first becomes a police officer under this Article on or after January 1, 2011 shall be increased on the January 1 after attainment of age 60 by the recipient of the survivor's pension and each January 1 thereafter by 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's pension. If the annual unadjusted percentage change in the consumer price index-u for a 12-month period ending in September is zero or, when compared with the preceding period, decreases, then the survivor's pension shall not be increased.

For the purposes of this subsection (a), "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the pension funds.

(b) Upon the death of a police officer while in service, having at least 20 years of creditable service, or upon the death of a police officer who retired from service with at least 20 years of creditable service, whether death occurs before or after attainment of age 50, the pension earned by the police officer as of the date of death as provided in Section 3-111 shall be paid to the survivors in the sequence provided in subsection (a) of this Section.

(c) Upon the death of a police officer while in service, having at least 10 but less than 20 years of service, a pension of 1/2 of the salary attached to the rank or ranks held by the officer for one year immediately prior to death shall be payable to the survivors in the sequence provided in subsection (a) of this Section.

If death occurs as a result of the performance of duty, the 10 year requirement shall not apply and the pension to survivors shall be payable after any period of service.

(d) Beginning July 1, 1987, a minimum pension of $400 per month shall be paid to all surviving spouses, without regard to the fact that the death of the police officer occurred prior to that date. If the minimum pension established in Section 3-113.1 is greater than the minimum provided in this subsection, the Section 3-113.1 minimum controls.

(e) The pension of the surviving spouse of a police officer who dies (i) on or after January 1, 2001, (ii) without having begun to receive either a retirement pension payable under Section 3-111 or a disability pension payable under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6, and (iii) as a result of sickness, accident, or injury incurred in or resulting from the performance of an act of duty shall not be less than 100% of the salary attached to the rank held by the deceased police officer on the last day of service, notwithstanding any provision in this Article to the contrary.

(Source: P.A. 96-1495, eff. 1-1-11.)

(40 ILCS 5/3-124.3 new)

Sec. 3-124.3. Authority of the fund. Subject to Section 3-141.1, the fund shall retain the exclusive authority to adjudicate and award disability benefits pursuant to Sections 3-114.1, 3-114.2, and 3-114.3, retirement benefits pursuant to Section 3-111, and survivor benefits under Sections 3-112 and 3-113.1 and to issue refunds pursuant to Section 3-124. The exclusive method of judicial review of any final administrative decision of the fund shall be made in accordance with Section 3-148. A third party, including the Police Officers' Pension Investment Fund established under Article 22B of this Code, shall not have the authority to control, alter, or modify, or the ability to review or intervene in, the proceedings or decisions of the fund as otherwise provided in this Section.

(40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

Sec. 3-125. Financing.

(a) The city council or the board of trustees of the municipality shall annually levy a tax upon all the taxable property of the municipality at the rate on the dollar which will produce an amount which, when added to the deductions from the salaries or wages of police officers, and revenues available from other sources, will equal a sum sufficient to meet the annual requirements of the police pension fund. The annual requirements to be provided by such tax levy are equal to (1) the normal cost of the pension fund for the year involved, plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by the end of municipal fiscal year 2040, as annually updated and determined by an enrolled actuary employed by the Illinois Department of Insurance or by an enrolled actuary retained by the pension fund or the municipality. In making these determinations, the required minimum employer contribution shall be calculated each year as a level percentage of payroll over the years remaining up to and including fiscal year 2040 and shall be determined under the projected unit credit actuarial cost method. The tax shall be levied and collected in the same manner as the general taxes of the municipality, and in addition to all other taxes now or hereafter authorized to be levied upon all property within the municipality, and shall be in addition to the amount authorized to be levied for general purposes as provided by Section 8-3-1 of the Illinois Municipal Code, approved May 29, 1961, as amended. The tax shall be forwarded directly to the treasurer of the board within 30 business days after receipt by the county.

(b) For purposes of determining the required employer contribution to a pension fund, the value of the pension fund's assets shall be equal to the actuarial value of the pension fund's assets, which shall be calculated as follows:

(1) On March 30, 2011, the actuarial value of a pension fund's assets shall be equal to the market value of the assets as of that date.

(2) In determining the actuarial value of the System's assets for fiscal years after March 30, 2011, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(c) If a participating municipality fails to transmit to the fund contributions required of it under this Article for more than 90 days after the payment of those contributions is due, the fund may, after giving notice to the municipality, certify to the State Comptroller the amounts of the delinquent payments in accordance with any applicable rules of the Comptroller, and the Comptroller must, beginning in fiscal year 2016, deduct and remit to the fund the certified amounts or a portion of those amounts from the following proportions of payments of State funds to the municipality:

(1) in fiscal year 2016, one-third of the total amount of any payments of State funds to the municipality;

(2) in fiscal year 2017, two-thirds of the total amount of any payments of State funds to the municipality; and

(3) in fiscal year 2018 and each fiscal year thereafter, the total amount of any payments of State funds to the municipality.

The State Comptroller may not deduct from any payments of State funds to the municipality more than the amount of delinquent payments certified to the State Comptroller by the fund.

(d) The police pension fund shall consist of the following moneys which shall be set apart by the treasurer of the municipality:

(1) All moneys derived from the taxes levied hereunder;

(2) Contributions by police officers under Section 3-125.1;

(2.5) All moneys received from the Police Officers' Pension Investment Fund as provided in Article 22B of this Code;

(3) All moneys accumulated by the municipality under any previous legislation establishing a fund for the benefit of disabled or retired police officers;

(4) Donations, gifts or other transfers authorized by this Article.

(e) The Commission on Government Forecasting and Accountability shall conduct a study of all funds established under this Article and shall report its findings to the General Assembly on or before January 1, 2013. To the fullest extent possible, the study shall include, but not be limited to, the following:

(1) fund balances;

(2) historical employer contribution rates for each fund;

(3) the actuarial formulas used as a basis for employer contributions, including the actual assumed rate of return for each year, for each fund;

(4) available contribution funding sources;

(5) the impact of any revenue limitations caused by PTELL and employer home rule or non-home rule status; and

(6) existing statutory funding compliance procedures and funding enforcement mechanisms for all municipal pension funds.

(Source: P.A. 99-8, eff. 7-9-15.)

(40 ILCS 5/3-132) (from Ch. 108 1/2, par. 3-132)

Sec. 3-132. To control and manage the Pension Fund. In accordance with the applicable provisions of Articles 1 and 1A and this Article, to control and manage, exclusively, the following:

(1) the pension fund,

(2) until the board's investment authority is terminated pursuant to Section 3-132.1, investment expenditures and income, including interest dividends, capital gains and other distributions on the investments, and

(3) all money donated, paid, assessed, or provided by law for the pensioning of disabled and retired police officers, their surviving spouses, minor children, and dependent parents.

All money received or collected shall be credited by the treasurer of the municipality to the account of the pension fund and held by the treasurer of the municipality subject to the order and control of the board. The treasurer of the municipality shall maintain a record of all money received, transferred, and held for the account of the board.

(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/3-132.1 new)

Sec. 3-132.1. To transfer investment authority to the Police Officers' Pension Investment Fund. As soon as practicable after the effective date of this amendatory Act of the 101st General Assembly, but no later than 30 months after the effective date of this amendatory Act of the 101st General Assembly, each transferor pension fund shall transfer, in accordance with the requirements of Section 22B-120, to the Police Officers' Pension Investment Fund created under Article 22B for management and investment all of their securities or for which commitments have been made, and all funds, assets, or moneys representing permanent or temporary investments, or cash reserves maintained for the purpose of obtaining income thereon. Upon the transfer of such securities, funds, assets, and moneys of a transferor pension fund to the Police Officers' Pension Investment Fund, the transferor pension fund shall not manage or control the same and shall no longer exercise any investment authority pursuant to Section 3-135 of this Code, notwithstanding any other provision of this Article to the contrary.

Nothing in this Section prohibits a fund under this Article from maintaining an account, including an interest earning account, for the purposes of benefit payments and other reasonable expenses after the end of the transition period as defined in Section 22B-112, and funds under this Article are encouraged to consider a local bank or financial institution to provide such accounts and related financial services.

(40 ILCS 5/4-109) (from Ch. 108 1/2, par. 4-109)

Sec. 4-109. Pension.

(a) A firefighter age 50 or more with 20 or more years of creditable service, who is no longer in service as a firefighter, shall receive a monthly pension of 1/2 the monthly salary attached to the rank held by him or her in the fire service at the date of retirement.

The monthly pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary.

The changes made to this subsection (a) by this amendatory Act of the 91st General Assembly apply to all pensions that become payable under this subsection on or after January 1, 1999. All pensions payable under this subsection that began on or after January 1, 1999 and before the effective date of this amendatory Act shall be recalculated, and the amount of the increase accruing for that period shall be payable to the pensioner in a lump sum.

(b) A firefighter who retires or is separated from service having at least 10 but less than 20 years of creditable service, who is not entitled to receive a disability pension, and who did not apply for a refund of contributions at his or her last separation from service shall receive a monthly pension upon attainment of age 60 based on the monthly salary attached to his or her rank in the fire service on the date of retirement or separation from service according to the following schedule:

For 10 years of service, 15% of salary;

For 11 years of service, 17.6% of salary;

For 12 years of service, 20.4% of salary;

For 13 years of service, 23.4% of salary;

For 14 years of service, 26.6% of salary;

For 15 years of service, 30% of salary;

For 16 years of service, 33.6% of salary;

For 17 years of service, 37.4% of salary;

For 18 years of service, 41.4% of salary;

For 19 years of service, 45.6% of salary.

(c) Notwithstanding any other provision of this Article, the provisions of this subsection (c) apply to a person who first becomes a firefighter under this Article on or after January 1, 2011.

A firefighter age 55 or more who has 10 or more years of service in that capacity shall be entitled at his option to receive a monthly pension for his service as a firefighter computed by multiplying 2.5% for each year of such service by his or her final average salary.

The pension of a firefighter who is retiring after attaining age 50 with 10 or more years of creditable service shall be reduced by one-half of 1% for each month that the firefighter's age is under age 55.

The maximum pension under this subsection (c) shall be 75% of final average salary.

For the purposes of this subsection (c), "final average salary" means the greater of: (i) the average monthly salary obtained by dividing the total salary of the firefighter during the 48 ~~96~~ consecutive months of service within the last 60 ~~120~~ months of service in which the total salary was the highest by the number of months of service in that period ; or (ii) the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual salary based on the plan year of a member or participant to whom this Section applies shall not exceed $106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) ~~one-half~~ the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

Nothing in this amendatory Act of the 101st General Assembly shall cause or otherwise result in any retroactive adjustment of any employee contributions.

(Source: P.A. 96-1495, eff. 1-1-11.)

(40 ILCS 5/4-114) (from Ch. 108 1/2, par. 4-114)

Sec. 4-114. Pension to survivors. If a firefighter who is not receiving a disability pension under Section 4-110 or 4-110.1 dies (1) as a result of any illness or accident, or (2) from any cause while in receipt of a disability pension under this Article, or (3) during retirement after 20 years service, or (4) while vested for or in receipt of a pension payable under subsection (b) of Section 4-109, or (5) while a deferred pensioner, having made all required contributions, a pension shall be paid to his or her survivors, based on the monthly salary attached to the firefighter's rank on the last day of service in the fire department, as follows:

(a)(1) To the surviving spouse, a monthly pension of 40% of the monthly salary, and if there is a surviving spouse, to the guardian of any minor child or children including a child which has been conceived but not yet born, 12% of such monthly salary for each such child until attainment of age

18 or until the child's marriage, whichever occurs first. Beginning July 1, 1993, the monthly pension to the surviving spouse shall be 54% of the monthly salary for all persons receiving a surviving spouse pension under this Article, regardless of whether the deceased firefighter was in service on or after the effective date of this amendatory Act of 1993.

(2) Beginning July 1, 2004, unless the amount provided under paragraph (1) of this subsection (a) is greater, the total monthly pension payable under this paragraph (a), including any amount payable on account of children, to the surviving spouse of a firefighter who died (i) while receiving a retirement pension, (ii) while he or she was a deferred pensioner with at least 20 years of creditable service, or (iii) while he or she was in active service having at least 20 years of creditable service, regardless of age, shall be no less than 100% of the monthly retirement pension earned by the deceased firefighter at the time of death, regardless of whether death occurs before or after attainment of age 50, including any increases under Section 4-109.1. This minimum applies to all such surviving spouses who are eligible to receive a surviving spouse pension, regardless of whether the deceased firefighter was in service on or after the effective date of this amendatory Act of the 93rd General Assembly, and notwithstanding any limitation on maximum pension under paragraph (d) or any other provision of this Article.

(3) If the pension paid on and after July 1, 2004 to the surviving spouse of a firefighter who died on or after July 1, 2004 and before the effective date of this amendatory Act of the 93rd General Assembly was less than the minimum pension payable under paragraph (1) or (2) of this subsection (a), the fund shall pay a lump sum equal to the difference within 90 days after the effective date of this amendatory Act of the 93rd General Assembly.

The pension to the surviving spouse shall terminate in the event of the surviving spouse's remarriage prior to July 1, 1993; remarriage on or after that date does not affect the surviving spouse's pension, regardless of whether the deceased firefighter was in service on or after the effective date of this amendatory Act of 1993.

The surviving spouse's pension shall be subject to the minimum established in Section 4-109.2.

(b) Upon the death of the surviving spouse leaving one or more minor children, or upon the death of a firefighter leaving one or more minor children but no surviving spouse, to the duly appointed guardian of each such child, for support and maintenance of each such child until the child reaches age 18 or marries, whichever occurs first, a monthly pension of 20% of the monthly salary.

In a case where the deceased firefighter left one or more minor children but no surviving spouse and the guardian of a child is receiving a pension of 12% of the monthly salary on August 16, 2013 (the effective date of Public Act 98-391), the pension is increased by Public Act 98-391 to 20% of the monthly salary for each such child, beginning on the pension payment date occurring on or next following August 16, 2013. The changes to this Section made by Public Act 98-391 apply without regard to whether the deceased firefighter was in service on or after August 16, 2013.

(c) If a deceased firefighter leaves no surviving spouse or unmarried minor children under age 18, but leaves a dependent father or mother, to each dependent parent a monthly pension of 18% of the monthly salary. To qualify for the pension, a dependent parent must furnish satisfactory proof that the deceased firefighter was at the time of his or her death the sole supporter of the parent or that the parent was the deceased's dependent for federal income tax purposes.

(d) The total pension provided under paragraphs (a), (b) and (c) of this Section shall not exceed 75% of the monthly salary of the deceased firefighter (1) when paid to the survivor of a firefighter who has attained 20 or more years of service credit and who receives or is eligible to receive a retirement pension under this Article, or (2) when paid to the survivor of a firefighter who dies as a result of illness or accident, or (3) when paid to the survivor of a firefighter who dies from any cause while in receipt of a disability pension under this Article, or (4) when paid to the survivor of a deferred pensioner. For all other survivors of deceased firefighters, the total pension provided under paragraphs (a), (b) and (c) of this Section shall not exceed 50% of the retirement annuity the firefighter would have received on the date of death.

The maximum pension limitations in this paragraph (d) do not control over any contrary provision of this Article explicitly establishing a minimum amount of pension or granting a one-time or annual increase in pension.

(e) If a firefighter leaves no eligible survivors under paragraphs (a), (b) and (c), the board shall refund to the firefighter's estate the amount of his or her accumulated contributions, less the amount of pension payments, if any, made to the firefighter while living.

(f) (Blank).

(g) If a judgment of dissolution of marriage between a firefighter and spouse is

judicially set aside subsequent to the firefighter's death, the surviving spouse is eligible for the pension provided in paragraph (a) only if the judicial proceedings are filed within 2 years after the date of the dissolution of marriage and within one year after the firefighter's death and the board is made a party to the proceedings. In such case the pension shall be payable only from the date of the court's order setting aside the judgment of dissolution of marriage.

(h) Benefits payable on account of a child under this Section shall not be reduced or terminated by reason of the child's attainment of age 18 if he or she is then dependent by reason of a physical or mental disability but shall continue to be paid as long as such dependency continues. Individuals over the age of 18 and adjudged as a disabled person pursuant to Article XIa of the Probate Act of 1975, except for persons receiving benefits under Article III of the Illinois Public Aid Code, shall be eligible to receive benefits under this Act.

(i) Beginning January 1, 2000, the pension of the surviving spouse of a firefighter who dies on or after January 1, 1994 as a result of sickness, accident, or injury incurred in or resulting from the performance of an act of duty or from the cumulative effects of acts of duty shall not be less than 100% of the salary attached to the rank held by the deceased firefighter on the last day of service, notwithstanding subsection (d) or any other provision of this Article.

(j) Beginning July 1, 2004, the pension of the surviving spouse of a firefighter who dies on or after January 1, 1988 as a result of sickness, accident, or injury incurred in or resulting from the performance of an act of duty or from the cumulative effects of acts of duty shall not be less than 100% of the salary attached to the rank held by the deceased firefighter on the last day of service, notwithstanding subsection (d) or any other provision of this Article.

Notwithstanding any other provision of this Article, if a person who first becomes a firefighter under this Article on or after January 1, 2011 and who is not receiving a disability pension under Section 4-110 or 4-110.1 dies (1) as a result of any illness or accident, (2) from any cause while in receipt of a disability pension under this Article, (3) during retirement after 20 years service, (4) while vested for or in receipt of a pension payable under subsection (b) of Section 4-109, or (5) while a deferred pensioner, having made all required contributions, then a pension shall be paid to his or her survivors in an ~~the~~ amount equal to the greater of (i) 54% of the firefighter's monthly salary at the date of death, or (ii) ~~of~~ 66 2/3% of the firefighter's earned pension at the date of death , and, if there is a surviving spouse, 12% of such monthly salary shall be granted to the guardian of any minor child or children, including a child who has been conceived but not yet born, for each such child until attainment of age 18. Upon the death of the surviving spouse leaving one or more minor children, or upon the death of a firefighter leaving one or more minor children but no surviving spouse, a monthly pension of 20% of the monthly salary shall be granted to the duly appointed guardian of each such child for the support and maintenance of each such child until the child reaches age 18. The total pension provided under this paragraph shall not exceed 75% of the monthly salary of the deceased firefighter (1) when paid to the survivor of a firefighter who has attained 20 or more years of service credit and who receives or is eligible to receive a retirement pension under this Article, (2) when paid to the survivor of a firefighter who dies as a result of illness or accident, (3) when paid to the survivor of a firefighter who dies from any cause while in receipt of a disability pension under this Article, or (4) when paid to the survivor of a deferred pensioner. Nothing in this Section shall act to diminish the survivor's benefits described in subsection (j) of this Section.

Notwithstanding Section 1-103.1, the changes made to this subsection apply without regard to whether the deceased firefighter was in service on or after the effective date of this amendatory Act of the 101st General Assembly.

Notwithstanding any other provision of this Article, the monthly pension of a survivor of a person who first becomes a firefighter under this Article on or after January 1, 2011 shall be increased on the January 1 after attainment of age 60 by the recipient of the survivor's pension and each January 1 thereafter by 3% or one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's pension. If the annual unadjusted percentage change in the consumer price index-u for a 12-month period ending in September is zero or, when compared with the preceding period, decreases, then the survivor's pension shall not be increased.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the pension funds.

(Source: P.A. 98-391, eff. 8-16-13; 98-756, eff. 7-16-14.)

(40 ILCS 5/4-117.2 new)

Sec. 4-117.2. Authority of the fund. The fund shall retain the exclusive authority to adjudicate and award disability benefits, retirement benefits, and survivor benefits under this Article and to issue refunds under this Article. The exclusive method of judicial review of any final administrative decision of the fund shall be made in accordance with Section 4-139. A third party, including the Firefighters' Pension Investment Fund established under Article 22C of this Code, shall not have the authority to control, alter, or modify, or the ability to review or intervene in, the proceedings or decisions of the fund as otherwise provided in this Section.

(40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

Sec. 4-118. Financing.

(a) The city council or the board of trustees of the municipality shall annually levy a tax upon all the taxable property of the municipality at the rate on the dollar which will produce an amount which, when added to the deductions from the salaries or wages of firefighters and revenues available from other sources, will equal a sum sufficient to meet the annual actuarial requirements of the pension fund, as determined by an enrolled actuary employed by the Illinois Department of Insurance or by an enrolled actuary retained by the pension fund or municipality. For the purposes of this Section, the annual actuarial requirements of the pension fund are equal to (1) the normal cost of the pension fund, or 17.5% of the salaries and wages to be paid to firefighters for the year involved, whichever is greater, plus (2) an annual amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by the end of municipal fiscal year 2040, as annually updated and determined by an enrolled actuary employed by the Illinois Department of Insurance or by an enrolled actuary retained by the pension fund or the municipality. In making these determinations, the required minimum employer contribution shall be calculated each year as a level percentage of payroll over the years remaining up to and including fiscal year 2040 and shall be determined under the projected unit credit actuarial cost method. The amount to be applied towards the amortization of the unfunded accrued liability in any year shall not be less than the annual amount required to amortize the unfunded accrued liability, including interest, as a level percentage of payroll over the number of years remaining in the 40 year amortization period.

(a-2) A municipality that has established a pension fund under this Article and who employs a full-time firefighter, as defined in Section 4-106, shall be deemed a primary employer with respect to that full-time firefighter. Any municipality of 5,000 or more inhabitants that employs or enrolls a firefighter while that firefighter continues to earn service credit as a participant in a primary employer's pension fund under this Article shall be deemed a secondary employer and such employees shall be deemed to be secondary employee firefighters. To ensure that the primary employer's pension fund under this Article is aware of additional liabilities and risks to which firefighters are exposed when performing work as firefighters for secondary employers, a secondary employer shall annually prepare a report accounting for all hours worked by and wages and salaries paid to the secondary employee firefighters it receives services from or employs for each fiscal year in which such firefighters are employed and transmit a certified copy of that report to the primary employer's pension fund and the secondary employee firefighter no later than 30 days after the end of any fiscal year in which wages were paid to the secondary employee firefighters.

Nothing in this Section shall be construed to allow a secondary employee to qualify for benefits or creditable service for employment as a firefighter for a secondary employer.

(a-5) For purposes of determining the required employer contribution to a pension fund, the value of the pension fund's assets shall be equal to the actuarial value of the pension fund's assets, which shall be calculated as follows:

(1) On March 30, 2011, the actuarial value of a pension fund's assets shall be equal to the market value of the assets as of that date.

(2) In determining the actuarial value of the pension fund's assets for fiscal years after March 30, 2011, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(b) The tax shall be levied and collected in the same manner as the general taxes of the municipality, and shall be in addition to all other taxes now or hereafter authorized to be levied upon all property within the municipality, and in addition to the amount authorized to be levied for general purposes, under Section 8-3-1 of the Illinois Municipal Code or under Section 14 of the Fire Protection District Act. The tax shall be forwarded directly to the treasurer of the board within 30 business days of receipt by the county (or, in the case of amounts added to the tax levy under subsection (f), used by the municipality to pay the employer contributions required under subsection (b-1) of Section 15-155 of this Code).

(b-5) If a participating municipality fails to transmit to the fund contributions required of it under this Article for more than 90 days after the payment of those contributions is due, the fund may, after giving notice to the municipality, certify to the State Comptroller the amounts of the delinquent payments in

accordance with any applicable rules of the Comptroller, and the Comptroller must, beginning in fiscal year 2016, deduct and remit to the fund the certified amounts or a portion of those amounts from the following proportions of payments of State funds to the municipality:

(1) in fiscal year 2016, one-third of the total amount of any payments of State funds to the municipality;

(2) in fiscal year 2017, two-thirds of the total amount of any payments of State funds to the municipality; and

(3) in fiscal year 2018 and each fiscal year thereafter, the total amount of any payments of State funds to the municipality.

The State Comptroller may not deduct from any payments of State funds to the municipality more than the amount of delinquent payments certified to the State Comptroller by the fund.

(c) The board shall make available to the membership and the general public for inspection and copying at reasonable times the most recent Actuarial Valuation Balance Sheet and Tax Levy Requirement issued to the fund by the Department of Insurance.

(d) The firefighters' pension fund shall consist of the following moneys which shall be set apart by the treasurer of the municipality: (1) all moneys derived from the taxes levied hereunder; (2) contributions by firefighters as provided under Section 4-118.1; (2.5) all moneys received from the Firefighters' Pension Investment Fund as provided in Article 22C of this Code; (3) all rewards in money, fees, gifts, and emoluments that may be paid or given for or on account of extraordinary service by the fire department or any member thereof, except when allowed to be retained by competitive awards; and (4) any money, real estate or personal property received by the board.

(e) For the purposes of this Section, "enrolled actuary" means an actuary: (1) who is a member of the Society of Actuaries or the American Academy of Actuaries; and (2) who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974, or who has been engaged in providing actuarial services to one or more public retirement systems for a period of at least 3 years as of July 1, 1983.

(f) The corporate authorities of a municipality that employs a person who is described in subdivision (d) of Section 4-106 may add to the tax levy otherwise provided for in this Section an amount equal to the projected cost of the employer contributions required to be paid by the municipality to the State Universities Retirement System under subsection (b-1) of Section 15-155 of this Code.

(g) The Commission on Government Forecasting and Accountability shall conduct a study of all funds established under this Article and shall report its findings to the General Assembly on or before January 1, 2013. To the fullest extent possible, the study shall include, but not be limited to, the following:

(1) fund balances;

(2) historical employer contribution rates for each fund;

(3) the actuarial formulas used as a basis for employer contributions, including the actual assumed rate of return for each year, for each fund;

(4) available contribution funding sources;

(5) the impact of any revenue limitations caused by PTELL and employer home rule or non-home rule status; and

(6) existing statutory funding compliance procedures and funding enforcement mechanisms for all municipal pension funds.

(Source: P.A. 101-522, eff. 8-23-19.)

(40 ILCS 5/4-123) (from Ch. 108 1/2, par. 4-123)

Sec. 4-123. To control and manage the Pension Fund. In accordance with the applicable provisions of Articles 1 and 1A and this Article, to control and manage, exclusively, the following:

(1) the pension fund,

(2) until the board's investment authority is terminated pursuant to Section 4-123.2, investment expenditures and income, including interest dividends, capital gains, and other distributions on the investments, and

(3) all money donated, paid, assessed, or provided by law for the pensioning of disabled and retired firefighters, their surviving spouses, minor children, and dependent parents.

All money received or collected shall be credited by the treasurer of the municipality to the account of the pension fund and held by the treasurer of the municipality subject to the order and control of the board. The treasurer of the municipality shall maintain a record of all money received, transferred, and held for the account of the board.

(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/4-123.2 new)

Sec. 4-123.2. To transfer investment authority to the Firefighters' Pension Investment Fund. As soon as practicable after the effective date of this amendatory Act of the 101st General Assembly, but no later than 30 months after the effective date of this amendatory Act of the 101st General Assembly, each transferor pension fund shall transfer, in accordance with the requirements of Section 22C-120 to the Firefighters' Pension Investment Fund created under Article 22C for management and investment all of their securities or for which commitments have been made, and all funds, assets, or moneys representing permanent or temporary investments, or cash reserves maintained for the purpose of obtaining income thereon. Upon the transfer of such securities, funds, assets, and moneys of a transferor pension fund to the Firefighters' Pension Investment Fund, the transferor pension fund shall not manage or control the same and shall no longer exercise any investment authority pursuant to Section 4-128 of this Code, notwithstanding any other provision of this Article to the contrary.

Nothing in this Section prohibits a fund under this Article from maintaining an account, including an interest earning account, for the purposes of benefit payments and other reasonable expenses after the end of the transition period as defined in Section 22C-112, and funds under this Article are encouraged to consider a local bank or financial institution to provide such accounts and related financial services.

(40 ILCS 5/7-159) (from Ch. 108 1/2, par. 7-159)

Sec. 7-159. Surviving spouse annuity - refund of survivor credits.

(a) Any employee annuitant who (1) upon the date a retirement annuity begins is not then married, or (2) is married to a person who would not qualify for surviving spouse annuity if the person died on such date, is entitled to a refund of the survivor credits including interest accumulated on the date the annuity begins, excluding survivor credits and interest thereon credited during periods of disability, and no spouse shall have a right to any surviving spouse annuity from this Fund. If the employee annuitant reenters service and upon subsequent retirement has a spouse who would qualify for a surviving spouse annuity, the employee annuitant may pay the fund the amount of the refund plus interest at the effective rate at the date of payment. The payment shall qualify the spouse for a surviving spouse annuity and the amount paid shall be considered as survivor contributions.

(b) Instead of a refund under subsection (a), the retiring employee may elect to convert the amount of the refund into an annuity, payable separately from the retirement annuity. If the annuitant dies before the guaranteed amount has been distributed, the remainder shall be paid in a lump sum to the designated beneficiary of the annuitant. The Board shall adopt any rules necessary for the implementation of this subsection.

(c) An annuitant who retired prior to June 1, 2011 and received a refund of survivor credits under subsection (a), and who thereafter became, and remains, either:

(1) a party to a civil union or a party to a legal relationship that is recognized as a civil union or marriage under the Illinois Religious Freedom Protection and Civil Union Act on or after June 1, 2011; or

(2) a party to a marriage under the Illinois Marriage and Dissolution of Marriage Act on or after February 26, 2014; or

(3) a party to a marriage, civil union or other legal relationship that, at the time it was formed, was not legally recognized in Illinois but was subsequently recognized as a civil union or marriage under the Illinois Religious Freedom Protection and Civil Union Act on or after June 1, 2011, a marriage under the Illinois Marriage and Dissolution of Marriage Act on or after February 26, 2014, or both;

may, within a period of one year beginning 5 months after the effective date of this amendatory Act of the 99th General Assembly, make an election to re-establish rights to a surviving spouse annuity under Sections 7-154 through 7-158 (notwithstanding the eligibility requirements of paragraph (a)(1) of Section 7-154), by paying to the Fund: (1) the total amount of the refund received for survivor credits; and (2) interest thereon at the actuarially assumed rate of return from the date of the refund to the date of payment. Such election must be made prior to the date of death of the annuitant.

The Fund may allow the annuitant to repay this refund over a period of not more than 24 months. To the extent permitted by the Internal Revenue Code of 1986, as amended, for federal and State tax purposes, if a member pays in monthly installments by reducing the monthly benefit by the amount of the otherwise applicable contribution, the monthly amount by which the annuitant's benefit is reduced shall not be treated as a contribution by the annuitant but rather as a reduction of the annuitant's monthly benefit.

If an annuitant makes an election under this subsection (c) and the contributions required are not paid in full, an otherwise qualifying spouse shall be given the option to make an additional lump sum payment of the remaining contributions and qualify for a surviving spouse annuity. Otherwise, an additional refund representing contributions made hereunder shall be paid at the annuitant's death and there shall be no surviving spouse annuity paid.

(d) Any surviving spouse of an annuitant who (1) retired prior to June 1, 2011, (2) was not married on the date the retirement annuity began, (3) received a refund of survivor credits under subsection (a), and (4) died prior to the implementation of Public Act 99-682 on December 29, 2016 may, within a period of one year beginning 5 months after the effective date of this amendatory Act of the 101st General Assembly, make an election to re-establish rights to a surviving spouse annuity under Sections 7-154 through 7-158 (notwithstanding the eligibility requirements of paragraph (a) of subsection (1) of Section 7-154), by paying to the Fund: (i) the total amount of the refund received for survivor credits; and (ii) interest thereon at the actuarially assumed rate of return from the date of the refund to the date of payment. The surviving spouse must also provide documentation proving he or she was married to the annuitant or a party to a civil union with the annuitant at the time of death and has not subsequently remarried. This proof must include a marriage certificate or a certificate for a civil union and any other supporting documents deemed necessary by the Fund.

(Source: P.A. 99-682, eff. 7-29-16.)

(40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

Sec. 14-110. Alternative retirement annuity.

(a) Any member who has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 55, and any member who has withdrawn from service with not less than 25 years of eligible creditable service and has attained age 50, regardless of whether the attainment of either of the specified ages occurs while the member is still in service, shall be entitled to receive at the option of the member, in lieu of the regular or minimum retirement annuity, a retirement annuity computed as follows:

(i) for periods of service as a noncovered employee: if retirement occurs on or after January 1, 2001, 3% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 2 1/4% of final average compensation for each of the first 10 years of creditable service, 2 1/2% for each year above 10 years to and including 20 years of creditable service, and 2 3/4% for each year of creditable service above 20 years; and

(ii) for periods of eligible creditable service as a covered employee: if retirement occurs on or after January 1, 2001, 2.5% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 1.67% of final average compensation for each of the first 10 years of such service, 1.90% for each of the next 10 years of such service, 2.10% for each year of such service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30.

Such annuity shall be subject to a maximum of 75% of final average compensation if retirement occurs before January 1, 2001 or to a maximum of 80% of final average compensation if retirement occurs on or after January 1, 2001.

These rates shall not be applicable to any service performed by a member as a covered employee which is not eligible creditable service. Service as a covered employee which is not eligible creditable service shall be subject to the rates and provisions of Section 14-108.

(b) For the purpose of this Section, "eligible creditable service" means creditable service resulting from service in one or more of the following positions:

(1) State policeman;
(2) fire fighter in the fire protection service of a department;
(3) air pilot;
(4) special agent;
(5) investigator for the Secretary of State;
(6) conservation police officer;
(7) investigator for the Department of Revenue or the Illinois Gaming Board;
(8) security employee of the Department of Human Services;
(9) Central Management Services security police officer;
(10) security employee of the Department of Corrections or the Department of Juvenile Justice;
(11) dangerous drugs investigator;
(12) investigator for the Department of State Police;
(13) investigator for the Office of the Attorney General;
(14) controlled substance inspector;
(15) investigator for the Office of the State's Attorneys Appellate Prosecutor;
(16) Commerce Commission police officer;
(17) arson investigator;
(18) State highway maintenance worker;
(19) security employee of the Department of Innovation and Technology; or

(20) transferred employee.

A person employed in one of the positions specified in this subsection is entitled to eligible creditable service for service credit earned under this Article while undergoing the basic police training course approved by the Illinois Law Enforcement Training Standards Board, if completion of that training is required of persons serving in that position. For the purposes of this Code, service during the required basic police training course shall be deemed performance of the duties of the specified position, even though the person is not a sworn peace officer at the time of the training.

A person under paragraph (20) is entitled to eligible creditable service for service credit earned under this Article on and after his or her transfer by Executive Order No. 2003-10, Executive Order No. 2004-2, or Executive Order No. 2016-1.

(c) For the purposes of this Section:

(1) The term "State policeman" includes any title or position in the Department of State Police that is held by an individual employed under the State Police Act.

(2) The term "fire fighter in the fire protection service of a department" includes all officers in such fire protection service including fire chiefs and assistant fire chiefs.

(3) The term "air pilot" includes any employee whose official job description on file in the Department of Central Management Services, or in the department by which he is employed if that department is not covered by the Personnel Code, states that his principal duty is the operation of aircraft, and who possesses a pilot's license; however, the change in this definition made by this amendatory Act of 1983 shall not operate to exclude any noncovered employee who was an "air pilot" for the purposes of this Section on January 1, 1984.

(4) The term "special agent" means any person who by reason of employment by the Division of Narcotic Control, the Bureau of Investigation or, after July 1, 1977, the Division of Criminal Investigation, the Division of Internal Investigation, the Division of Operations, or any other Division or organizational entity in the Department of State Police is vested by law with duties to maintain public order, investigate violations of the criminal law of this State, enforce the laws of this State, make arrests and recover property. The term "special agent" includes any title or position in the Department of State Police that is held by an individual employed under the State Police Act.

(5) The term "investigator for the Secretary of State" means any person employed by the Office of the Secretary of State and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act.

A person who became employed as an investigator for the Secretary of State between January 1, 1967 and December 31, 1975, and who has served as such until attainment of age 60, either continuously or with a single break in service of not more than 3 years duration, which break terminated before January 1, 1976, shall be entitled to have his retirement annuity calculated in accordance with subsection (a), notwithstanding that he has less than 20 years of credit for such service.

(6) The term "Conservation Police Officer" means any person employed by the Division of Law Enforcement of the Department of Natural Resources and vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(l)(1) of that Act. The term "Conservation Police Officer" includes the positions of Chief Conservation Police Administrator and Assistant Conservation Police Administrator.

(7) The term "investigator for the Department of Revenue" means any person employed by the Department of Revenue and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act.

The term "investigator for the Illinois Gaming Board" means any person employed as such by the Illinois Gaming Board and vested with such peace officer duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(l)(1) of that Act.

(8) The term "security employee of the Department of Human Services" means any person employed by the Department of Human Services who (i) is employed at the Chester Mental Health Center and has daily contact with the residents thereof, (ii) is employed within a security unit at a facility operated by the Department and has daily contact with the residents of the security unit, (iii) is employed at a facility operated by the Department that includes a security unit and is regularly scheduled to work at least 50% of his or her working hours within that security unit, or (iv) is a mental health police officer. "Mental health police officer" means any person employed by the Department of Human Services in a position pertaining to the Department's mental health and developmental disabilities functions who is vested with such law enforcement duties as render the person ineligible for coverage under the Social

Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act. "Security unit" means that portion of a facility that is devoted to the care, containment, and treatment of persons committed to the Department of Human Services as sexually violent persons, persons unfit to stand trial, or persons not guilty by reason of insanity. With respect to past employment, references to the Department of Human Services include its predecessor, the Department of Mental Health and Developmental Disabilities.

The changes made to this subdivision (c)(8) by Public Act 92-14 apply to persons who retire on or after January 1, 2001, notwithstanding Section 1-103.1.

(9) "Central Management Services security police officer" means any person employed by the Department of Central Management Services who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act.

(10) For a member who first became an employee under this Article before July 1, 2005, the term "security employee of the Department of Corrections or the Department of Juvenile Justice" means any employee of the Department of Corrections or the Department of Juvenile Justice or the former Department of Personnel, and any member or employee of the Prisoner Review Board, who has daily contact with inmates or youth by working within a correctional facility or Juvenile facility operated by the Department of Juvenile Justice or who is a parole officer or an employee who has direct contact with committed persons in the performance of his or her job duties. For a member who first becomes an employee under this Article on or after July 1, 2005, the term means an employee of the Department of Corrections or the Department of Juvenile Justice who is any of the following: (i) officially headquartered at a correctional facility or Juvenile facility operated by the Department of Juvenile Justice, (ii) a parole officer, (iii) a member of the apprehension unit, (iv) a member of the intelligence unit, (v) a member of the sort team, or (vi) an investigator.

(11) The term "dangerous drugs investigator" means any person who is employed as such by the Department of Human Services.

(12) The term "investigator for the Department of State Police" means a person employed by the Department of State Police who is vested under Section 4 of the Narcotic Control Division Abolition Act with such law enforcement powers as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act.

(13) "Investigator for the Office of the Attorney General" means any person who is employed as such by the Office of the Attorney General and is vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act. For the period before January 1, 1989, the term includes all persons who were employed as investigators by the Office of the Attorney General, without regard to social security status.

(14) "Controlled substance inspector" means any person who is employed as such by the Department of Professional Regulation and is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act. The term "controlled substance inspector" includes the Program Executive of Enforcement and the Assistant Program Executive of Enforcement.

(15) The term "investigator for the Office of the State's Attorneys Appellate Prosecutor" means a person employed in that capacity on a full time basis under the authority of Section 7.06 of the State's Attorneys Appellate Prosecutor's Act.

(16) "Commerce Commission police officer" means any person employed by the Illinois Commerce Commission who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(l)(1) of that Act.

(17) "Arson investigator" means any person who is employed as such by the Office of the State Fire Marshal and is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(l)(1) of that Act. A person who was employed as an arson investigator on January 1, 1995 and is no longer in service but not yet receiving a retirement annuity may convert his or her creditable service for employment as an arson investigator into eligible creditable service by paying to the System the difference between the employee contributions actually paid for that service and the amounts that would have been contributed if the applicant were contributing at the rate applicable to persons with the same social security status earning eligible creditable service on the date of application.

(18) The term "State highway maintenance worker" means a person who is either of the following:

(i) A person employed on a full-time basis by the Illinois Department of Transportation in the position of highway maintainer, highway maintenance lead worker, highway maintenance lead/lead worker, heavy construction equipment operator, power shovel operator, or bridge mechanic; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the highways that form a part of the State highway system in serviceable condition for vehicular traffic.

(ii) A person employed on a full-time basis by the Illinois State Toll Highway Authority in the position of equipment operator/laborer H-4, equipment operator/laborer H-6, welder H-4, welder H-6, mechanical/electrical H-4, mechanical/electrical H-6, water/sewer H-4, water/sewer H-6, sign maker/hanger H-4, sign maker/hanger H-6, roadway lighting H-4, roadway lighting H-6, structural H-4, structural H-6, painter H-4, or painter H-6; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the Authority's tollways in serviceable condition for vehicular traffic.

(19) The term "security employee of the Department of Innovation and Technology" means a person who was a security employee of the Department of Corrections or the Department of Juvenile Justice, was transferred to the Department of Innovation and Technology pursuant to Executive Order 2016-01, and continues to perform similar job functions under that Department.

(20) "Transferred employee" means an employee who was transferred to the Department of Central Management Services by Executive Order No. 2003-10 or Executive Order No. 2004-2 or transferred to the Department of Innovation and Technology by Executive Order No. 2016-1, or both, and was entitled to eligible creditable service for services immediately preceding the transfer.

(d) A security employee of the Department of Corrections or the Department of Juvenile Justice, a security employee of the Department of Human Services who is not a mental health police officer, and a security employee of the Department of Innovation and Technology shall not be eligible for the alternative retirement annuity provided by this Section unless he or she meets the following minimum age and service requirements at the time of retirement:

(i) 25 years of eligible creditable service and age 55; or

(ii) beginning January 1, 1987, 25 years of eligible creditable service and age 54, or 24 years of eligible creditable service and age 55; or

(iii) beginning January 1, 1988, 25 years of eligible creditable service and age 53, or 23 years of eligible creditable service and age 55; or

(iv) beginning January 1, 1989, 25 years of eligible creditable service and age 52, or 22 years of eligible creditable service and age 55; or

(v) beginning January 1, 1990, 25 years of eligible creditable service and age 51, or 21 years of eligible creditable service and age 55; or

(vi) beginning January 1, 1991, 25 years of eligible creditable service and age 50, or 20 years of eligible creditable service and age 55.

Persons who have service credit under Article 16 of this Code for service as a security employee of the Department of Corrections or the Department of Juvenile Justice, or the Department of Human Services in a position requiring certification as a teacher may count such service toward establishing their eligibility under the service requirements of this Section; but such service may be used only for establishing such eligibility, and not for the purpose of increasing or calculating any benefit.

(e) If a member enters military service while working in a position in which eligible creditable service may be earned, and returns to State service in the same or another such position, and fulfills in all other respects the conditions prescribed in this Article for credit for military service, such military service shall be credited as eligible creditable service for the purposes of the retirement annuity prescribed in this Section.

(f) For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before October 1, 1975 as a covered employee in the position of special agent, conservation police officer, mental health police officer, or investigator for the Secretary of State, shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after July 31, 1987, regular interest on the amount specified in item (1) from the date of service to the date of payment.

For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before January 1, 1982 as a covered employee in the position of investigator for the Department of Revenue shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the

employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after January 1, 1990, regular interest on the amount specified in item (1) from the date of service to the date of payment.

(g) A State policeman may elect, not later than January 1, 1990, to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman may elect, not later than July 1, 1993, to establish eligible creditable service for up to 10 years of his service as a member of the County Police Department under Article 9, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 9-121.10 and the amounts that would have been contributed had those contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(h) Subject to the limitation in subsection (i), a State policeman or investigator for the Secretary of State may elect to establish eligible creditable service for up to 12 years of his service as a policeman under Article 5, by filing a written election with the Board on or before January 31, 1992, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 5-236, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 10 years of service as a sheriff's law enforcement employee under Article 7, by filing a written election with the Board on or before January 31, 1993, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 7-139.7, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, a member of the county police department under Article 9, or a police officer under Article 15 by filing a written election with the Board and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), an investigator for the Office of the Attorney General, or an investigator for the Department of Revenue, may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, or a member of the county police department under Article 9 by filing a written election with the Board within 6 months after August 25, 2009 (the effective date of Public Act 96-745) and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, investigator for the Office of the Attorney General, an investigator for the Department of Revenue, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties, or law enforcement officer employed on a full-time basis by a forest preserve district under Article 7, a county corrections officer, or

a court services officer under Article 9, by filing a written election with the Board within 6 months after August 25, 2009 (the effective date of Public Act 96-745) and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 7-139.8 and 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

(i) The total amount of eligible creditable service established by any person under subsections (g), (h), (j), (k), ~~and~~ (l) , (l-5), and (o) of this Section shall not exceed 12 years.

(j) Subject to the limitation in subsection (i), an investigator for the Office of the State's Attorneys Appellate Prosecutor or a controlled substance inspector may elect to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3 or a sheriff's law enforcement employee under Article 7, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (1) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6 or 7-139.8, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (2) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(k) Subject to the limitation in subsection (i) of this Section, an alternative formula employee may elect to establish eligible creditable service for periods spent as a full-time law enforcement officer or full-time corrections officer employed by the federal government or by a state or local government located outside of Illinois, for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board by March 31, 1998, accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(l) Subject to the limitation in subsection (i), a security employee of the Department of Corrections may elect, not later than July 1, 1998, to establish eligible creditable service for up to 10 years of his or her service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to security employees of the Department of Corrections, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(l-5) Subject to the limitation in subsection (i) of this Section, a State policeman may elect to establish eligible creditable service for up to 5 years of service as a full-time law enforcement officer employed by the federal government or by a state or local government located outside of Illinois for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board no later than 3 years after the effective date of this amendatory Act of the 101st General Assembly, accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(m) The amendatory changes to this Section made by this amendatory Act of the 94th General Assembly apply only to: (1) security employees of the Department of Juvenile Justice employed by the Department of Corrections before the effective date of this amendatory Act of the 94th General Assembly and transferred to the Department of Juvenile Justice by this amendatory Act of the 94th General Assembly; and (2) persons employed by the Department of Juvenile Justice on or after the effective date of this amendatory Act of the 94th General Assembly who are required by subsection (b) of Section 3-2.5-15 of the Unified Code of Corrections to have any bachelor's or advanced degree from an accredited college or

university or, in the case of persons who provide vocational training, who are required to have adequate knowledge in the skill for which they are providing the vocational training.

(n) A person employed in a position under subsection (b) of this Section who has purchased service credit under subsection (j) of Section 14-104 or subsection (b) of Section 14-105 in any other capacity under this Article may convert up to 5 years of that service credit into service credit covered under this Section by paying to the Fund an amount equal to (1) the additional employee contribution required under Section 14-133, plus (2) the additional employer contribution required under Section 14-131, plus (3) interest on items (1) and (2) at the actuarially assumed rate from the date of the service to the date of payment.

(o) Subject to the limitation in subsection (i), a conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, or arson investigator subject to subsection (g) of Section 1-160 may elect to convert up to 8 years of service credit established before the effective date of this amendatory Act of the 101st General Assembly as a conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, or arson investigator under this Article into eligible creditable service by filing a written election with the Board no later than one year after the effective date of this amendatory Act of the 101st General Assembly, accompanied by payment of an amount to be determined by the Board equal to (i) the difference between the amount of the employee contributions actually paid for that service and the amount of the employee contributions that would have been paid had the employee contributions been made as a noncovered employee serving in a position in which eligible creditable service, as defined in this Section, may be earned, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(Source: P.A. 100-19, eff. 1-1-18; 100-611, eff. 7-20-18.)

(40 ILCS 5/14-152.1)

Sec. 14-152.1. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 96-37, Public Act 100-23, Public Act 100-587, ~~or~~ Public Act 100-611, ~~or~~ Public Act 101-10, or this amendatory Act of the 101st General Assembly ~~this amendatory Act of the 101st General Assembly~~.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including, without limitation, a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-611, eff. 7-20-18; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; revised 7-24-19.)

(40 ILCS 5/15-120) (from Ch. 108 1/2, par. 15-120)

Sec. 15-120. Beneficiary; survivor annuitant under portable benefit package. "Beneficiary": The person or persons designated by the participant or annuitant in the last written designation on file with the board; or if no person so designated survives, or if no designation is on file, the estate of the participant or annuitant. Acceptance by the participant of a refund of accumulated contributions or an accelerated pension benefit payment under Section 15-185.5 shall result in cancellation of all beneficiary designations previously filed. A spouse whose marriage was dissolved shall be disqualified as beneficiary unless the spouse was designated as beneficiary after the effective date of the dissolution of marriage.

After a joint and survivor annuity commences under the portable benefit package, the survivor annuitant of a joint and survivor annuity is not disqualified, and may not be removed, as the survivor annuitant by a dissolution of the survivor's marriage with the participant or annuitant.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

Sec. 15-135. Retirement annuities - Conditions.

(a) This subsection (a) applies only to a Tier 1 member. A participant who retires in one of the following specified years with the specified amount of service is entitled to a retirement annuity at any age under the retirement program applicable to the participant:

35 years if retirement is in 1997 or before;

34 years if retirement is in 1998;

33 years if retirement is in 1999;

32 years if retirement is in 2000;

31 years if retirement is in 2001;

30 years if retirement is in 2002 or later.

A participant with 8 or more years of service after September 1, 1941, is entitled to a retirement annuity on or after attainment of age 55.

A participant with at least 5 but less than 8 years of service after September 1, 1941, is entitled to a retirement annuity on or after attainment of age 62.

A participant who has at least 25 years of service in this system as a police officer or firefighter is entitled to a retirement annuity on or after the attainment of age 50, if Rule 4 of Section 15-136 is applicable to the participant.

(a-5) A Tier 2 member is entitled to a retirement annuity upon written application if he or she has attained age 67 and has at least 10 years of service credit and is otherwise eligible under the requirements of this Article. A Tier 2 member who has attained age 62 and has at least 10 years of service credit and is otherwise eligible under the requirements of this Article may elect to receive the lower retirement annuity provided in subsection (b-5) of Section 15-136 of this Article.

(a-10) A Tier 2 member who has at least 20 years of service in this system as a police officer or firefighter is entitled to a retirement annuity upon written application on or after the attainment of age 60 if Rule 4 of Section 15-136 is applicable to the participant. The changes made to this subsection by this amendatory Act of the 101st General Assembly apply retroactively to January 1, 2011.

(b) The annuity payment period shall begin on the date specified by the participant or the recipient of a disability retirement annuity submitting a written application. For a participant, the date on which the annuity payment period begins shall not be prior to termination of employment or more than one year before the application is received by the board; however, if the participant is not an employee of an employer participating in this System or in a participating system as defined in Article 20 of this Code on April 1 of the calendar year next following the calendar year in which the participant attains age 70 1/2, the annuity payment period shall begin on that date regardless of whether an application has been filed. For a recipient of a disability retirement annuity, the date on which the annuity payment period begins shall not be prior to the discontinuation of the disability retirement annuity under Section 15-153.2.

(c) An annuity is not payable if the amount provided under Section 15-136 is less than $10 per month.

(Source: P.A. 100-556, eff. 12-8-17.)

(40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 15-136. Retirement annuities - Amount. The provisions of this Section 15-136 apply only to those participants who are participating in the traditional benefit package or the portable benefit package and do not apply to participants who are participating in the self-managed plan.

(a) The amount of a participant's retirement annuity, expressed in the form of a single-life annuity, shall be determined by whichever of the following rules is applicable and provides the largest annuity:

Rule 1: The retirement annuity shall be 1.67% of final rate of earnings for each of the first 10 years of service, 1.90% for each of the next 10 years of service, 2.10% for each year of service in excess of 20 but

not exceeding 30, and 2.30% for each year in excess of 30; or for persons who retire on or after January 1, 1998, 2.2% of the final rate of earnings for each year of service.

Rule 2: The retirement annuity shall be the sum of the following, determined from amounts credited to the participant in accordance with the actuarial tables and the effective rate of interest in effect at the time the retirement annuity begins:

(i) the normal annuity which can be provided on an actuarially equivalent basis, by the accumulated normal contributions as of the date the annuity begins;

(ii) an annuity from employer contributions of an amount equal to that which can be provided on an actuarially equivalent basis from the accumulated normal contributions made by the participant under Section 15-113.6 and Section 15-113.7 plus 1.4 times all other accumulated normal contributions made by the participant; and

(iii) the annuity that can be provided on an actuarially equivalent basis from the entire contribution made by the participant under Section 15-113.3.

With respect to a police officer or firefighter who retires on or after August 14, 1998, the accumulated normal contributions taken into account under clauses (i) and (ii) of this Rule 2 shall include the additional normal contributions made by the police officer or firefighter under Section 15-157(a).

The amount of a retirement annuity calculated under this Rule 2 shall be computed solely on the basis of the participant's accumulated normal contributions, as specified in this Rule and defined in Section 15-116. Neither an employee or employer contribution for early retirement under Section 15-136.2 nor any other employer contribution shall be used in the calculation of the amount of a retirement annuity under this Rule 2.

This amendatory Act of the 91st General Assembly is a clarification of existing law and applies to every participant and annuitant without regard to whether status as an employee terminates before the effective date of this amendatory Act.

This Rule 2 does not apply to a person who first becomes an employee under this Article on or after July 1, 2005.

Rule 3: The retirement annuity of a participant who is employed at least one-half time during the period on which his or her final rate of earnings is based, shall be equal to the participant's years of service not to exceed 30, multiplied by (1) $96 if the participant's final rate of earnings is less than $3,500, (2) $108 if the final rate of earnings is at least $3,500 but less than $4,500, (3) $120 if the final rate of earnings is at least $4,500 but less than $5,500, (4) $132 if the final rate of earnings is at least $5,500 but less than $6,500, (5) $144 if the final rate of earnings is at least $6,500 but less than $7,500, (6) $156 if the final rate of earnings is at least $7,500 but less than $8,500, (7) $168 if the final rate of earnings is at least $8,500 but less than $9,500, and (8) $180 if the final rate of earnings is $9,500 or more, except that the annuity for those persons having made an election under Section 15-154(a-1) shall be calculated and payable under the portable retirement benefit program pursuant to the provisions of Section 15-136.4.

Rule 4: A participant who is at least age 50 and has 25 or more years of service as a police officer or firefighter, and a participant who is age 55 or over and has at least 20 but less than 25 years of service as a police officer or firefighter, shall be entitled to a retirement annuity of 2 1/4% of the final rate of earnings for each of the first 10 years of service as a police officer or firefighter, 2 1/2% for each of the next 10 years of service as a police officer or firefighter, and 2 3/4% for each year of service as a police officer or firefighter in excess of 20. The retirement annuity for all other service shall be computed under Rule 1. A Tier 2 member is eligible for a retirement annuity calculated under Rule 4 only if that Tier 2 member meets the service requirements for that benefit calculation as prescribed under this Rule 4 in addition to the applicable age requirement under subsection (a-10) ~~(a-5)~~ of Section 15-135.

For purposes of this Rule 4, a participant's service as a firefighter shall also include the following:

(i) service that is performed while the person is an employee under subsection (h) of Section 15-107; and

(ii) in the case of an individual who was a participating employee employed in the fire department of the University of Illinois's Champaign-Urbana campus immediately prior to the elimination of that fire department and who immediately after the elimination of that fire department transferred to another job with the University of Illinois, service performed as an employee of the University of Illinois in a position other than police officer or firefighter, from the date of that transfer until the employee's next termination of service with the University of Illinois.

(b) For a Tier 1 member, the retirement annuity provided under Rules 1 and 3 above shall be reduced by 1/2 of 1% for each month the participant is under age 60 at the time of retirement. However, this reduction shall not apply in the following cases:

(1) For a disabled participant whose disability benefits have been discontinued because he or she has exhausted eligibility for disability benefits under clause (6) of Section 15-152;

(2) For a participant who has at least the number of years of service required to retire at any age under subsection (a) of Section 15-135; or

(3) For that portion of a retirement annuity which has been provided on account of service of the participant during periods when he or she performed the duties of a police officer or firefighter, if these duties were performed for at least 5 years immediately preceding the date the retirement annuity is to begin.

(b-5) The retirement annuity of a Tier 2 member who is retiring under Rule 1 or 3 after attaining age 62 with at least 10 years of service credit shall be reduced by 1/2 of 1% for each full month that the member's age is under age 67.

(c) The maximum retirement annuity provided under Rules 1, 2, 4, and 5 shall be the lesser of (1) the annual limit of benefits as specified in Section 415 of the Internal Revenue Code of 1986, as such Section may be amended from time to time and as such benefit limits shall be adjusted by the Commissioner of Internal Revenue, and (2) 80% of final rate of earnings.

(d) A Tier 1 member whose status as an employee terminates after August 14, 1969 shall receive automatic increases in his or her retirement annuity as follows:

Effective January 1 immediately following the date the retirement annuity begins, the annuitant shall receive an increase in his or her monthly retirement annuity of 0.125% of the monthly retirement annuity provided under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this Section, multiplied by the number of full months which elapsed from the date the retirement annuity payments began to January 1, 1972, plus 0.1667% of such annuity, multiplied by the number of full months which elapsed from January 1, 1972, or the date the retirement annuity payments began, whichever is later, to January 1, 1978, plus 0.25% of such annuity multiplied by the number of full months which elapsed from January 1, 1978, or the date the retirement annuity payments began, whichever is later, to the effective date of the increase.

The annuitant shall receive an increase in his or her monthly retirement annuity on each January 1 thereafter during the annuitant's life of 3% of the monthly annuity provided under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this Section. The change made under this subsection by P.A. 81-970 is effective January 1, 1980 and applies to each annuitant whose status as an employee terminates before or after that date.

Beginning January 1, 1990, all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including all increases previously granted under this Article.

The change made in this subsection by P.A. 85-1008 is effective January 26, 1988, and is applicable without regard to whether status as an employee terminated before that date.

(d-5) A retirement annuity of a Tier 2 member shall receive annual increases on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(e) If, on January 1, 1987, or the date the retirement annuity payment period begins, whichever is later, the sum of the retirement annuity provided under Rule 1 or Rule 2 of this Section and the automatic annual increases provided under the preceding subsection or Section 15-136.1, amounts to less than the retirement annuity which would be provided by Rule 3, the retirement annuity shall be increased as of January 1, 1987, or the date the retirement annuity payment period begins, whichever is later, to the amount which would be provided by Rule 3 of this Section. Such increased amount shall be considered as the retirement annuity in determining benefits provided under other Sections of this Article. This paragraph applies without regard to whether status as an employee terminated before the effective date of this amendatory Act of 1987, provided that the annuitant was employed at least one-half time during the period on which the final rate of earnings was based.

(f) A participant is entitled to such additional annuity as may be provided on an actuarially equivalent basis, by any accumulated additional contributions to his or her credit. However, the additional contributions made by the participant toward the automatic increases in annuity provided under this Section shall not be taken into account in determining the amount of such additional annuity.

(g) If, (1) by law, a function of a governmental unit, as defined by Section 20-107 of this Code, is transferred in whole or in part to an employer, and (2) a participant transfers employment from such governmental unit to such employer within 6 months after the transfer of the function, and (3) the sum of (A) the annuity payable to the participant under Rule 1, 2, or 3 of this Section (B) all proportional annuities payable to the participant by all other retirement systems covered by Article 20, and (C) the initial primary

insurance amount to which the participant is entitled under the Social Security Act, is less than the retirement annuity which would have been payable if all of the participant's pension credits validated under Section 20-109 had been validated under this system, a supplemental annuity equal to the difference in such amounts shall be payable to the participant.

(h) On January 1, 1981, an annuitant who was receiving a retirement annuity on or before January 1, 1971 shall have his or her retirement annuity then being paid increased $1 per month for each year of creditable service. On January 1, 1982, an annuitant whose retirement annuity began on or before January 1, 1977, shall have his or her retirement annuity then being paid increased $1 per month for each year of creditable service.

(i) On January 1, 1987, any annuitant whose retirement annuity began on or before January 1, 1977, shall have the monthly retirement annuity increased by an amount equal to 8¢ per year of creditable service times the number of years that have elapsed since the annuity began.

(j) The changes made to this Section by this amendatory Act of the 101st General Assembly apply retroactively to January 1, 2011.

(Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12; 98-92, eff. 7-16-13.)

(40 ILCS 5/15-159) (from Ch. 108 1/2, par. 15-159)

Sec. 15-159. Board created.

(a) A board of trustees constituted as provided in this Section shall administer this System. The board shall be known as the Board of Trustees of the State Universities Retirement System.

(b) (Blank).

(c) (Blank).

(d) Beginning on the 90th day after April 3, 2009 (the effective date of Public Act 96-6), the Board of Trustees shall be constituted as follows:

(1) The Chairperson of the Board of Higher Education~~, who shall act as chairperson of this Board~~.

(2) Four trustees appointed by the Governor with the advice and consent of the Senate who may not be members of the system or hold an elective State office and who shall serve for a term of 6 years, except that the terms of the initial appointees under this subsection (d) shall be as follows: 2 for a term of 3 years and 2 for a term of 6 years.

(3) Four active participants of the system to be elected from the contributing membership of the system by the contributing members, no more than 2 of which may be from any of the University of Illinois campuses, who shall serve for a term of 6 years, except that the terms of the initial electees shall be as follows: 2 for a term of 3 years and 2 for a term of 6 years.

(4) Two annuitants of the system who have been annuitants for at least one full year, to be elected from and by the annuitants of the system, no more than one of which may be from any of the University of Illinois campuses, who shall serve for a term of 6 years, except that the terms of the initial electees shall be as follows: one for a term of 3 years and one for a term of 6 years.

The chairperson of the Board shall be appointed by the Governor from among the trustees.

For the purposes of this Section, the Governor may make a nomination and the Senate may confirm the nominee in advance of the commencement of the nominee's term of office.

(e) The 6 elected trustees shall be elected within 90 days after April 3, 2009 (the effective date of Public Act 96-6) for a term beginning on the 90th day after that effective date. Trustees shall be elected thereafter as terms expire for a 6-year term beginning July 15 next following their election, and such election shall be held on May 1, or on May 2 when May 1 falls on a Sunday. The board may establish rules for the election of trustees to implement the provisions of Public Act 96-6 and for future elections. Candidates for the participating trustee shall be nominated by petitions in writing, signed by not less than 400 participants with their addresses shown opposite their names. Candidates for the annuitant trustee shall be nominated by petitions in writing, signed by not less than 100 annuitants with their addresses shown opposite their names. If there is more than one qualified nominee for each elected trustee, then the board shall conduct a secret ballot election by mail for that trustee, in accordance with rules as established by the board. If there is only one qualified person nominated by petition for each elected trustee, then the election as required by this Section shall not be conducted for that trustee and the board shall declare such nominee duly elected. A vacancy occurring in the elective membership of the board shall be filled for the unexpired term by the elected trustees serving on the board for the remainder of the term. Nothing in this subsection shall preclude the adoption of rules providing for internet or phone balloting in addition, or as an alternative, to election by mail.

(f) A vacancy in the appointed membership on the board of trustees caused by resignation, death, expiration of term of office, or other reason shall be filled by a qualified person appointed by the Governor for the remainder of the unexpired term.

(g) Trustees (other than the trustees incumbent on June 30, 1995 or as provided in subsection (c) of this Section) shall continue in office until their respective successors are appointed and have qualified, except that a trustee appointed to one of the participant positions shall be disqualified immediately upon the termination of his or her status as a participant and a trustee appointed to one of the annuitant positions shall be disqualified immediately upon the termination of his or her status as an annuitant receiving a retirement annuity.

(h) Each trustee must take an oath of office before a notary public of this State and shall qualify as a trustee upon the presentation to the board of a certified copy of the oath. The oath must state that the person will diligently and honestly administer the affairs of the retirement system, and will not knowingly violate or willfully permit to be violated any provisions of this Article.

Each trustee shall serve without compensation but shall be reimbursed for expenses necessarily incurred in attending board meetings and carrying out his or her duties as a trustee or officer of the system.
(Source: P.A. 98-92, eff. 7-16-13.)

(40 ILCS 5/15-198)

Sec. 15-198. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4) ~~this amendatory Act of the 94th General Assembly~~. "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 100-23, Public Act 100-587, ~~or~~ Public Act 100-769, ~~or~~ Public Act 101-10, or this amendatory Act of the 101st General Assembly ~~this amendatory Act of the 101st General Assembly~~.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including, without limitation, a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.
(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-769, eff. 8-10-18; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; revised 8-1-19.)

(40 ILCS 5/16-163) (from Ch. 108 1/2, par. 16-163)

Sec. 16-163. Board created. A board of 15 ~~13~~ members constitutes the board of trustees authorized to carry out the provisions of this Article and is responsible for the general administration of the System. The board shall be known as the Board of Trustees of the Teachers' Retirement System of the State of Illinois. The board shall be composed of the Superintendent of Education, ex officio~~, who shall be the president of the board~~; 7 ~~6~~ persons, not members of the System, to be appointed by the Governor, who shall hold no elected State office; 5 4 persons who, at the time of their election, are teachers as defined in Section 16-106, elected by the contributing members; and 2 annuitant members elected by the annuitants of the System, as provided in Section 16-165. The president of the board shall be appointed by the Governor from among the trustees.
(Source: P.A. 96-6, eff. 4-3-09.)

(40 ILCS 5/16-164) (from Ch. 108 1/2, par. 16-164)

Sec. 16-164. Board; appointed members; vacancies ~~Board - appointed members - vacancies~~. Terms of office for the appointed members shall begin on July 15 of an even-numbered year, except that the terms of office for members appointed pursuant to this amendatory Act of the 96th General Assembly shall begin upon being confirmed by the Senate. The Governor shall appoint 3 members as trustees with the advice and consent of the Senate in each even-numbered year who shall hold office for a term of 4 years, except that, of the members appointed pursuant to this amendatory Act of the 96th General Assembly, 3 members shall be appointed for a term ending July 14, 2012 and 3 members shall be appointed for a term ending July 14, 2014. The Governor shall appoint the additional member authorized under this amendatory Act of the 101st General Assembly with the advice and consent of the Senate for a term beginning on July 15, 2020 and ending July 14, 2022, and successors shall hold office for a term of 4 years. Each such appointee shall reside in and be a taxpayer in the territory covered by this system, shall be interested in public school welfare, and experienced and competent in financial and business management. A vacancy in the term of an appointed trustee shall be filled for the unexpired term by appointment of the Governor.

Notwithstanding any provision of this Section to the contrary, the term of office of each member of the Board appointed by the Governor who is sitting on the Board on the effective date of this amendatory Act of the 96th General Assembly is terminated on that effective date. A trustee sitting on the Board on the effective date of this amendatory Act of the 96th General Assembly may not hold over in office for more than 60 days after the effective date of this amendatory Act of the 96th General Assembly. Nothing in this Section shall prevent the Governor from making a temporary appointment or nominating a trustee holding office on the day before the effective date of this amendatory Act of the 96th General Assembly.

(Source: P.A. 96-6, eff. 4-3-09.)

(40 ILCS 5/16-165) (from Ch. 108 1/2, par. 16-165)

Sec. 16-165. Board; elected members; vacancies.

(a) In each odd-numbered year, if there are 2 teachers whose terms of office will expire in that year, there shall be elected 2 teachers who shall hold office for a term of 4 years beginning July 15 next following their election or, if there are 3 teachers whose terms of office will expire in that year, there shall be elected 3 teachers who shall hold office for a term of 4 years beginning July 15 next following their election, in the manner provided under this Section. An elected teacher member of the board who ceases to be a teacher as defined in Section 16-106 may continue to serve on the board for the remainder of the term to which he or she was elected.

(b) One elected annuitant trustee shall first be elected in 1987, and in every fourth year thereafter, for a term of 4 years beginning July 15 next following his or her election.

(c) The elected annuitant position created by this amendatory Act of the 91st General Assembly shall be filled as soon as possible in the manner provided for vacancies, for an initial term ending July 15, 2001. One elected annuitant trustee shall be elected in 2001, and in every fourth year thereafter, for a term of 4 years beginning July 15 next following his or her election.

The elected teacher position created by this amendatory Act of the 101st General Assembly shall be for an initial 3-year term and shall be filled in the manner provided for vacancies; except that if the teacher candidate who receives the highest number of votes and the incumbent members not up for election belong to the same statewide teacher organization, then the teacher candidate who receives the highest number of votes and is not a member of that statewide teacher organization shall be declared elected.

(d) Elections shall be held on May 1, unless May 1 falls on a Saturday or Sunday, in which event the election shall be conducted on the following Monday. Candidates shall be nominated by petitions in writing, signed by not less than 500 teachers or annuitants, as the case may be, with their addresses shown opposite their names. The petitions shall be filed with the board's Secretary not less than 90 nor more than 120 days prior to May 1. The Secretary shall determine their validity not less than 75 days before the election.

(d-5) Beginning July 15, 2020, not more than 4 of the 5 teachers elected to the Board of Trustees may be active members of the same statewide teacher organization. For the purposes of this Section, "statewide teacher organization" means a teacher organization (1) in which membership is not restricted to persons living or teaching within a limited geographical area of this State and (2) that has among its membership at least 10,000 persons who participate in this System.

Candidates for the teacher positions on the Board shall indicate, in their nomination petitions and campaign materials, which (if any) statewide teacher organizations they have belonged to during the 5 years preceding the election.

(e) If, for either teacher or annuitant members, the number of qualified nominees exceeds the number of available positions, the system shall prepare an appropriate ballot with the names of the candidates in alphabetical order and shall mail one copy thereof, at least 10 days prior to the election day, to each teacher

or annuitant of this system as of the latest date practicable, at the latest known address, together with a return envelope addressed to the board and also a smaller envelope marked "For Ballot Only", and a slip for signature. Each voter, upon marking his ballot with a cross mark in the square before the name of the person voted for, shall place the ballot in the envelope marked "For Ballot Only", seal the envelope, write on the slip provided therefor his signature and address, enclose both the slip and sealed envelope containing the marked ballot in the return envelope addressed to the board, and mail it. Whether a person is eligible to vote for the teacher nominees or the annuitant nominees shall be determined from system payroll records as of March 1.

Upon receipt of the return envelopes, the system shall open them and set aside unopened the envelopes marked "For Ballot Only". On election day ballots shall be publicly opened and counted by the trustees or canvassers appointed therefor. Each vote cast for a candidate represents one vote only. No ballot arriving after 10 o'clock a.m. on election day shall be counted.

(e-3) The 2 teacher candidates or 3 teacher candidates, whichever is applicable for that election, and the annuitant candidate receiving the highest number of votes shall be declared elected; except that beginning with the election in 2021, if the teacher candidate who receives the highest number of votes and the incumbent members not up for election belong to the same statewide teacher organization, then the second teacher candidate to be declared elected shall be the candidate who is not a member of the same statewide teacher organization and receives the highest number of votes, unless there is no such candidate or at least one candidate declared elected in the same election is not a member of that statewide teacher organization. The board shall declare the results of the election, keep a record thereof, and notify the candidates of the results thereof within 30 days after the election.

(e-5) If, for either class of members, there are only as many qualified nominees as there are positions available, the balloting as described in this Section shall not be conducted for those nominees, and the board shall declare them duly elected.

(f) A vacancy occurring in the elective membership of the board shall be filled for the unexpired term by a person qualified for the vacant position, selected by the remaining elected members of the board, if there are no more than 6 months remaining on the term. For a term with more than 6 months remaining, the Director of the Teachers' Retirement System of the State of Illinois shall institute an election in accordance with this Act to fill the unexpired term.

(Source: P.A. 94-423, eff. 8-2-05; 94-710, eff. 12-5-05; 95-331, eff. 8-21-07.)

(40 ILCS 5/Art. 22B heading new)

ARTICLE 22B. THE POLICE OFFICERS' PENSION INVESTMENT FUND

(40 ILCS 5/22B-101 new)

Sec. 22B-101. Establishment. The Police Officers' Pension Investment Fund is created with authority to manage the reserves, funds, assets, securities, properties, and moneys of the police pension funds created pursuant to Article 3 of this Code, all as provided in this Article.

(40 ILCS 5/22B-102 new)

Sec. 22B-102. Definitions. For the purposes of this Article, the following words and phrases shall have the meaning ascribed to them unless the context requires otherwise.

(40 ILCS 5/22B-103 new)

Sec. 22B-103. Fund. "Fund" means the Police Officers' Pension Investment Fund.

(40 ILCS 5/22B-104 new)

Sec. 22B-104. Transferor pension fund. "Transferor pension fund" means any pension fund established pursuant to Article 3 of this Code.

(40 ILCS 5/22B-105 new)

Sec. 22B-105. Participating pension fund. "Participating pension fund" means any pension fund established pursuant to Article 3 of this Code that has transferred securities, funds, assets, and moneys, and responsibility for custody and control of those securities, funds, assets, and moneys, to the Fund pursuant to Section 3-132.1.

(40 ILCS 5/22B-106 new)

Sec. 22B-106. Pension fund assets. "Pension fund assets" means the reserves, funds, assets, securities, and moneys of any transferor pension fund.

(40 ILCS 5/22B-107 new)

Sec. 22B-107. Invest. "Invest" means to acquire, invest, reinvest, exchange, or retain pension fund assets of the transferor pension funds and to sell and manage the reserves, funds, securities, moneys, or assets of the transferor pension fund, all in accordance with this Article.

(40 ILCS 5/22B-108 new)

Sec. 22B-108. Investment advisor. "Investment advisor" means any person or business entity that provides investment advice to the Board on a personalized basis and with an understanding of the policies and goals of the Board. "Investment advisor" does not include any person or business entity that provides statistical or general market research data available for purchase or use by others.

(40 ILCS 5/22B-112 new)

Sec. 22B-112. Transition period. "Transition period" means the period immediately following the effective date of this amendatory Act of the 101st General Assembly during which pension fund assets, and responsibility for custody and control of those assets, will be transferred from the transferor pension funds to the board, as described in Section 22B-120.

(40 ILCS 5/22B-113 new)

Sec. 22B-113. Illinois Municipal League. "Illinois Municipal League" means the unincorporated, nonprofit, nonpolitical association of Illinois cities, villages, and incorporated towns described in Section 1-8-1 of the Illinois Municipal Code.

(40 ILCS 5/22B-114 new)

Sec. 22B-114. Purpose, establishment, and governance. The Fund is established to consolidate the transferor pension funds to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring more money is available to fund pension benefits for the beneficiaries of the transferor pension funds. The transition board trustees and permanent board trustees of the Fund shall be fiduciaries for the participants and beneficiaries of the participating pension funds and shall discharge their duties with respect to the retirement system or pension fund solely in the interest of the participants and beneficiaries. Further, the transition board trustees and permanent board trustees, acting prudently and as fiduciaries, shall take all reasonable steps to ensure that all of the transferor pension funds are treated equitably and that the financial condition of one participating pension fund, including, but not limited to, pension benefit funding levels and ratios, will have no effect on the financial condition of any other transferor pension fund.

(40 ILCS 5/22B-115 new)

Sec. 22B-115. Board of Trustees of the Fund.

(a) No later than one month after the effective date of this amendatory Act of the 101st General Assembly or as soon thereafter as may be practicable, the Governor shall appoint, by and with the advice and consent of the Senate, a transition board of trustees consisting of 9 members as follows:

(1) three members representing municipalities who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities and appointed from among candidates recommended by the Illinois Municipal League;

(2) three members representing participants and who are participants, 2 of whom shall be appointed from among candidates recommended by a statewide fraternal organization representing more than 20,000 active and retired police officers in the State of Illinois, and one of whom shall be appointed from among candidates recommended by a benevolent association representing sworn police officers in the State of Illinois;

(3) two members representing beneficiaries and who are beneficiaries, one of whom shall be appointed from among candidates recommended by a statewide fraternal organization representing more than 20,000 active and retired police officers in the State of Illinois, and one of whom shall be appointed from among candidates recommended by a benevolent association representing sworn police officers in the State of Illinois; and

(4) one member who is a representative of the Illinois Municipal League.

The transition board members shall serve until the initial permanent board members are elected and qualified.

The transition board of trustees shall select the chairperson of the transition board of trustees from among the trustees for the duration of the transition board's tenure.

(b) The permanent board of trustees shall consist of 9 members as follows:

(1) Three members who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities that have participating pension funds and are elected by the mayors and presidents of municipalities that have participating pension funds.

(2) Three members who are participants of participating pension funds and are elected by the participants of participating pension funds.

(3) Two members who are beneficiaries of participating pension funds and are elected by the beneficiaries of participating pension funds.

(4) One member recommended by the Illinois Municipal League who shall be appointed by the Governor with the advice and consent of the Senate.

The permanent board of trustees shall select the chairperson of the permanent board of trustees from among the trustees for a term of 2 years. The holder of the office of chairperson shall alternate between a person elected or appointed under item (1) or (4) of this subsection (b) and a person elected under item (2) or (3) of this subsection (b).

(c) Each trustee shall qualify by taking an oath of office before the Secretary of State stating that he or she will diligently and honestly administer the affairs of the board and will not violate or knowingly permit the violation of any provision of this Article.

(d) Trustees shall receive no salary for service on the board but shall be reimbursed for travel expenses incurred while on business for the board according to the standards in effect for members of the Commission on Government Forecasting and Accountability.

A municipality employing a police officer who is an elected or appointed trustee of the board must allow reasonable time off with compensation for the police officer to conduct official business related to his or her position on the board, including time for travel. The board shall notify the municipality in advance of the dates, times, and locations of this official business. The Fund shall timely reimburse the municipality for the reasonable costs incurred that are due to the police officer's absence.

(e) No trustee shall have any interest in any brokerage fee, commission, or other profit or gain arising out of any investment directed by the board. This subsection does not preclude ownership by any member of any minority interest in any common stock or any corporate obligation in which an investment is directed by the board.

(f) Notwithstanding any provision or interpretation of law to the contrary, any member of the transition board may also be elected or appointed as a member of the permanent board.

Notwithstanding any provision or interpretation of law to the contrary, any trustee of a fund established under Article 3 of this Code may also be appointed as a member of the transition board or elected or appointed as a member of the permanent board.

The restriction in Section 3.1 of the Lobbyist Registration Act shall not apply to a member of the transition board appointed pursuant to item (4) of subsection (a) or to a member of the permanent board appointed pursuant to item (4) of subsection (b).

(40 ILCS 5/22B-116 new)

Sec. 22B-116. Conduct and administration of elections; terms of office.

(a) For the election of the permanent trustees, the transition board shall administer the initial elections and the permanent board shall administer all subsequent elections. Each board shall develop and implement such procedures as it determines to be appropriate for the conduct of such elections. For the purposes of obtaining information necessary to conduct elections under this Section, participating pension funds shall cooperate with the Fund.

(b) All nominations for election shall be by petition. Each petition for a trustee shall be executed as follows:

(1) for trustees to be elected by the mayors and presidents of municipalities that have participating pension funds, by at least 20 such mayors and presidents;

(2) for trustees to be elected by participants, by at least 400 participants; and

(3) for trustees to be elected by beneficiaries, by at least 100 beneficiaries.

(c) A separate ballot shall be used for each class of trustee. The board shall prepare and send ballots and ballot envelopes to the participants and beneficiaries eligible to vote in accordance with rules adopted by the board. The ballots shall contain the names of all candidates in alphabetical order. The ballot envelope shall have on the outside a form of certificate stating that the person voting the ballot is a participant or beneficiary entitled to vote.

Participants and beneficiaries, upon receipt of the ballot, shall vote the ballot and place it in the ballot envelope, seal the envelope, execute the certificate thereon, and return the ballot to the Fund.

The board shall set a final date for ballot return, and ballots received prior to that date in a ballot envelope with a properly executed certificate and properly voted shall be valid ballots.

The board shall set a day for counting the ballots and name judges and clerks of election to conduct the count of ballots and shall make any rules necessary for the conduct of the count.

The candidate or candidates receiving the highest number of votes for each class of trustee shall be elected. In the case of a tie vote, the winner shall be determined in accordance with procedures developed by the Department of Insurance.

In lieu of conducting elections via mail balloting as described in this Section, the board may instead adopt rules to provide for elections to be carried out solely via Internet balloting or phone balloting. Nothing in this Section prohibits the Fund from contracting with a third party to administer the election in accordance with this Section.

(d) At any election, voting shall be as follows:

(1) Each person authorized to vote for an elected trustee may cast one vote for each related position for which such person is entitled to vote and may cast such vote for any candidate or candidates on the ballot for such trustee position.

(2) If only one candidate for each position is properly nominated in petitions received, that candidate shall be deemed the winner and no election under this Section shall be required.

(3) The results shall be entered in the minutes of the first meeting of the board following the tally of votes.

(e) The initial election for permanent trustees shall be held and the permanent board shall be seated no later than 12 months after the effective date of this amendatory Act of the 101st General Assembly. Each subsequent election shall be held no later than 30 days prior to the end of the term of the incumbent trustees.

(f) The elected trustees shall each serve for terms of 4 years commencing on the first business day of the first month after election; except that the terms of office of the initially elected trustees shall be as follows:

(1) one trustee elected pursuant to item (1) of subsection (b) of Section 22B-115 shall serve for a term of 2 years and 2 trustees elected pursuant to item (1) of subsection (b) of Section 22B-115 shall serve for a term of 4 years;

(2) two trustees elected pursuant to item (2) of subsection (b) of Section 22B-115 shall serve for a term of 2 years and one trustee elected pursuant to item (2) of subsection (b) of Section 22B-115 shall serve for a term of 4 years; and

(3) one trustee elected pursuant to item (3) of subsection (b) of Section 22B-115 shall serve for a term of 2 years and one trustee elected pursuant to item (3) of subsection (b) of Section 22B-115 shall serve for a term of 4 years.

(g) The trustee appointed pursuant to item (4) of subsection (b) of Section 22B-115 shall serve for a term of 2 years commencing on the first business day of the first month after the election of the elected trustees.

(h) A member of the board who was elected pursuant to item (1) of subsection (b) of Section 22B-115 who ceases to serve as a mayor, president, chief executive officer, chief financial officer, or other officer, executive, or department head of a municipality that has a participating pension fund shall not be eligible to serve as a member of the board and his or her position shall be deemed vacant. A member of the board who was elected by the participants of participating pension funds who ceases to be a participant may serve the remainder of his or her elected term.

For a vacancy of an elected trustee occurring with an unexpired term of 6 months or more, an election shall be conducted for the vacancy in accordance with Section 22B-115 and this Section.

For a vacancy of an elected trustee occurring with an unexpired term of less than 6 months, the vacancy shall be filled by appointment by the board for the unexpired term as follows: a vacancy of a member elected pursuant to item (1) of subsection (b) of Section 22B-115 shall be filled by a mayor, president, chief executive officer, chief financial officer, or other officer, executive, or department head of a municipality that has a participating pension fund; a vacancy of a member elected pursuant to item (2) of subsection (b) of Section 22B-115 shall be filled by a participant of a participating pension fund; and a vacancy of a member elected under item (3) of subsection (b) of Section 22B-115 shall be filled by a beneficiary of a participating pension fund.

Vacancies among the appointed trustees shall be filled for unexpired terms by appointment in like manner as for the original appointments.

(40 ILCS 5/22B-117 new)

Sec. 22B-117. Meetings of the board.

(a) The transition board and the permanent board shall each meet at least quarterly and otherwise upon written request of either the Chairperson or 3 other members. The Chairperson shall preside over meetings of the board. The executive director and personnel of the board shall prepare agendas and materials and required postings for meetings of the board.

(b) Six members of the board shall constitute a quorum.

(c) All actions taken by the transition board and the permanent board shall require a vote of least 5 trustees, except that the following shall require a vote of at least 6 trustees: the adoption of actuarial assumptions; the selection of the chief investment officer, fiduciary counsel, or a consultant as defined under Section 1-101.5 of this Code; the adoption of rules for the conduct of election of trustees; and the adoption of asset allocation policies and investment policies.

(40 ILCS 5/22B-118 new)

Sec. 22B-118. Operation and administration of the Fund.

(a) The operation and administration of the Fund shall be managed by an executive director. No later than 2 months after the transition board is appointed or as soon thereafter as may be practicable, the transition board shall appoint an interim executive director who shall serve until a permanent executive director is appointed by the board, with such appointment to be made no later than 6 months after the end of the transition period. The executive director shall act subject to and under the supervision of the board and the board shall fix the compensation of the executive director.

(b) The board may appoint one or more custodians to facilitate the transfer of pension fund assets during the transition period, and subsequently to provide custodial and related fiduciary services on behalf of the board, and enter into contracts for such services. The board may also appoint external legal counsel and an independent auditing firm and may appoint investment advisors and other consultants as it determines to be appropriate and enter into contracts for such services. With approval of the board, the executive director may retain such other consultants, advisors, fiduciaries, and service providers as may be desirable and enter into contracts for such services.

(c) The board shall separately calculate account balances for each participating pension fund. The operations and financial condition of each participating pension fund account shall not affect the account balance of any other participating pension fund. Further, investment returns earned by the Fund shall be allocated and distributed pro rata among each participating pension fund account in accordance with the value of the pension fund assets attributable to each fund.

(d) With approval of the board, the executive director may employ such personnel, professional or clerical, as may be desirable and fix their compensation. The appointment and compensation of the personnel, including the executive director, shall not be subject to the Personnel Code.

(e) The board shall annually adopt a budget to support its operations and administration. The board shall apply moneys derived from the pension fund assets transferred and under its control to pay the costs and expenses incurred in the operation and administration of the Fund. The board shall from time to time transfer moneys and other assets to the participating pension funds as required for the participating pension funds to pay expenses, benefits, and other required payments to beneficiaries in the amounts and at the times prescribed in this Code.

(f) The board may exercise any of the powers granted to boards of trustees of pension funds under Sections 1-107 and 1-108 of this Code and may by resolution provide for the indemnification of its members and any of its officers, advisors, or employees in a manner consistent with those Sections.

(g) An office for meetings of the board and for its administrative personnel shall be established at any suitable place within the State as may be selected by the board. All books and records of the board shall be kept in such office.

(h) The board shall contract for a blanket fidelity bond in the penal sum of not less than $1,000,000 to cover members of the board of trustees, the executive director, and all other employees of the board, conditioned for the faithful performance of the duties of their respective offices, the premium on which shall be paid by the board.

(40 ILCS 5/22B-119 new)

Sec. 22B-119. Adoption of rules. The board shall adopt such rules (not inconsistent with this Code) as in its judgment are desirable to implement and properly administer this Article. Such rules shall specifically provide for the following: (1) the implementation of the transition process described in Section 22B-120; (2) the process by which the participating pension funds may request transfer of funds; (3) the process for the transfer in, receipt for, and investment of pension assets received by the Fund after the transition period from the participating pension funds; (4) the process by which contributions from municipalities for the benefit of the participating pension funds may, but are not required to, be directly transferred to the Fund; and (5) compensation and benefits for its employees. A copy of the rules adopted by the Fund shall be filed with the Secretary of State and the Department of Insurance. The adoption and effectiveness of such rules shall not be subject to Article 5 of the Illinois Administrative Procedure Act.

(40 ILCS 5/22B-120 new)

Sec. 22B-120. Transition period; transfer of securities, assets, and investment functions.

(a) The transition period shall commence on the effective date of this amendatory Act of the 101st General Assembly and shall end as determined by the board, consistent with and in the application of its fiduciary responsibilities, but in no event later than 30 months thereafter.

(b) The board may retain the services of custodians, investment consultants, and other professional services it deems prudent to implement the transition of assets described in this Section. The permanent board of trustees shall not be bound by any contract or agreement regarding such custodians, investment consultants, or other professional services entered into by the transition board of trustees.

(c) As soon as practicable after the effective date of this amendatory Act of the 101st General Assembly, the board, in cooperation with the Department of Insurance, shall audit the investment assets of each

transferor pension fund to determine a certified investment asset list for each transferor pension fund. The audit shall be performed by a certified public accountant engaged by the board, and the board shall be responsible for payment of the costs and expenses associated with the audit. Upon completion of the audit for any transferor pension fund, the board and the Department of Insurance shall provide the certified investment asset list to that transferor pension fund. Upon determination of the certified investment asset list for any transferor pension fund, the board shall, within 10 business days or as soon thereafter as may be practicable as determined by the board, initiate the transfer of assets from that transferor pension fund. Further and to maintain accuracy of the certified investment asset list, upon determination of the certified investment asset list for a transferor pension fund, that fund shall not purchase or sell any of its pension fund assets.

(d) When the Fund is prepared to receive pension fund assets from any transferor pension fund, the executive director shall notify in writing the board of trustees of that transferor pension fund of the Fund's intent to assume fiduciary control of those pension fund assets, and the date at which it will assume such control and that the transferor pension fund will cease to exercise fiduciary responsibility. This letter shall be transmitted no less than 30 days prior to the transfer date. A copy of the letter shall be transmitted to the Department of Insurance. Upon receipt of the letter, the transferor pension fund shall promptly notify its custodian, as well as any and all entities with fiduciary control of any portion of the pension assets. Each transferor pension fund shall have sole fiduciary and statutory responsibility for the management of its pension assets until the start of business on the transfer date. At the start of business on the transfer date, statutory and fiduciary responsibility for the investment of pension fund assets shall shift exclusively to the Fund and the Fund shall promptly and prudently transfer all such pension fund assets to the board and terminate the relationship with the local custodian of that transferor pension fund. The Fund shall provide a receipt for the transfer to the transferor pension fund within 30 days of the transfer date.

As used in this subsection, "transfer date" means the date at which the Fund will assume fiduciary control of the transferor pension fund's assets and the transferor pension fund will cease to exercise fiduciary responsibility.

(e) Within 90 days after the end of the transition period or as soon thereafter as may be practicable as determined by the board, the Fund and the Department of Insurance shall cooperate in transferring to the Fund all pension fund assets remaining in the custody of the transferor pension funds.

(f) The board shall adopt such rules as in its judgment are desirable to implement the transition process, including, without limitation, the transfer of the pension fund assets of the transferor pension funds, the assumption of fiduciary control of such assets by the Fund, and the termination of relationships with local custodians. The adoption and effectiveness of such rules and regulations shall not be subject to Article 5 of the Illinois Administrative Procedure Act.

(g) Within 6 months after the end of the transition period or as soon thereafter as may be practicable as determined by the board, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board. This audit shall include, but not be limited to, the following: (1) a full description of the investments acquired, showing average costs; (2) a full description of the securities sold or exchanged, showing average proceeds or other conditions of an exchange; (3) gains or losses realized during the period; (4) income from investments; and (5) administrative expenses incurred by the board. This audit report shall be published on the Fund's official website and filed with the Department of Insurance.

(h) To provide funds for payment of the ordinary and regular costs associated with the implementation of this transition process, the Illinois Finance Authority is authorized to loan to the Fund up to $7,500,000 of any of the Authority's funds, including, but not limited to, funds in its Illinois Housing Partnership Program Fund, its Industrial Project Insurance Fund, or its Illinois Venture Investment Fund, for such purpose. Such loan shall be repaid by the Fund with an interest rate tied to the Federal Funds Rate or an equivalent market established variable rate. The Fund and the Illinois Finance Authority shall enter into a loan or similar agreement that specifies the period of the loan, the payment interval, procedures for making periodic loans, the variable rate methodology to which the interest rate for loans should be tied, the funds of the Illinois Finance Authority that will be used to provide the loan, and such other terms that the Fund and the Illinois Finance Authority reasonably believe to be mutually beneficial. Such agreement shall be a public record and the Fund shall post the terms of the agreement on its official website.

(40 ILCS 5/22B-121 new)

Sec. 22B-121. Management and direction of investments.

(a) The board shall have the authority to manage the pension fund assets of the transferor pension funds for the purpose of obtaining a total return on investments for the long term.

(b) The authority of the board to manage pension fund assets and the liability shall begin when there has been a physical transfer of the pension fund assets to the Fund and placed in the custody of the Fund's custodian or custodians, as described in Section 22B-123.

(c) The pension fund assets of the Fund shall be maintained in accounts held outside the State treasury. Moneys in those accounts are not subject to administrative charges or chargebacks, including, but not limited to, those authorized under the State Finance Act.

(d) The board may not delegate its management functions, but it may, but is not required to, arrange to compensate for personalized investment advisory service for any or all investments under its control with any national or state bank or trust company authorized to do a trust business and domiciled in Illinois, other financial institution organized under the laws of Illinois, or an investment advisor who is qualified under the federal Investment Advisers Act of 1940 and is registered under the Illinois Securities Law of 1953. Nothing contained in this Article prevents the board from subscribing to general investment research services available for purchase or use by others. The board shall also have the authority to compensate for accounting services.

(e) This Section does not prohibit the board from directly investing pension fund assets in public market investments, private investments, real estate investments, or other investments authorized by this Code.

(40 ILCS 5/22B-122 new)

Sec. 22B-122. Investment authority. The Fund shall have the authority to invest funds, subject to the requirements and restrictions set forth in Sections 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and 1-115 of this Code.

The Fund shall not be subject to any of the limitations applicable to investments of pension fund assets by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of this Code. The Fund shall not, for purposes of Article 1 of this Code, be deemed to be a retirement system, pension fund, or investment board whose investments are restricted by Section 1-113.2 of this Code, and, as a result, the Fund shall be subject to the provisions of Section 1-109.1, including, but not limited to: utilization of emerging investment managers; increasing racial, ethnic, and gender diversity of its fiduciaries; utilization of businesses owned by minorities, women, and persons with disabilities; utilization of minority broker-dealers; utilization of minority investment managers; and applicable reporting requirements.

No bank or savings and loan association shall receive investment funds as permitted by this Section, unless it has complied with the requirements established pursuant to Section 6 of the Public Funds Investment Act. The limitations set forth in Section 6 of the Public Funds Investment Act shall be applicable only at the time of investment and shall not require the liquidation of any investment at any time.

The Fund shall have the authority to enter into such agreements and to execute such documents as it determines to be necessary to complete any investment transaction.

All investments shall be clearly held and accounted for to indicate ownership by the Fund. The Fund may direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a national or state bank or trust company authorized to conduct a trust business in the State of Illinois.

Investments shall be carried at cost or at a value determined in accordance with generally accepted accounting principles and accounting procedures approved by the Fund.

(40 ILCS 5/22B-123 new)

Sec. 22B-123. Custodian. The pension fund assets transferred to or otherwise acquired by the Fund shall be placed in the custody of a custodian who shall provide adequate safe deposit facilities for those assets and hold all such securities, funds, and other assets subject to the order of the Fund.

Each custodian shall furnish a corporate surety bond of such amount as the board designates, which bond shall indemnify the Fund, the board, and the officers and employees of the Fund against any loss that may result from any action or failure to act by the custodian or any of the custodian's agents. All charges incidental to the procuring and giving of any bond shall be paid by the board and each bond shall be in the custody of the board.

(40 ILCS 5/22B-124 new)

Sec. 22B-124. Accounting for pension fund assets. In the management of the pension fund assets of the transferor pension funds, the Fund:

(1) shall carry all pension fund assets at fair market value determined in accordance with generally accepted accounting principles and accounting procedures approved by the board. Each investment initially transferred to the Fund by a transferor pension fund shall be similarly valued, except that the board may elect to place such value on any investment conditionally in which case, the amount of any later realization of such asset in cash that is in excess of or is less than the amount so credited shall be credited or charged to the account maintained for the transferor pension fund that made the transfer;

(2) shall keep proper books of account that shall reflect at all times the value of all investments held by the Fund; and

(3) shall charge all distributions made by the Fund to or for a transferor pension fund to the account maintained for that fund.

(40 ILCS 5/22B-125 new)

Sec. 22B-125. Audits and reports.

(a) At least annually, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board and conducted in accordance with the rules and procedures promulgated by the Governmental Accounting Standards Board. The audit opinion shall be published as a part of the annual report of the Fund, which shall be submitted to the transferor pension funds and to the Department of Insurance.

(b) For the quarterly periods ending September 30, December 31, and March 31, the Fund shall submit to the participating pension funds and to the Department of Insurance a report providing, among other things, the following information:

(1) a full description of the investments acquired, showing average costs;

(2) a full description of the securities sold or exchanged, showing average proceeds or other conditions of an exchange;

(3) gains or losses realized during the period;

(4) income from investments; and

(5) administrative expenses.

(c) An annual report shall be prepared by the Fund for submission to the participating pension funds and to the Department of Insurance within 6 months after the close of each fiscal year. A fiscal year shall date from July 1 of one year to June 30 of the year next following. This report shall contain full information concerning the results of investment operations of the Fund. This report shall include the information described in subsection (b) and, in addition thereto, the following information:

(1) a listing of the investments held by the Fund at the end of the year, showing their book values and market values and their income yields on market values;

(2) comments on the pertinent factors affecting such investments;

(3) a review of the policies maintained by the Fund and any changes that occurred during the year;

(4) a copy of the audited financial statements for the year;

(5) recommendations for possible changes in this Article or otherwise governing the operations of the Fund; and

(6) a listing of the names of securities brokers and dealers dealt with during the year showing the total amount of commissions received by each on transactions with the Fund.

(40 ILCS 5/Art. 22C heading new)

ARTICLE 22C. THE FIREFIGHTERS' PENSION INVESTMENT FUND

(40 ILCS 5/22C-101 new)

Sec. 22C-101. Establishment. The Firefighters' Pension Investment Fund is created with authority to manage the reserves, funds, assets, securities, properties, and moneys of the firefighter pension funds created pursuant to Article 4 of this Code, all as provided in this Article.

(40 ILCS 5/22C-102 new)

Sec. 22C-102. Definitions. For the purposes of this Article, the following words and phrases shall have the meaning ascribed to them unless the context requires otherwise.

(40 ILCS 5/22C-103 new)

Sec. 22C-103. Fund. "Fund" means the Firefighters' Pension Investment Fund.

(40 ILCS 5/22C-104 new)

Sec. 22C-104. Transferor pension fund. "Transferor pension fund" means any pension fund established pursuant to Article 4 of this Code.

(40 ILCS 5/22C-105 new)

Sec. 22C-105. Participating pension fund. "Participating pension fund" means any pension fund established pursuant to Article 4 of this Code that has transferred securities, funds, assets, and moneys, and responsibility for custody and control of those securities, funds, assets, and moneys, to the Fund pursuant to Section 4-123.2.

(40 ILCS 5/22C-106 new)

Sec. 22C-106. Pension fund assets. "Pension fund assets" means the reserves, funds, assets, securities, and moneys of any transferor pension fund.

(40 ILCS 5/22C-107 new)

Sec. 22C-107. Invest. "Invest" means to acquire, invest, reinvest, exchange, or retain pension fund assets of the transferor pension funds and to sell and manage the reserves, funds, securities, moneys, or assets of the transferor pension fund, all in accordance with this Article.

(40 ILCS 5/22C-108 new)

Sec. 22C-108. Investment advisor. "Investment advisor" means any person or business entity that provides investment advice to the board on a personalized basis and with an understanding of the policies and goals of the board. "Investment advisor" does not include any person or business entity that provides statistical or general market research data available for purchase or use by others.

(40 ILCS 5/22C-112 new)

Sec. 22C-112. Transition period. "Transition period" means the period immediately following the effective date of this amendatory Act of the 101st General Assembly during which pension fund assets, and responsibility for custody and control of those assets, will be transferred from the transferor pension funds to the board, as described in Section 22C-120.

(40 ILCS 5/22C-113 new)

Sec. 22C-113. Illinois Municipal League. "Illinois Municipal League" means the unincorporated, nonprofit, nonpolitical association of Illinois cities, villages, and incorporated towns described in Section 1-8-1 of the Illinois Municipal Code.

(40 ILCS 5/22C-114 new)

Sec. 22C-114. Purpose, establishment, and governance. The Fund is established to consolidate the transferor pension funds to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring more money is available to fund pension benefits for the beneficiaries of the transferor pension funds. The transition board trustees and permanent board trustees of the Fund shall be fiduciaries for the participants and beneficiaries of the participating pension funds and shall discharge their duties with respect to the retirement system or pension fund solely in the interest of the participants and beneficiaries. Further, the transition board trustees and permanent board trustees, acting prudently and as fiduciaries, shall take all reasonable steps to ensure that all of the transferor pension funds are treated equitably and that the financial condition of one participating pension fund, including, but not limited to, pension benefit funding levels and ratios, will have no effect on the financial condition of any other transferor pension fund.

(40 ILCS 5/22C-115 new)

Sec. 22C-115. Board of Trustees of the Fund.

(a) No later than one month after the effective date of this amendatory Act of the 101st General Assembly or as soon thereafter as may be practicable, the Governor shall appoint, by and with the advice and consent of the Senate, a transition board of trustees consisting of 9 members as follows:

(1) three members representing municipalities and fire protection districts who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities or fire protection districts and appointed from among candidates recommended by the Illinois Municipal League;

(2) three members representing participants who are participants and appointed from among candidates recommended by the statewide labor organization representing firefighters employed by at least 85 municipalities that is affiliated with the Illinois State Federation of Labor;

(3) one member representing beneficiaries who is a beneficiary and appointed from among the candidate or candidates recommended by the statewide labor organization representing firefighters employed by at least 85 municipalities that is affiliated with the Illinois State Federation of Labor; and

(4) one member recommended by the Illinois Municipal League; and

(5) one member who is a participant recommended by the statewide labor organization representing firefighters employed by at least 85 municipalities and that is affiliated with the Illinois State Federation of Labor.

The transition board members shall serve until the initial permanent board members are elected and qualified.

The transition board of trustees shall select the chairperson of the transition board of trustees from among the trustees for the duration of the transition board's tenure.

(b) The permanent board of trustees shall consist of 9 members comprised as follows:

(1) Three members who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities or fire protection districts that have participating pension funds and are elected by the mayors and presidents of municipalities or fire protection districts that have participating pension funds.

(2) Three members who are participants of participating pension funds and elected by the participants of participating pension funds.

(3) One member who is a beneficiary of a participating pension fund and is elected by the beneficiaries of participating pension funds.

(4) One member recommended by the Illinois Municipal League who shall be appointed by the Governor with the advice and consent of the Senate.

(5) One member recommended by the statewide labor organization representing firefighters employed by at least 85 municipalities and that is affiliated with the Illinois State Federation of Labor who shall be appointed by the Governor with the advice and consent of the Senate.

The permanent board of trustees shall select the chairperson of the permanent board of trustees from among the trustees for a term of 2 years. The holder of the office of chairperson shall alternate between a person elected or appointed under item (1) or (4) of this subsection (b) and a person elected or appointed under item (2), (3), or (5) of this subsection (b).

(c) Each trustee shall qualify by taking an oath of office before the Secretary of State stating that he or she will diligently and honestly administer the affairs of the board and will not violate or knowingly permit the violation of any provision of this Article.

(d) Trustees shall receive no salary for service on the board but shall be reimbursed for travel expenses incurred while on business for the board according to the standards in effect for members of the Commission on Government Forecasting and Accountability.

A municipality or fire protection district employing a firefighter who is an elected or appointed trustee of the board must allow reasonable time off with compensation for the firefighter to conduct official business related to his or her position on the board, including time for travel. The board shall notify the municipality or fire protection district in advance of the dates, times, and locations of this official business. The Fund shall timely reimburse the municipality or fire protection district for the reasonable costs incurred that are due to the firefighter's absence.

(e) No trustee shall have any interest in any brokerage fee, commission, or other profit or gain arising out of any investment directed by the board. This subsection does not preclude ownership by any member of any minority interest in any common stock or any corporate obligation in which an investment is directed by the board.

(f) Notwithstanding any provision or interpretation of law to the contrary, any member of the transition board may also be elected or appointed as a member of the permanent board.

Notwithstanding any provision or interpretation of law to the contrary, any trustee of a fund established under Article 4 of this Code may also be appointed as a member of the transition board or elected or appointed as a member of the permanent board.

The restriction in Section 3.1 of the Lobbyist Registration Act shall not apply to a member of the transition board appointed pursuant to items (4) or (5) of subsection (a) or to a member of the permanent board appointed pursuant to items (4) or (5) of subsection (b).

(40 ILCS 5/22C-116 new)

Sec. 22C-116. Conduct and administration of elections; terms of office.

(a) For the election of the permanent trustees, the transition board shall administer the initial elections and the permanent board shall administer all subsequent elections. Each board shall develop and implement such procedures as it determines to be appropriate for the conduct of such elections. For the purposes of obtaining information necessary to conduct elections under this Section, participating pension funds shall cooperate with the Fund.

(b) All nominations for election shall be by petition. Each petition for a trustee shall be executed as follows:

(1) for trustees to be elected by the mayors and presidents of municipalities or fire protection districts that have participating pension funds, by at least 20 such mayors and presidents; except that this item (1) shall apply only with respect to participating pension funds;

(2) for trustees to be elected by participants, by at least 400 participants; and

(3) for trustees to be elected by beneficiaries, by at least 100 beneficiaries.

(c) A separate ballot shall be used for each class of trustee. The board shall prepare and send ballots and ballot envelopes to the participants and beneficiaries eligible to vote in accordance with rules adopted by the board. The ballots shall contain the names of all candidates in alphabetical order. The ballot envelope shall have on the outside a form of certificate stating that the person voting the ballot is a participant or beneficiary entitled to vote.

Participants and beneficiaries, upon receipt of the ballot, shall vote the ballot and place it in the ballot envelope, seal the envelope, execute the certificate thereon, and return the ballot to the Fund.

The board shall set a final date for ballot return, and ballots received prior to that date in a ballot envelope with a properly executed certificate and properly voted shall be valid ballots.

The board shall set a day for counting the ballots and name judges and clerks of election to conduct the count of ballots and shall make any rules necessary for the conduct of the count.

The candidate or candidates receiving the highest number of votes for each class of trustee shall be elected. In the case of a tie vote, the winner shall be determined in accordance with procedures developed by the Department of Insurance.

In lieu of conducting elections via mail balloting as described in this Section, the board may instead adopt rules to provide for elections to be carried out solely via Internet balloting or phone balloting. Nothing in this Section prohibits the Fund from contracting with a third party to administer the election in accordance with this Section.

(d) At any election, voting shall be as follows:

(1) Each person authorized to vote for an elected trustee may cast one vote for each related position for which such person is entitled to vote and may cast such vote for any candidate or candidates on the ballot for such trustee position.

(2) If only one candidate for each position is properly nominated in petitions received, that candidate shall be deemed the winner and no election under this Section shall be required.

(3) The results shall be entered in the minutes of the first meeting of the board following the tally of votes.

(e) The initial election for permanent trustees shall be held and the permanent board shall be seated no later than 12 months after the effective date of this amendatory Act of the 101st General Assembly. Each subsequent election shall be held no later than 30 days prior to the end of the term of the incumbent trustees.

(f) The elected trustees shall each serve for terms of 4 years commencing on the first business day of the first month after election; except that the terms of office of the initially elected trustees shall be as follows:

(1) One trustee elected pursuant to item (1) of subsection (b) of Section 22C-115 shall serve for a term of 2 years and 2 trustees elected pursuant to item (1) of subsection (b) of Section 22C-115 shall serve for a term of 4 years;

(2) One trustee elected pursuant to item (2) of subsection (b) of Section 22C-115 shall serve for a term of 2 years and 2 trustees elected pursuant to item (2) of subsection (b) of Section 22C-115 shall serve for a term of 4 years; and

(3) The trustee elected pursuant to item (3) of subsection (b) of Section 22C-115 shall serve for a term of 2 years.

(g) The trustees appointed pursuant to items (4) and (5) of subsection (b) of Section 22C-115 shall each serve for a term of 4 years commencing on the first business day of the first month after the election of the elected trustees.

(h) A member of the board who was elected pursuant to item (1) of subsection (b) of Section 22C-115 who ceases to serve as a mayor, president, chief executive officer, chief financial officer, or other officer, executive, or department head of a municipality or fire protection district that has a participating pension fund shall not be eligible to serve as a member of the board and his or her position shall be deemed vacant. A member of the board who was elected by the participants of participating pension funds who ceases to be a participant may serve the remainder of his or her elected term.

For a vacancy of an elected trustee occurring with an unexpired term of 6 months or more, an election shall be conducted for the vacancy in accordance with Section 22C-115 and this Section.

For a vacancy of an elected trustee occurring with an unexpired term of less than 6 months, the vacancy shall be filled by appointment by the board for the unexpired term as follows: a vacancy of a member elected pursuant to item (1) of subsection (b) of Section 22C-115 shall be filled by a mayor, president, chief executive officer, chief financial officer, or other officer, executive, or department head of a municipality or fire protection district that has a participating pension fund; a vacancy of a member elected pursuant to item (2) of subsection (b) of Section 22C-115 shall be filled by a participant of a participating pension fund; and a vacancy of a member elected under item (3) of subsection (b) of Section 22C-115 shall be filled by a beneficiary of a participating pension fund.

Vacancies among the appointed trustees shall be filled for unexpired terms by appointment in like manner as for the original appointments.

(40 ILCS 5/22C-117 new)

Sec. 22C-117. Meetings of the board.

(a) The transition board and the permanent board shall each meet at least quarterly and otherwise upon written request of either the Chairperson or 3 other members. The Chairperson shall preside over meetings of the board. The executive director and personnel of the board shall prepare agendas and materials and required postings for meetings of the board.

(b) Six members of the board shall constitute a quorum.

(c) All actions taken by the transition board and the permanent board shall require a vote of least 5 trustees, except that the following shall require a vote of at least 6 trustees: the adoption of actuarial assumptions; the selection of the chief investment officer, fiduciary counsel, or a consultant as defined under Section 1-101.5 of this Code; the adoption of rules for the conduct of election of trustees; and the adoption of asset allocation policies and investment policies.

(40 ILCS 5/22C-118 new)

Sec. 22C-118. Operation and administration of the Fund.

(a) The operation and administration of the Fund shall be managed by an executive director. No later than 2 months after the transition board is appointed or as soon thereafter as may be practicable, the transition board shall appoint an interim executive director who shall serve until a permanent executive director is appointed by the board, with such appointment to be made no later than 6 months after the end of the transition period. The executive director shall act subject to and under the supervision of the board and the board shall fix the compensation of the executive director.

(b) The board may appoint one or more custodians to facilitate the transfer of pension fund assets during the transition period, and subsequently to provide custodial and related fiduciary services on behalf of the board, and enter into contracts for such services. The board may also appoint external legal counsel and an independent auditing firm and may appoint investment advisors and other consultants as it determines to be appropriate and enter into contracts for such services. With approval of the board, the executive director may retain such other consultants, advisors, fiduciaries, and service providers as may be desirable and enter into contracts for such services.

(c) The board shall separately calculate account balances for each participating pension fund. The operations and financial condition of each participating pension fund account shall not affect the account balance of any other participating pension fund. Further, investment returns earned by the Fund shall be allocated and distributed pro rata among each participating pension fund account in accordance with the value of the pension fund assets attributable to each fund.

(d) With approval of the board, the executive director may employ such personnel, professional or clerical, as may be desirable and fix their compensation. The appointment and compensation of the personnel, including the executive director, shall not be subject to the Personnel Code.

(e) The board shall annually adopt a budget to support its operations and administration. The board shall apply moneys derived from the pension fund assets transferred and under its control to pay the costs and expenses incurred in the operation and administration of the Fund. The board shall from time to time transfer moneys and other assets to the participating pension funds as required for the participating pension funds to pay expenses, benefits, and other required payments to beneficiaries in the amounts and at the times prescribed in this Code.

(f) The board may exercise any of the powers granted to boards of trustees of pension funds under Sections 1-107 and 1-108 of this Code and may by resolution provide for the indemnification of its members and any of its officers, advisors, or employees in a manner consistent with those Sections.

(g) An office for meetings of the board and for its administrative personnel shall be established at any suitable place within the State as may be selected by the board. All books and records of the board shall be kept in such office.

(h) The board shall contract for a blanket fidelity bond in the penal sum of not less than $1,000,000 to cover members of the board of trustees, the executive director, and all other employees of the board, conditioned for the faithful performance of the duties of their respective offices, the premium on which shall be paid by the board.

(40 ILCS 5/22C-119 new)

Sec. 22C-119. Adoption of rules. The board shall adopt such rules (not inconsistent with this Code) as in its judgment are desirable to implement and properly administer this Article. Such rules shall specifically provide for the following: (1) the implementation of the transition process described in Section 22C-120; (2) the process by which the participating pension funds may request transfer of funds; (3) the process for the transfer in, receipt for, and investment of pension assets received by the Fund after the transition period from the participating pension funds; (4) the process by which contributions from municipalities and fire protection districts for the benefit of the participating pension funds may, but are not required to, be directly transferred to the Fund; and (5) compensation and benefits for its employees. A copy of the rules adopted by the Fund shall be filed with the Secretary of State and the Department of Insurance. The adoption and effectiveness of such rules shall not be subject to Article 5 of the Illinois Administrative Procedure Act.

(40 ILCS 5/22C-120 new)

Sec. 22C-120. Transition period; transfer of securities, assets, and investment functions.

(a) The transition period shall commence on the effective date of this amendatory Act of the 101st General Assembly and shall end as determined by the board, consistent with and in the application of its fiduciary responsibilities, but in no event later than 30 months thereafter.

(b) The board may retain the services of custodians, investment consultants, and other professional services it deems prudent to implement the transition of assets described in this Section. The permanent board of trustees shall not be bound by any contract or agreement regarding such custodians, investment consultants, or other professional services entered into by the transition board of trustees.

(c) As soon as practicable after the effective date of this amendatory Act of the 101st General Assembly, the board, in cooperation with the Department of Insurance, shall audit the investment assets of each transferor pension fund to determine a certified investment asset list for each transferor pension fund. The audit shall be performed by a certified public accountant engaged by the board, and the board shall be responsible for payment of the costs and expenses associated with the audit. Upon completion of the audit for any transferor pension fund, the board and the Department of Insurance shall provide the certified investment asset list to that transferor pension fund. Upon determination of the certified investment asset list for any transferor pension fund, the board shall, within 10 business days or as soon thereafter as may be practicable, as determined by the board, initiate the transfer of assets from that transferor pension fund. Further and to maintain accuracy of the certified investment asset list, upon determination of the certified investment asset list for a transferor pension fund, that fund shall not purchase or sell any of its pension fund assets.

(d) When the Fund is prepared to receive pension fund assets from any transferor pension fund, the executive director shall notify in writing the board of trustees of that transferor pension fund of the Fund's intent to assume fiduciary control of those pension fund assets, and the date at which it will assume such control and that the transferor pension fund will cease to exercise fiduciary responsibility. This letter shall be transmitted no less than 30 days prior to the transfer date. A copy of the letter shall be transmitted to the Department of Insurance. Upon receipt of the letter, the transferor pension fund shall promptly notify its custodian, as well as any and all entities with fiduciary control of any portion of the pension assets. Each transferor pension fund shall have sole fiduciary and statutory responsibility for the management of its pension assets until the start of business on the transfer date. At the start of business on the transfer date, statutory and fiduciary responsibility for the investment of pension fund assets shall shift exclusively to the Fund and the Fund shall promptly and prudently transfer all such pension fund assets to the board and terminate the relationship with the local custodian of that transferor pension fund. The Fund shall provide a receipt for the transfer to the transferor pension fund within 30 days of the transfer date.

As used in this subsection, "transfer date" means the date at which the Fund will assume fiduciary control of the transferor pension fund's assets and the transferor pension fund will cease to exercise fiduciary responsibility.

(e) Within 90 days after the end of the transition period or as soon thereafter as may be practicable as determined by the board, the Fund and the Department of Insurance shall cooperate in transferring to the Fund all pension fund assets remaining in the custody of the transferor pension funds.

(f) The board shall adopt such rules as in its judgment are desirable to implement the transition process, including, without limitation, the transfer of the pension fund assets of the transferor pension funds, the assumption of fiduciary control of such assets by the Fund, and the termination of relationships with local custodians. The adoption and effectiveness of such rules and regulations shall not be subject to Article 5 of the Illinois Administrative Procedure Act.

(g) Within 6 months after the end of the transition period or as soon thereafter as may be practicable as determined by the board, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board. This audit shall include, but not be limited to, the following: (1) a full description of the investments acquired, showing average costs; (2) a full description of the securities sold or exchanged, showing average proceeds or other conditions of an exchange; (3) gains or losses realized during the period; (4) income from investments; and (5) administrative expenses incurred by the board. This audit report shall be published on the Fund's official website and filed with the Department of Insurance.

(h) To provide funds for payment of the ordinary and regular costs associated with the implementation of this transition process, the Illinois Finance Authority is authorized to loan to the Fund up to $7,500,000 of any of the Authority's funds, including, but not limited to, funds in its Illinois Housing Partnership Program Fund, its Industrial Project Insurance Fund, or its Illinois Venture Investment Fund, for such purpose. Such loan shall be repaid by the Fund with an interest rate tied to the Federal Funds Rate or an equivalent market established variable rate. The Fund and the Illinois Finance Authority shall enter into a loan or similar agreement that specifies the period of the loan, the payment interval, procedures for making periodic loans, the variable rate methodology to which the interest rate for loans should be tied, the funds

of the Illinois Finance Authority that will be used to provide the loan, and such other terms that the Fund and the Illinois Finance Authority reasonably believe to be mutually beneficial. Such agreement shall be a public record and the Fund shall post the terms of the agreement on its official website.

(40 ILCS 5/22C-121 new)

Sec. 22C-121. Management and direction of investments.

(a) The board shall have the authority to manage the pension fund assets of the transferor pension funds for the purpose of obtaining a total return on investments for the long term.

(b) The authority of the board to manage pension fund assets and the liability shall begin when there has been a physical transfer of the pension fund assets to the Fund and placed in the custody of the Fund's custodian or custodians, as described in Section 22C-123.

(c) The pension fund assets of the Fund shall be maintained in accounts held outside the State treasury. Moneys in those accounts are not subject to administrative charges or chargebacks, including, but not limited to, those authorized under the State Finance Act.

(d) The board may not delegate its management functions, but it may, but is not required to, arrange to compensate for personalized investment advisory service for any or all investments under its control with any national or state bank or trust company authorized to do a trust business and domiciled in Illinois, other financial institution organized under the laws of Illinois, or an investment advisor who is qualified under the federal Investment Advisers Act of 1940 and is registered under the Illinois Securities Law of 1953. Nothing contained in this Article prevents the board from subscribing to general investment research services available for purchase or use by others. The board shall also have the authority to compensate for accounting services.

(e) This Section does not prohibit the board from directly investing pension fund assets in public market investments, private investments, real estate investments, or other investments authorized by this Code.

(40 ILCS 5/22C-122 new)

Sec. 22C-122. Investment authority. The Fund shall have the authority to invest funds, subject to the requirements and restrictions set forth in Sections 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and 1-115 of this Code.

The Fund shall not be subject to any of the limitations applicable to investments of pension fund assets by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of this Code. The Fund shall not, for purposes of Article 1 of this Code, be deemed to be a retirement system, pension fund, or investment board whose investments are restricted by Section 1-113.2 of this Code, and, as a result, the Fund shall be subject to the provisions of Section 1-109.1, including, but not limited to: utilization of emerging investment managers; increasing racial, ethnic, and gender diversity of its fiduciaries; utilization of businesses owned by minorities, women, and persons with disabilities; utilization of minority broker-dealers; utilization of minority investment managers; and applicable reporting requirements.

No bank or savings and loan association shall receive investment funds as permitted by this Section, unless it has complied with the requirements established pursuant to Section 6 of the Public Funds Investment Act. The limitations set forth in Section 6 of the Public Funds Investment Act shall be applicable only at the time of investment and shall not require the liquidation of any investment at any time.

The Fund shall have the authority to enter into such agreements and to execute such documents as it determines to be necessary to complete any investment transaction.

All investments shall be clearly held and accounted for to indicate ownership by the Fund. The Fund may direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a national or state bank or trust company authorized to conduct a trust business in the State of Illinois.

Investments shall be carried at cost or at a value determined in accordance with generally accepted accounting principles and accounting procedures approved by the Fund.

(40 ILCS 5/22C-123 new)

Sec. 22C-123. Custodian. The pension fund assets transferred to or otherwise acquired by the Fund shall be placed in the custody of a custodian who shall provide adequate safe deposit facilities for those assets and hold all such securities, funds, and other assets subject to the order of the Fund.

Each custodian shall furnish a corporate surety bond of such amount as the board designates, which bond shall indemnify the Fund, the board, and the officers and employees of the Fund against any loss that may result from any action or failure to act by the custodian or any of the custodian's agents. All charges incidental to the procuring and giving of any bond shall be paid by the board and each bond shall be in the custody of the board.

(40 ILCS 5/22C-124 new)

Sec. 22C-124. Accounting for pension fund assets. In the management of the pension fund assets of the transferor pension funds, the Fund:

(1) shall carry all pension fund assets at fair market value determined in accordance with generally accepted accounting principles and accounting procedures approved by the board. Each investment initially transferred to the Fund by a transferor pension fund shall be similarly valued, except that the board may elect to place such value on any investment conditionally in which case, the amount of any later realization of such asset in cash that is in excess of or is less than the amount so credited shall be credited or charged to the account maintained for the transferor pension fund that made the transfer;

(2) shall keep proper books of account that shall reflect at all times the value of all investments held by the Fund; and

(3) shall charge all distributions made by the Fund to or for a transferor pension fund to the account maintained for that fund.

(40 ILCS 5/22C-125 new)

Sec. 22C-125. Audits and reports.

(a) At least annually, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board and conducted in accordance with the rules and procedures promulgated by the Governmental Accounting Standards Board. The audit opinion shall be published as a part of the annual report of the Fund, which shall be submitted to the transferor pension funds and to the Department of Insurance.

(b) For the quarterly periods ending September 30, December 31, and March 31, the Fund shall submit to the participating pension funds and to the Department of Insurance a report providing, among other things, the following information:

(1) a full description of the investments acquired, showing average costs;

(2) a full description of the securities sold or exchanged, showing average proceeds or other conditions of an exchange;

(3) gains or losses realized during the period;

(4) income from investments; and

(5) administrative expenses.

(c) An annual report shall be prepared by the Fund for submission to the participating pension funds and to the Department of Insurance within 6 months after the close of each fiscal year. A fiscal year shall date from July 1 of one year to June 30 of the year next following. This report shall contain full information concerning the results of investment operations of the Fund. This report shall include the information described in subsection (b) and, in addition thereto, the following information:

(1) a listing of the investments held by the Fund at the end of the year, showing their book values and market values and their income yields on market values;

(2) comments on the pertinent factors affecting such investments;

(3) a review of the policies maintained by the Fund and any changes that occurred during the year;

(4) a copy of the audited financial statements for the year;

(5) recommendations for possible changes in this Article or otherwise governing the operations of the Fund; and

(6) a listing of the names of securities brokers and dealers dealt with during the year showing the total amount of commissions received by each on transactions with the Fund.

Section 15. The Local Government Officer Compensation Act is amended by changing Section 25 as follows:

(50 ILCS 145/25)

Sec. 25. Elected official salary.

(a) Notwithstanding the provision of any other law to the contrary, an elected officer of a unit of local government that is a participating employer under the Illinois Municipal Retirement Fund shall not receive any salary or other compensation from the unit of local government if the member is receiving pension benefits from the Illinois Municipal Retirement Fund under Article 7 of the Illinois Pension Code for the elected official's service in that same elected position. If an elected officer is receiving benefits from the Illinois Municipal Retirement Fund on August 23, 2019 (the effective date of Public Act 101-544) ~~this amendatory Act of the 101st General Assembly~~, the elected official's salary and compensation shall be reduced to zero at the beginning of the member's next term if the member is still receiving such pension benefits.

(b) This Section does not apply to a unit of local government that has adopted an ordinance or resolution effective prior to January 1, 2019 that: (i) reduces the compensation of an elected official of the unit of local government who is receiving pension benefits from the Illinois Municipal Retirement Fund under

Article 7 of the Illinois Pension Code for his or her service as an elected official in the same elected position of that unit of local government; and (ii) changes the official's position to part-time.
(Source: P.A. 101-544, eff. 8-23-19.)

Section 20. The Illinois Vehicle Code is amended by changing Section 2-115 as follows:
(625 ILCS 5/2-115) (from Ch. 95 1/2, par. 2-115)
Sec. 2-115. Investigators.
(a) The Secretary of State, for the purpose of more effectively carrying out the provisions of the laws in relation to motor vehicles, shall have power to appoint such number of investigators as he may deem necessary. It shall be the duty of such investigators to investigate and enforce violations of the provisions of this Act administered by the Secretary of State and provisions of Chapters 11, 12, 13, 14, and 15 and to investigate and report any violation by any person who operates as a motor carrier of property as defined in Section 18-100 of this Act and does not hold a valid certificate or permit. Such investigators shall have and may exercise throughout the State all of the powers of peace officers.
No person may be retained in service as an investigator under this Section after he or she has reached 60 years of age, except for a person employed in the title of Capitol Police Investigator ~~and who began employment on or after January 1, 2011~~, in which case, that person may not be retained in service after that person has reached 65 years of age.
The Secretary of State must authorize to each investigator employed under this Section and to any other employee of the Office of the Secretary of State exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Office of the Secretary of State and (ii) contains a unique identifying number. No other badge shall be authorized by the Office of the Secretary of State.
(b) The Secretary may expend such sums as he deems necessary from Contractual Services appropriations for the Department of Police for the purchase of evidence, for the employment of persons to obtain evidence, and for the payment for any goods or services related to obtaining evidence. Such sums shall be advanced to investigators authorized by the Secretary to expend funds, on vouchers signed by the Secretary. In addition, the Secretary of State is authorized to maintain one or more commercial checking accounts with any State banking corporation or corporations organized under or subject to the Illinois Banking Act for the deposit and withdrawal of moneys to be used solely for the purchase of evidence and for the employment of persons to obtain evidence, or for the payment for any goods or services related to obtaining evidence; provided that no check may be written on nor any withdrawal made from any such account except on the written signatures of 2 persons designated by the Secretary to write such checks and make such withdrawals, and provided further that the balance of moneys on deposit in any such account shall not exceed $5,000 at any time, nor shall any one check written on or single withdrawal made from any such account exceed $5,000.
All fines or moneys collected or received by the Department of Police under any State or federal forfeiture statute; including, but not limited to moneys forfeited under Section 12 of the Cannabis Control Act, moneys forfeited under Section 85 of the Methamphetamine Control and Community Protection Act, and moneys distributed under Section 413 of the Illinois Controlled Substances Act, shall be deposited into the Secretary of State Evidence Fund.
In all convictions for offenses in violation of this Act, the Court may order restitution to the Secretary of any or all sums expended for the purchase of evidence, for the employment of persons to obtain evidence, and for the payment for any goods or services related to obtaining evidence. All such restitution received by the Secretary shall be deposited into the Secretary of State Evidence Fund. Moneys deposited into the fund shall, subject to appropriation, be used by the Secretary of State for the purposes provided for under the provisions of this Section.
(Source: P.A. 99-896, eff. 1-1-17; 100-201, eff. 8-18-17.)

Section 90. The State Mandates Act is amended by adding Section 8.43 as follows:
(30 ILCS 805/8.43)
(Text of Section before amendment by P.A. 101-50 and 101-504)
Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by Public Act 101-11, 101-49, 101-275, 101-320, 101-377, 101-387, 101-474, 101-492, 101-502, 101-522, or this amendatory Act of the 101st General Assembly ~~this amendatory Act of the 101st General Assembly~~.
(Source: P.A. 101-11, eff. 6-7-19; 101-49, eff. 7-12-19; 101-275, eff. 8-9-19; 101-320, eff. 8-9-19; 101-377, eff. 8-16-19; 101-387, eff. 8-16-19; 101-474, eff. 8-23-19; 101-492, eff. 8-23-19; 101-502, eff. 8-23-19; 101-522, eff. 8-23-19; revised 10-21-19.)

(Text of Section after amendment by P.A. 101-50 and 101-504)

Sec. 8.43. Exempt mandate.

(a) Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by Public Act 101-11, 101-49, 101-275, 101-320, 101-377, 101-387, 101-474, 101-492, 101-502, 101-504, 101-522, or this amendatory Act of the 101st General Assembly ~~this amendatory Act of the 101st General Assembly~~.

(b) Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by the Seizure Smart School Act.

(Source: P.A. 101-11, eff. 6-7-19; 101-49, eff. 7-12-19; 101-50, eff. 7-1-20; 101-275, eff. 8-9-19; 101-320, eff. 8-9-19; 101-377, eff. 8-16-19; 101-387, eff. 8-16-19; 101-474, eff. 8-23-19; 101-492, eff. 8-23-19; 101-502, eff. 8-23-19; 101-504, eff. 7-1-20; 101-522, eff. 8-23-19; revised 10-21-19.)

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 January 1, 2020.".

AMENDMENT NO. 6 TO SENATE BILL 1300

AMENDMENT NO. 6. Amend Senate Bill 1300, AS AMENDED, with reference to page and line numbers of House Amendment No. 5 on page 78, by replacing lines 16 and 17 with "3-148. The Police Officers' Pension Investment Fund established under Article 22B of this Code"; and

on page 96, by replacing lines 5 and 6 with "4-139. The Firefighters' Pension Investment Fund established under Article 22C of this Code".

AMENDMENT NO. 7 TO SENATE BILL 1300

AMENDMENT NO. 7. Amend Senate Bill 1300, AS AMENDED, with reference to page and line numbers of House Amendment No. 5 as follows:

on page 52, line 7, after "officer,", by inserting "investigator for the Department of Revenue or the Illinois Gaming Board,"; and

on page 130, line 3, after "officer,", by inserting "investigator for the Department of Revenue or the Illinois Gaming Board,"; and

on page 130, line 9, after "officer,", by inserting "investigator for the Department of Revenue or the Illinois Gaming Board,".

Under the rules, the foregoing **Senate Bill No. 1300**, with House Amendments numbered 5, 6 and 7, was referred to the Secretary's Desk.

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 177
Motion to Concur in House Amendment 2 to Senate Bill 177
Motion to Concur in House Amendment 4 to Senate Bill 177
Motion to Concur in House Amendment 5 to Senate Bill 659
Motion to Concur in House Amendment 6 to Senate Bill 659
Motion to Concur in House Amendment 5 to Senate Bill 1300
Motion to Concur in House Amendment 6 to Senate Bill 1300
Motion to Concur in House Amendment 7 to Senate Bill 1300

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

On motion of Senator Harmon, **Senate Bill No. 1784**, with House Amendments numbered 1 and 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 amendments to said bill.

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

YEAS 45; NAYS 9.

The following voted in the affirmative:

Anderson	Ellman	Landek	Rezin
Belt	Fine	Lightford	Schimpf
Bennett	Fowler	Link	Sims
Bertino-Tarrant	Gillespie	Manar	Stadelman
Bush	Glowiak Hilton	Martinez	Steans
Castro	Harmon	Martwick	Van Pelt
Collins	Harris	McClure	Villivalam
Crowe	Holmes	McGuire	Weaver
Cullerton, T.	Hunter	Morrison	Mr. President
Cunningham	Jones, E.	Muñoz	
Curran	Joyce	Murphy	
DeWitte	Koehler	Peters	

The following voted in the negative:

Barickman	Plummer	Syverson
McConchie	Rose	Tracy
Oberweis	Stewart	Wilcox

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1784**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Weaver asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the negative on **Senate Bill No. 1784**.

HOUSE BILL RECALLED

On motion of Senator Harris, **House Bill No. 2957** was recalled from the order of third reading to the order of second reading.

Senator Harris offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 2957

AMENDMENT NO. 1. Amend House Bill 2957 by replacing everything after the enacting clause with the following:

"Section 5. The Regulatory Sunset Act is amended by changing Sections 4.30 and 4.40 as follows:
(5 ILCS 80/4.30)
Sec. 4.30. Acts repealed on January 1, 2020. The following Acts are repealed on January 1, 2020:
The Community Association Manager Licensing and Disciplinary Act.
~~The Illinois Landscape Architecture Act of 1989.~~
The Pharmacy Practice Act.

(Source: P.A. 100-497, eff. 9-8-17; 100-534, eff. 9-22-17; 100-863, eff. 8-14-18; 101-269, eff. 8-9-19; 101-310, eff. 8-9-19; 101-311, eff. 8-9-19; 101-312, eff. 8-9-19; 101-313, eff. 8-9-19; 101-345, eff. 8-9-19; 101-346, eff. 8-9-19; 101-357, eff. 8-9-19; revised 9-27-19.)

(5 ILCS 80/4.40)

Sec. 4.40. Acts ~~Act~~ repealed on January 1, 2030. The following Acts are ~~Act is~~ repealed on January 1, 2030:

The Auction License Act.

The Illinois Architecture Practice Act of 1989.

The Illinois Landscape Architecture Act of 1989.

The Illinois Professional Land Surveyor Act of 1989.

The Orthotics, Prosthetics, and Pedorthics Practice Act.

The Perfusionist Practice Act.

The Professional Engineering Practice Act of 1989.

The Real Estate License Act of 2000.

The Structural Engineering Practice Act of 1989.

(Source: P.A. 101-269, eff. 8-9-19; 101-310, eff. 8-9-19; 101-311, eff. 8-9-19; 101-312, eff. 8-9-19; 101-313, eff. 8-9-19; 101-345, eff. 8-9-19; 101-346, eff. 8-9-19; 101-357, eff. 8-9-19; revised 9-27-19.)

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 Harris, **House Bill No. 2957** 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:

Anderson	Ellman	Link	Rose
Barickman	Fine	Manar	Schimpf
Belt	Fowler	Martinez	Sims
Bennett	Gillespie	Martwick	Stadelman
Bertino-Tarrant	Glowiak Hilton	McClure	Steans
Brady	Harmon	McConchie	Stewart
Bush	Harris	McGuire	Syverson
Castro	Holmes	Morrison	Tracy
Collins	Hunter	Muñoz	Van Pelt
Crowe	Jones, E.	Murphy	Villivalam
Cullerton, T.	Joyce	Oberweis	Weaver
Cunningham	Koehler	Peters	Wilcox
Curran	Landek	Plummer	Mr. President
DeWitte	Lightford	Rezin	

This bill, having received the vote of three-fifths 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 Tracy, **House Bill No. 3426** was recalled from the order of third reading to the order of second reading.

Senator Tracy offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 3426

AMENDMENT NO. 1. Amend House Bill 3426 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Municipal Code is amended by changing Section 11-74.4-3.5 as follows:

(65 ILCS 5/11-74.4-3.5)

Sec. 11-74.4-3.5. Completion dates for redevelopment projects.

(a) Unless otherwise stated in this Section, the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer, as provided in subsection (b) of Section 11-74.4-8 of this Act, is to be made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving the redevelopment project area was adopted if the ordinance was adopted on or after January 15, 1981.

(a-5) If the redevelopment project area is located within a transit facility improvement area established pursuant to Section 11-74.4-3, the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer, as provided in subsection (b) of Section 11-74.4-8 of this Act, is to be made with respect to ad valorem taxes levied in the 35th calendar year after the year in which the ordinance approving the redevelopment project area was adopted.

(a-7) A municipality may adopt tax increment financing for a redevelopment project area located in a transit facility improvement area that also includes real property located within an existing redevelopment project area established prior to August 12, 2016 (the effective date of Public Act 99-792). In such case: (i) the provisions of this Division shall apply with respect to the previously established redevelopment project area until the municipality adopts, as required in accordance with applicable provisions of this Division, an ordinance dissolving the special tax allocation fund for such redevelopment project area and terminating the designation of such redevelopment project area as a redevelopment project area; and (ii) after the effective date of the ordinance described in (i), the provisions of this Division shall apply with respect to the subsequently established redevelopment project area located in a transit facility improvement area.

(b) The estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the 32nd calendar year after the year in which the ordinance approving the redevelopment project area was adopted if the ordinance was adopted on September 9, 1999 by the Village of Downs.

The estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the 33rd calendar year after the year in which the ordinance approving the redevelopment project area was adopted if the ordinance was adopted on May 20, 1985 by the Village of Wheeling.

The estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the 28th calendar year after the year in which the ordinance approving the redevelopment project area was adopted if the ordinance was adopted on October 12, 1989 by the City of Lawrenceville.

(c) The estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the 35th calendar year after the year in which the ordinance approving the redevelopment project area was adopted:

(1) If the ordinance was adopted before January 15, 1981.

(2) If the ordinance was adopted in December 1983, April 1984, July 1985, or December 1989.

(3) If the ordinance was adopted in December 1987 and the redevelopment project is located within one mile of Midway Airport.

(4) If the ordinance was adopted before January 1, 1987 by a municipality in Mason County.

(5) If the municipality is subject to the Local Government Financial Planning and Supervision Act or the Financially Distressed City Law.

(6) If the ordinance was adopted in December 1984 by the Village of Rosemont.

(7) If the ordinance was adopted on December 31, 1986 by a municipality located in Clinton County for which at least $250,000 of tax increment bonds were authorized on June 17, 1997, or if the ordinance was adopted on December 31, 1986 by a municipality with a population in 1990 of less than 3,600 that is located in a county with a population in 1990 of less than 34,000 and for which at least $250,000 of tax increment bonds were authorized on June 17, 1997.

(8) If the ordinance was adopted on October 5, 1982 by the City of Kankakee, or if the ordinance was adopted on December 29, 1986 by East St. Louis.

(9) If the ordinance was adopted on November 12, 1991 by the Village of Sauget.

(10) If the ordinance was adopted on February 11, 1985 by the City of Rock Island.

(11) If the ordinance was adopted before December 18, 1986 by the City of Moline.

(12) If the ordinance was adopted in September 1988 by Sauk Village.

(13) If the ordinance was adopted in October 1993 by Sauk Village.

(14) If the ordinance was adopted on December 29, 1986 by the City of Galva.

(15) If the ordinance was adopted in March 1991 by the City of Centreville.

(16) If the ordinance was adopted on January 23, 1991 by the City of East St. Louis.

(17) If the ordinance was adopted on December 22, 1986 by the City of Aledo.

(18) If the ordinance was adopted on February 5, 1990 by the City of Clinton.

(19) If the ordinance was adopted on September 6, 1994 by the City of Freeport.

(20) If the ordinance was adopted on December 22, 1986 by the City of Tuscola.

(21) If the ordinance was adopted on December 23, 1986 by the City of Sparta.

(22) If the ordinance was adopted on December 23, 1986 by the City of Beardstown.

(23) If the ordinance was adopted on April 27, 1981, October 21, 1985, or December 30, 1986 by the City of Belleville.

(24) If the ordinance was adopted on December 29, 1986 by the City of Collinsville.

(25) If the ordinance was adopted on September 14, 1994 by the City of Alton.

(26) If the ordinance was adopted on November 11, 1996 by the City of Lexington.

(27) If the ordinance was adopted on November 5, 1984 by the City of LeRoy.

(28) If the ordinance was adopted on April 3, 1991 or June 3, 1992 by the City of Markham.

(29) If the ordinance was adopted on November 11, 1986 by the City of Pekin.

(30) If the ordinance was adopted on December 15, 1981 by the City of Champaign.

(31) If the ordinance was adopted on December 15, 1986 by the City of Urbana.

(32) If the ordinance was adopted on December 15, 1986 by the Village of Heyworth.

(33) If the ordinance was adopted on February 24, 1992 by the Village of Heyworth.

(34) If the ordinance was adopted on March 16, 1995 by the Village of Heyworth.

(35) If the ordinance was adopted on December 23, 1986 by the Town of Cicero.

(36) If the ordinance was adopted on December 30, 1986 by the City of Effingham.

(37) If the ordinance was adopted on May 9, 1991 by the Village of Tilton.

(38) If the ordinance was adopted on October 20, 1986 by the City of Elmhurst.

(39) If the ordinance was adopted on January 19, 1988 by the City of Waukegan.

(40) If the ordinance was adopted on September 21, 1998 by the City of Waukegan.

(41) If the ordinance was adopted on December 31, 1986 by the City of Sullivan.

(42) If the ordinance was adopted on December 23, 1991 by the City of Sullivan.

(43) If the ordinance was adopted on December 31, 1986 by the City of Oglesby.

(44) If the ordinance was adopted on July 28, 1987 by the City of Marion.

(45) If the ordinance was adopted on April 23, 1990 by the City of Marion.

(46) If the ordinance was adopted on August 20, 1985 by the Village of Mount Prospect.

(47) If the ordinance was adopted on February 2, 1998 by the Village of Woodhull.

(48) If the ordinance was adopted on April 20, 1993 by the Village of Princeville.

(49) If the ordinance was adopted on July 1, 1986 by the City of Granite City.
(50) If the ordinance was adopted on February 2, 1989 by the Village of Lombard.
(51) If the ordinance was adopted on December 29, 1986 by the Village of Gardner.
(52) If the ordinance was adopted on July 14, 1999 by the Village of Paw Paw.
(53) If the ordinance was adopted on November 17, 1986 by the Village of Franklin Park.
(54) If the ordinance was adopted on November 20, 1989 by the Village of South Holland.
(55) If the ordinance was adopted on July 14, 1992 by the Village of Riverdale.
(56) If the ordinance was adopted on December 29, 1986 by the City of Galesburg.
(57) If the ordinance was adopted on April 1, 1985 by the City of Galesburg.
(58) If the ordinance was adopted on May 21, 1990 by the City of West Chicago.
(59) If the ordinance was adopted on December 16, 1986 by the City of Oak Forest.
(60) If the ordinance was adopted in 1999 by the City of Villa Grove.
(61) If the ordinance was adopted on January 13, 1987 by the Village of Mt. Zion.
(62) If the ordinance was adopted on December 30, 1986 by the Village of Manteno.
(63) If the ordinance was adopted on April 3, 1989 by the City of Chicago Heights.
(64) If the ordinance was adopted on January 6, 1999 by the Village of Rosemont.
(65) If the ordinance was adopted on December 19, 2000 by the Village of Stone Park.
(66) If the ordinance was adopted on December 22, 1986 by the City of DeKalb.
(67) If the ordinance was adopted on December 2, 1986 by the City of Aurora.
(68) If the ordinance was adopted on December 31, 1986 by the Village of Milan.
(69) If the ordinance was adopted on September 8, 1994 by the City of West Frankfort.
(70) If the ordinance was adopted on December 23, 1986 by the Village of Libertyville.
(71) If the ordinance was adopted on December 22, 1986 by the Village of Hoffman Estates.
(72) If the ordinance was adopted on September 17, 1986 by the Village of Sherman.
(73) If the ordinance was adopted on December 16, 1986 by the City of Macomb.
(74) If the ordinance was adopted on June 11, 2002 by the City of East Peoria to create the West Washington Street TIF.
(75) If the ordinance was adopted on June 11, 2002 by the City of East Peoria to create the Camp Street TIF.
(76) If the ordinance was adopted on August 7, 2000 by the City of Des Plaines.
(77) If the ordinance was adopted on December 22, 1986 by the City of Washington to create the Washington Square TIF #2.
(78) If the ordinance was adopted on December 29, 1986 by the City of Morris.
(79) If the ordinance was adopted on July 6, 1998 by the Village of Steeleville.
(80) If the ordinance was adopted on December 29, 1986 by the City of Pontiac to create TIF I (the Main St TIF).
(81) If the ordinance was adopted on December 29, 1986 by the City of Pontiac to create TIF II (the Interstate TIF).
(82) If the ordinance was adopted on November 6, 2002 by the City of Chicago to create the Madden/Wells TIF District.
(83) If the ordinance was adopted on November 4, 1998 by the City of Chicago to create the Roosevelt/Racine TIF District.
(84) If the ordinance was adopted on June 10, 1998 by the City of Chicago to create the Stony Island Commercial/Burnside Industrial Corridors TIF District.
(85) If the ordinance was adopted on November 29, 1989 by the City of Chicago to create the Englewood Mall TIF District.
(86) If the ordinance was adopted on December 27, 1986 by the City of Mendota.
(87) If the ordinance was adopted on December 31, 1986 by the Village of Cahokia.
(88) If the ordinance was adopted on September 20, 1999 by the City of Belleville.
(89) If the ordinance was adopted on December 30, 1986 by the Village of Bellevue to create the Bellevue TIF District 1.
(90) If the ordinance was adopted on December 13, 1993 by the Village of Crete.
(91) If the ordinance was adopted on February 12, 2001 by the Village of Crete.
(92) If the ordinance was adopted on April 23, 2001 by the Village of Crete.
(93) If the ordinance was adopted on December 16, 1986 by the City of Champaign.
(94) If the ordinance was adopted on December 20, 1986 by the City of Charleston.
(95) If the ordinance was adopted on June 6, 1989 by the Village of Romeoville.
(96) If the ordinance was adopted on October 14, 1993 and amended on August 2, 2010 by

the City of Venice.

(97) If the ordinance was adopted on June 1, 1994 by the City of Markham.

(98) If the ordinance was adopted on May 19, 1998 by the Village of Bensenville.

(99) If the ordinance was adopted on November 12, 1987 by the City of Dixon.

(100) If the ordinance was adopted on December 20, 1988 by the Village of Lansing.

(101) If the ordinance was adopted on October 27, 1998 by the City of Moline.

(102) If the ordinance was adopted on May 21, 1991 by the Village of Glenwood.

(103) If the ordinance was adopted on January 28, 1992 by the City of East Peoria.

(104) If the ordinance was adopted on December 14, 1998 by the City of Carlyle.

(105) If the ordinance was adopted on May 17, 2000, as subsequently amended, by the City of Chicago to create the Midwest Redevelopment TIF District.

(106) If the ordinance was adopted on September 13, 1989 by the City of Chicago to create the Michigan/Cermak Area TIF District.

(107) If the ordinance was adopted on March 30, 1992 by the Village of Ohio.

(108) If the ordinance was adopted on July 6, 1998 by the Village of Orangeville.

(109) If the ordinance was adopted on December 16, 1997 by the Village of Germantown.

(110) If the ordinance was adopted on April 28, 2003 by Gibson City.

(111) If the ordinance was adopted on December 18, 1990 by the Village of Washington Park, but only after the Village of Washington Park becomes compliant with the reporting requirements under subsection (d) of Section 11-74.4-5, and after the State Comptroller's certification of such compliance.

(112) If the ordinance was adopted on February 28, 2000 by the City of Harvey.

(113) If the ordinance was adopted on January 11, 1991 by the City of Chicago to create the Read/Dunning TIF District.

(114) If the ordinance was adopted on July 24, 1991 by the City of Chicago to create the Sanitary and Ship Canal TIF District.

(115) If the ordinance was adopted on December 4, 2007 by the City of Naperville.

(116) If the ordinance was adopted on July 1, 2002 by the Village of Arlington Heights.

(117) If the ordinance was adopted on February 11, 1991 by the Village of Machesney Park.

(118) If the ordinance was adopted on December 29, 1993 by the City of Ottawa.

(119) If the ordinance was adopted on June 4, 1991 by the Village of Lansing.

(120) If the ordinance was adopted on February 10, 2004 by the Village of Fox Lake.

(121) If the ordinance was adopted on December 22, 1992 by the City of Fairfield.

(122) If the ordinance was adopted on February 10, 1992 by the City of Mt. Sterling.

(123) If the ordinance was adopted on March 15, 2004 by the City of Batavia.

(124) If the ordinance was adopted on March 18, 2002 by the Village of Lake Zurich.

(125) If the ordinance was adopted on September 23, 1997 by the City of Granite City.

(126) If the ordinance was adopted on May 8, 2013 by the Village of Rosemont to create the Higgins Road/River Road TIF District No. 6.

(127) If the ordinance was adopted on November 22, 1993 by the City of Arcola.

(128) If the ordinance was adopted on September 7, 2004 by the City of Arcola.

(129) If the ordinance was adopted on November 29, 1999 by the City of Paris.

(130) If the ordinance was adopted on September 20, 1994 by the City of Ottawa to create the U.S. Route 6 East Ottawa TIF.

(131) If the ordinance was adopted on May 2, 2002 by the Village of Crestwood.

(132) If the ordinance was adopted on October 27, 1992 by the City of Blue Island.

(133) If the ordinance was adopted on December 23, 1993 by the City of Lacon.

(134) If the ordinance was adopted on May 4, 1998 by the Village of Bradford.

(135) If the ordinance was adopted on June 11, 2002 by the City of Oak Forest.

(136) If the ordinance was adopted on November 16, 1992 by the City of Pinckneyville.

(137) If the ordinance was adopted on March 1, 2001 by the Village of South Jacksonville.

(138) If the ordinance was adopted on February 26, 1992 by the City of Chicago to create the Stockyards Southeast Quadrant TIF District.

(139) If the ordinance was adopted on January 25, 1993 by the City of LaSalle.

(140) If the ordinance was adopted on December 23, 1997 by the Village of Dieterich.

(141) If the ordinance was adopted on February 10, 2016 by the Village of Rosemont to create the Balmoral/Pearl TIF No. 8 Tax Increment Financing Redevelopment Project Area.

(142) If the ordinance was adopted on June 11, 2002 by the City of Oak Forest.

(143) If the ordinance was adopted on January 31, 1995 by the Village of Milledgeville.

(144) If the ordinance was adopted on February 5, 1996 by the Village of Pearl City.

(145) If the ordinance was adopted on December 21, 1994 by the City of Calumet City.

(146) If the ordinance was adopted on May 5, 2003 by the Town of Normal.

(147) If the ordinance was adopted on June 2, 1998 by the City of Litchfield.

(148) If the ordinance was adopted on October 23, 1995 by the City of Marion.

(149) If the ordinance was adopted on May 24, 2001 by the Village of Hanover Park.

(150) If the ordinance was adopted on May 30, 1995 by the Village of Dalzell.

(151) If the ordinance was adopted on April 15, 1997 by the City of Edwardsville.

(152) If the ordinance was adopted on September 5, 1995 by the City of Granite City.

(153) If the ordinance was adopted on June 21, 1999 by the Village of Table Grove.

(154) If the ordinance was adopted on February 23, 1995 by the City of Springfield.

(155) If the ordinance was adopted on August 11, 1999 by the City of Monmouth.

(156) If the ordinance was adopted on December 26, 1995 by the Village of Posen.

(157) If the ordinance was adopted on July 1, 1995 by the Village of Caseyville.

(158) If the ordinance was adopted on January 30, 1996 by the City of Madison.

(159) If the ordinance was adopted on February 2, 1996 by the Village of Hartford.

(160) If the ordinance was adopted on July 2, 1996 by the Village of Manlius.

(161) If the ordinance was adopted on March 21, 2000 by the City of Hoopeston.

(162) If the ordinance was adopted on March 22, 2005 by the City of Hoopeston.

(163) If the ordinance was adopted on July 10, 1996 by the City of Chicago to create the Goose Island TIF District.

(164) If the ordinance was adopted on December 11, 1996 by the City of Chicago to create the Bryn Mawr/Broadway TIF District.

(165) If the ordinance was adopted on December 31, 1995 by the City of Chicago to create the 95th/Western TIF District.

(166) If the ordinance was adopted on October 7, 1998 by the City of Chicago to create the 71st and Stony Island TIF District.

(167) If the ordinance was adopted on April 19, 1995 by the Village of North Utica.

(168) If the ordinance was adopted on April 22, 1996 by the City of LaSalle.

(169) If the ordinance was adopted on June 9, 2008 by the City of Country Club Hills.

(170) If the ordinance was adopted on July 3, 1996 by the Village of Phoenix.

(171) If the ordinance was adopted on May 19, 1997 by the Village of Swansea.

(172) If the ordinance was adopted on August 13, 2001 by the Village of Saunemin.

(173) If the ordinance was adopted on January 10, 2005 by the Village of Romeoville.

(174) If the ordinance was adopted on January 28, 1997 by the City of Berwyn for the South Berwyn Corridor Tax Increment Financing District.

(175) If the ordinance was adopted on January 28, 1997 by the City of Berwyn for the Roosevelt Road Tax Increment Financing District.

(176) If the ordinance was adopted on May 3, 2001 by the Village of Hanover Park for the Village Center Tax Increment Financing Redevelopment Project Area (TIF # 3).

(177) If the ordinance was adopted on December 7, 1998 by the City of Quincy for the Central Business District West Tax Increment Redevelopment Project Area.

(d) For redevelopment project areas for which bonds were issued before July 29, 1991, or for which contracts were entered into before June 1, 1988, in connection with a redevelopment project in the area within the State Sales Tax Boundary, the estimated dates of completion of the redevelopment project and retirement of obligations to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may be extended by municipal ordinance to December 31, 2013. The termination procedures of subsection (b) of Section 11-74.4-8 are not required for these redevelopment project areas in 2009 but are required in 2013. The extension allowed by Public Act 87-1272 shall not apply to real property tax increment allocation financing under Section 11-74.4-8.

(e) Those dates, for purposes of real property tax increment allocation financing pursuant to Section 11-74.4-8 only, shall be not more than 35 years for redevelopment project areas that were adopted on or after December 16, 1986 and for which at least $8 million worth of municipal bonds were authorized on or after December 19, 1989 but before January 1, 1990; provided that the municipality elects to extend the life of the redevelopment project area to 35 years by the adoption of an ordinance after at least 14 but not more than 30 days' written notice to the taxing bodies, that would otherwise constitute the joint review board for the redevelopment project area, before the adoption of the ordinance.

(f) Those dates, for purposes of real property tax increment allocation financing pursuant to Section 11-74.4-8 only, shall be not more than 35 years for redevelopment project areas that were established on or after December 1, 1981 but before January 1, 1982 and for which at least $1,500,000 worth of tax increment revenue bonds were authorized on or after September 30, 1990 but before July 1, 1991; provided that the municipality elects to extend the life of the redevelopment project area to 35 years by the adoption of an ordinance after at least 14 but not more than 30 days' written notice to the taxing bodies, that would otherwise constitute the joint review board for the redevelopment project area, before the adoption of the ordinance.

(f-5) Those dates, for purposes of real property tax increment allocation financing pursuant to Section 11-74.4-8 only, shall be not more than 47 years for redevelopment project areas that were established on December 29, 1981 by the City of Springfield; provided that (i) the City of Springfield adopts an ordinance extending the life of the redevelopment project area to 47 years and (ii) the City of Springfield provides notice to the taxing bodies that would otherwise constitute the joint review board for the redevelopment project area not more than 30 and not less than 14 days prior to the adoption of that ordinance.

(g) In consolidating the material relating to completion dates from Sections 11-74.4-3 and 11-74.4-7 into this Section, it is not the intent of the General Assembly to make any substantive change in the law, except for the extension of the completion dates for the City of Aurora, the Village of Milan, the City of West Frankfort, the Village of Libertyville, and the Village of Hoffman Estates set forth under items (67), (68), (69), (70), and (71) of subsection (c) of this Section.

(Source: P.A. 100-201, eff. 8-18-17; 100-214, eff. 8-18-17; 100-249, eff. 8-22-17; 100-510, eff. 9-15-17; 100-591, eff. 6-21-18; 100-609, eff. 7-17-18; 100-836, eff. 8-13-18; 100-853, eff. 8-14-18; 100-859, eff. 8-14-18; 100-863, eff. 8-14-18; 100-873, eff. 8-14-18; 100-899, eff. 8-17-18; 100-928, eff. 8-17-18; 100-967, eff. 8-19-18; 100-1031, eff. 8-22-18; 100-1032, eff. 8-22-18; 100-1164, eff. 12-27-18; 101-274, eff. 8-9-19.)

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 Tracy, **House Bill No. 3426** 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 50; NAY 1.

The following voted in the affirmative:

Anderson	Ellman	Manar	Sims
Barickman	Fine	Martinez	Stadelman
Belt	Fowler	Martwick	Steans
Bennett	Glowiak Hilton	McClure	Stewart
Bertino-Tarrant	Harmon	McGuire	Syverson
Brady	Holmes	Morrison	Tracy
Bush	Hunter	Muñoz	Van Pelt
Castro	Jones, E.	Murphy	Villivalam
Collins	Joyce	Peters	Weaver
Crowe	Koehler	Plummer	Wilcox
Cunningham	Landek	Rezin	Mr. President
Curran	Lightford	Rose	
DeWitte	Link	Schimpf	

The following voted in the negative:

Oberweis

This bill, having received the vote of three-fifths 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.

READING BILL OF THE SENATE A SECOND TIME

On motion of Senator E. Jones III, **Senate Bill No. 1297** having been printed, was taken up, read by title a second time and ordered to a third reading.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator Morrison, **House Bill No. 392** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Villivalam, **House Bill No. 597** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator McGuire, **House Bill No. 744** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator McGuire, **House Bill No. 745** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Ellman, **House Bill No. 961** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator E. Jones III, **House Bill No. 1269** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Harmon, as chief co-sponsor pursuant to Senate Rule 5-1(b)(ii), **House Bill No. 1271** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Crowe, **House Bill No. 3902** was taken up, read by title a second time and ordered to a third reading.

CONSIDERATION OF RESOLUTIONS ON SECRETARY'S DESK

Senator Martinez moved that **Senate Resolution No. 780**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Martinez moved that Senate Resolution No. 780 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Villivalam moved that **Senate Resolution No. 251**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Villivalam moved that Senate Resolution No. 251 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Link moved that **Senate Resolution No. 466**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Link moved that Senate Resolution No. 466 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Rose moved that **Senate Resolution No. 687**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Rose moved that Senate Resolution No. 687 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Hunter moved that **Senate Resolution No. 797**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Hunter moved that Senate Resolution No. 797 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Hunter moved that **Senate Joint Resolution No. 49**, 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 JOINT RESOLUTION 49

AMENDMENT NO. _1_. Amend Senate Joint Resolution 49 on page 3, by replacing lines 20 through 22 with "(8) One member of a statewide association representing physicians licensed to practice medicine in all its branches in Illinois;".

Senator Hunter moved that Senate Joint Resolution No. 49, as amended, be adopted.

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

YEAS 53; NAYS None.

The following voted in the affirmative:

Anderson	Ellman	Link	Sims
Barickman	Fine	Manar	Stadelman
Belt	Fowler	Martinez	Steans
Bennett	Gillespie	Martwick	Stewart
Bertino-Tarrant	Glowiak Hilton	McGuire	Syverson
Brady	Harmon	Morrison	Tracy
Bush	Harris	Muñoz	Van Pelt
Castro	Holmes	Murphy	Villivalam
Collins	Hunter	Oberweis	Weaver
Crowe	Jones, E.	Peters	Wilcox
Cullerton, T.	Joyce	Plummer	Mr. President
Cunningham	Koehler	Rezin	
Curran	Landek	Rose	
DeWitte	Lightford	Schimpf	

The motion prevailed.

And the resolution, as amended, was adopted.

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

At the hour of 6:41 o'clock p.m., Senator Hunter, presiding.

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

November 13, 2019

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 3rd reading deadline to May 31, 2020, for the following bill:

HB 2451

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

cc: Senate Republican Leader William E. Brady

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 824
Offered by Senator Harmon and all Senators:
Mourns the death of Robert "Bob" Vondrasek.

SENATE RESOLUTION NO. 825
Offered by Senator Harmon and all Senators:
Mourns the death of John A. Janicik.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

At the hour of 6:46 o'clock p.m., Senator Muñoz, presiding.

REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Lightford, Chairperson of the Committee on Assignments, during its November 13, 2019 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committee of the Senate:

Government Accountability and Pensions: **House Bill 2451**.

Judiciary: **Floor Amendment No. 2 to Senate Bill 671; Motion to Concur in House Amendment 1 to Senate Bill 177; Motion to Concur in House Amendment 2 to Senate Bill 177; Motion to Concur in House Amendment 4 to Senate Bill 177**

Senator Lightford, Chairperson of the Committee on Assignments, during its November 13, 2019 meeting, reported that the following Legislative Measures have been approved for consideration:

Motion to Concur with House Amendment 1 to Senate Bill 119
Motion to Concur with House Amendments 5 and 6 to Senate Bill 659
Motion to Concur with House Amendment 1 to Senate Bill 667
Motion to Concur with House Amendment 1 to Senate Bill 670
Motion to Concur with House Amendment 1 to Senate Bill 1200
Motion to Concur with House Amendments 5, 6 and 7 to Senate Bill 1300
Motion to Concur with House Amendment 1 to Senate Bill 2104

The foregoing concurrences were placed on the Secretary's Desk.

At the hour of 6:48 o'clock p.m., the Chair announced that the Senate stands adjourned until Thursday, November 14, 2019, at 9:00 o'clock a.m.