SENATE JOURNAL

STATE OF ILLINOIS

NINETY-THIRD GENERAL ASSEMBLY

65TH LEGISLATIVE DAY

WEDNESDAY, NOVEMBER 19, 2003

12:48 O'CLOCK P.M.

NO. 65
[November 19, 2003]

SENATE
Daily Journal Index
65th Legislative Day

The Senate met pursuant to adjournment.
Honorable Emil Jones Jr., President of the Senate, presiding.
Prayer by Reverend Juan Morrison, Emmanuel Temple Church, Springfield, Illinois.
Senator Link led the Senate in the Pledge of Allegiance.

The Journal of Tuesday, November 18, 2003, was being read when on motion of Senator Jacobs further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

LEGISLATIVE MEASURES FILED

The following Floor amendments to the House Bills listed below have been filed with the Secretary, and referred to the Committee on Rules:

Senate Floor Amendment No. 1 to House Bill 422
Senate Floor Amendment No. 2 to House Bill 701
Senate Floor Amendment No. 3 to House Bill 852
Senate Floor Amendment No. 1 to House Bill 960
Senate Floor Amendment No. 3 to House Bill 1029
Senate Floor Amendment No. 4 to House Bill 2200

JOINT ACTION MOTION FILED

The following Joint Action Motion to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendment 1 to Senate Bill 713

REPORT FROM RULES COMMITTEE

Senator Demuzio, Chairperson of the Committee on Rules, during its November 19, 2003 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committee of the Senate:

Executive: **Senate Floor Amendment No. 1 to House Bill 906; Senate Floor Amendment No. 1 to House Bill 960**.

Senator Demuzio, Chairperson of the Committee on Rules, to which were referred **Senate Bills numbered 1668, 1937** and **1957**on July 1, 2003, pursuant to Rule 3-9(b), reported that the Committee recommends that the bills be approved for consideration and returned to the calendar in its former position.
The report of the Committee was concurred in.
And **Senate Bills numbered 1668, 1937 and 1957** was returned to the Secretary's Desk on the order of Concurrence.

Senator Demuzio, Chairperson of the Committee on Rules, reported that the following Legislative Measures have been approved for consideration:

Senate Floor Amendment No. 3 to House Bill 852
Senate Floor Amendment No. 3 to House Bill 1029

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

REPORTS FROM STANDING COMMITTEES

Senator del Valle, Chairperson of the Committee on Education, to which was referred the Motions to concur with House Amendments to the following Senate Bills, reported that the Committee recommends that they be adopted:

Motion to Concur in House Amendment 1 to Senate Bill 1014
Motion to Concur in House Amendment 1 to Senate Bill 1957

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

Senator Jacobs, Chairperson of the Committee on Insurance and Pensions, to which was referred the Motion to concur with House Amendment to the following Senate Bill, reported that the Committee recommends that it be adopted:

Motion to Concur in House Amendment 1 to Senate Bill 783

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

Senator Shadid, Chairperson of the Committee on Transportation to which was referred the following Senate floor amendments reported that the Committee recommends that they be adopted:

Senate Amendment No. 2 to House Bill 697
Senate Amendment No. 1 to House Bill 716
Senate Amendment No. 1 to House Bill 763

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

Senator Silverstein, Chairperson of the Committee on Executive, to which was referred the Motions to concur with House Amendments to the following Senate Bills, reported that the Committee recommends that they be approved for consideration:

Motion to Concur in House Amendment 1 to Senate Bill 794
Motion to Concur in House Amendment 1 to Senate Bill 963
Motion to Concur in House Amendments 1 and 2 to Senate Bill 1668
Motion to Concur in House Amendment 1 to Senate Bill 1937

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

Senator Silverstein, Chairperson of the Committee on Executive to which was referred the following Senate floor amendment reported that the Committee recommends that it be adopted:

Senate Amendment No. 1 to House Bill 1029

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

Senator Link, 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 that it be adopted:

Motion to Concur in House Amendment 2 to Senate Bill 1935

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

Senator Link, Chairperson of the Committee on Revenue to which was referred the following Senate floor amendment reported that the Committee recommends that it be adopted:

Senate Floor Amendment No. 1 to House Bill 623

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

Senator Munoz, Chairperson of the Committee on Licensed Activities to which was referred the following Senate floor amendment reported that the Committee recommends that it be adopted:

Senate Amendment No. 1 to House Bill 648

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

Senator Lightford, Chairperson of the Committee on Financial Institutions to which was referred the following Senate floor amendment reported that the Committee recommends that it be adopted:

Senate Amendment No. 1 to House Bill 1078

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

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION 319

Offered by Senator Dillard and all Senators:
Mourns the death of Rod R. McMahan of Chicago.

SENATE RESOLUTION 320

Offered by Senator Harmon and all Senators:
Mourns the death of Janet Johnson Grant.

SENATE RESOLUTION 321

Offered by Senator Collins and all Senators:
Mourns the death of Phyllis Demps Carry.

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

Senator Link offered the following Senate Resolution, which was referred to the Committee on Rules:

SENATE RESOLUTION NO. 322

WHEREAS, Providing care treatment, rehabilitative, and habilitative services to individuals with developmental disabilities or mental illness is a fundamental responsibility of Illinois State government; and

WHEREAS, Individuals with developmental disabilities and mental illness depend on these services to ensure their safety, meet their basic needs, help them to develop to their fullest potential, and live, work, and recreate in the most integrated setting appropriate to their individual circumstances; and

WHEREAS, Centers for Independent Living provide critical non-residential services to individuals with physical and developmental disabilities that allow such individuals to gain the skills necessary to direct their own lives, participate in their communities, and gain self-sufficiency; and

WHEREAS, Illinois has a widespread network of community-based agencies with which it contracts for the provision of such treatment, residential, non-residential, and day treatment programs to thousands of individuals; and

WHEREAS, A critical variable in providing high quality services to individuals with developmental disabilities, physical disabilities or mental illness is having a dedicated, stable, well-trained staff; and

WHEREAS, Historically these agencies have not received sufficient State funding to cover the costs of providing services, including the ability to provide salary levels or benefits that attract and retain employees; and

WHEREAS, Such inadequate funding levels have resulted in a decrease in the level of community services to individuals who need them, delays in the provision of services, geographic differences in the availability of services, low wages and inadequate benefits for staff, high employee turnover, and an increased level of borrowing by service providers to make ends meet; and

WHEREAS, Over the past three years insurance costs for these service providers, particularly employee health insurance costs, have increased far faster than the rate of inflation; and

WHEREAS, These community service providers did not receive any cost-of-doing-business or cost-of-living increase in the previous two State fiscal years; and

WHEREAS, In recognition of all of the above, the Illinois General Assembly, by an overwhelming vote, included a 4% cost-of-living increase for these community service agencies serving individuals with developmental disabilities, physical disabilities, or mental illness in Illinois in a supplemental funding bill for FY 2003 that increased the base funding level for these agencies in subsequent fiscal years; and

WHEREAS, Governor Blagojevich signed that funding increase into law; and

WHEREAS, The Governor's Office of Management and Budget has directed all State agencies to hold 2% of their funds in reserve; and

WHEREAS, In response to this directive, the Department of Human Services reduced the base level funding of the agencies that provide community based services to individuals with developmental disabilities, physical disabilities, and mental illness by 2% and applied the 4% cost-of-living increase to the reduced base funding level, resulting in a net funding increase to these agencies of less than 2%, rather than the 4% intended by the General Assembly; and

WHEREAS, Because of other actions taken by the Department of Human Services, many of these agencies have thus far received no increase at all; and

WHEREAS, Because much of the funding to these agencies is reimbursed to the State by the federal government at the rate of 50% through the Medicaid program, the actual cost to the State to fund the 4% cost-of-living increase is actually less than the amount being held in reserve; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we call upon the Governor's Office of Management and Budget and the Department of Human Services to act to ensure that Centers for Independent Living, agencies serving individuals with developmental disabilities, and agencies serving individuals with mental illness through contracts with the State receive the full 4% cost-of-living increase that was mandated by action of the General Assembly for the purpose of enabling such agencies to continue to meet the vital needs of the individuals they serve.

Senators Jacobs - D. Sullivan offered the following Senate Joint Resolution, which was referred to the Committee on Rules:

SENATE JOINT RESOLUTION NO. 41

WHEREAS, The Illinois General Assembly recognizes that nationwide the size of civil judgments has increased dramatically in recent years; in 2002 alone, there were 22 judgments over $100 million; and

WHEREAS, Damage awards in Illinois have escalated; in Cook County, the size of median verdicts increased by more than 300% in the period between 1990 and 1994, when compared with the preceding 5 year period; and in Madison County, there were 2 verdicts over $250 million (including one for over $10 billion) handed down in a 2 week period in March 2003; and

WHEREAS, Studies and press reports suggest that Illinois has developed a reputation as a place where large multi-national corporations frequently face extraordinarily large judgments; and

WHEREAS, This reputation could drive away many large, healthy businesses that, but for the threat of being hit with a massive judgment that would endanger the jobs of their employees and the financial well being of their stockholders, would open their doors in our State; and

WHEREAS, The economy of Illinois could suffer due to competition from neighboring states that are not perceived as litigation havens; and

WHEREAS, Preserving a healthy climate for business is important so that Illinois can remain competitive with other states in attracting businesses to our State and can prevent the businesses that are already here from leaving; and

WHEREAS, Illinois Supreme Court Rule 305(a) requires defendants to post an appeal bond in the full amount of the judgment, interests, and costs in order to stay the execution of a judgment during an appeal; and

WHEREAS, Because damage awards have escalated in recent years, posting an appeal bond in the full amount of the judgment, interest, and costs can be an extraordinarily onerous requirement; and defendants who are unable to post a bond may be forced either to declare bankruptcy in order to stay the execution of the judgment or otherwise forego their appeal and settle with the plaintiffs; and

WHEREAS, This "either or" scenario may prevent defendants from meaningfully exercising their right to appeal, a right that is guaranteed by Article VI, Section 6 of the Illinois Constitution and that helps to ensure that trial courts across the State act consistently with each other, as evidenced by the fact that the one third of Illinois trial court judgments in civil cases are reversed in some aspect; and

WHEREAS, Twenty-four other states have acted since 2000 to protect a defendant's right to appeal by revising their rules with respect to appeal bonds; and

WHEREAS, The Supreme Court of Illinois has before it a petition to amend Illinois Supreme Court Rule 305 in light of the escalating size of judgments; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, that the Supreme Court of Illinois should give careful consideration to amending Illinois Supreme Court Rule 305, with due consideration to the actions of other states in this area, in order to ensure that Illinois retains a competitive business environment; and be if further

RESOLVED, That a suitable copy of this resolution be presented to each justice of the Supreme Court of Illinois.

MESSAGE FROM THE PRESIDENT

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

EMIL JONES, JR.
SENATE PRESIDENT

327 STATE CAPITOL
Springfield, Illinois 62706
217-782-2728

November 19, 2003

Ms. Linda Hawker
Secretary of the Senate
Room 403, State House
Springfield, IL 62706

Dear Madam Secretary:

Attached please find the Senate Session Schedule for the 2004 Spring Session of the 93rd General Assembly.

Sincerely,
s/Emil Jones, Jr.
Senate President

2004 SENATE SCHEDULE

JANUARY:	6th	SESSION – PERFUNCTORY
	14th	SESSION
	15th	SESSION
	22nd	SESSION – PERFUNCTORY
	28th	SESSION – PERFUNCTORY
FEBRUARY:	3rd	SESSION
	4th	SESSION
	5th	SESSION
	6th	SESSION – PERFUNCTORY – DEADLINE INTRODUCTION OF SENATE SUBSTANTIVE BILLS
	9th	SESSION
	10th	SESSION
	11th	SESSION
	18th	SESSION – GOVERNOR'S BUDGET ADDRESS

	19th	SESSION
	20th	SESSION – DEADLINE INTRODUCTION OF SENATE APPROPRIATION BILLS
	24th	SESSION
	25th	SESSION
	26th	SESSION – DEADLINE SENATE BILLS OUT OF COMMITTEE
MARCH:	2nd	SESSION
	3rd	SESSION
	4th	SESSION
	23rd	SESSION
	24th	SESSION
	25th	SESSION
	26th	SESSION- DEADLINE SENATE BILLS THIRD READING
	30th	SESSION
	31st	SESSION
APRIL:	1st	SESSION
	20th	SESSION
	21st	SESSION
	22nd	SESSION
	27th	SESSION
	28th	SESSION
	29th	SESSION – DEADLINE HOUSE BILLS OUT OF COMMITTEE
MAY:	4th	SESSION
	5th	SESSION
	6th	SESSION
	11th	SESSION
	12th	SESSION
	13th	SESSION – DEADLINE HOUSE BILLS THIRD READING
	14th	SESSION
	15th	SESSION
	16th	SESSION
	17th	SESSION
	18th	SESSION
	19th	SESSION
	20th	SESSION
	21st	SESSION - ADJOURNMENT

INTRODUCTION OF BILL

SENATE BILL NO. 2129. Introduced by Senator Crotty, a bill for AN ACT in relation to public employee benefits.

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

Senator Burzynski asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

Senator Halvorson requested a Democratic Caucas immediately upon recess.

At the hour of 1:16 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 2:40 o'clock p.m., the Senate resumed consideration of business.
Senator Welch, presiding.

PRESENTATION OF RESOLUTION

SENATE RESOLUTION 323

Offered by Senator Demuzio - E. Jones and all Senators:
Mourns the death of Mary Louise Pearson Higgason of Edinburg.

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

INTRODUCTION OF BILL

SENATE BILL NO. 2130. Introduced by Senator Clayborne, a bill for AN ACT concerning wetlands.

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

MOTION IN WRITING

Senator W. Jones submitted the following Motions in Writing:

I move that House Bill 1180 do pass, notwithstanding the specific recommendations of the Governor.

Date: November 19, 2003 — Wendell E. Jones, Senator

The foregoing Motion in Writing was filed with the Secretary and placed on the Senate Calendar.

HOUSE BILL RECALLED

On motion of Senator Clayborne, **House Bill No. 623** was recalled from the order of third reading to the order of second reading.

Senator Clayborne offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1____. Amend House Bill 623 by replacing everything after the enacting clause with the following:

"Section 5.

The Property Tax Code is amended by adding Section 18-181 as follows:

(35 ILCS 200/18-181 new)

Sec. 18-181. Abatement of neighborhood redevelopment corporation property. The county clerk shall abate the property taxes imposed on the property of a neighborhood redevelopment corporation as provided in Section 15-5 of the Neighborhood Redevelopment Corporation Law.

Section 10.

The Neighborhood Redevelopment Corporation Law is amended by changing Sections 3-11, 4, 15, and 17 and by adding Section 15-5 as follows:

(315 ILCS 20/3-11) (from Ch. 67 1/2, par. 253-11)

Sec. 3-11. "Slum and Blight Areas" means those urban districts in which the major portion of the housing is detrimental to the health, safety, morality or welfare of the occupants by reason of age, dilapidation, overcrowding, faulty arrangement, lack of ventilation, light or sanitation facilities, or any combination of these factors. In St. Clair County, "slum and blighted area" also means any area of not less in the aggregate than 2 acres located within the territorial limits of a municipality where buildings or

improvements, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or layout or any combination of these factors, are detrimental to the public safety, health, morals, or welfare. (Source: Laws 1947, p. 685.)

(315 ILCS 20/4) (from Ch. 67 1/2, par. 254)

Sec. 4. Creation and establishment of redevelopment commissions.

(a) Any city, village or incorporated town shall have the power to provide for the creation of a Redevelopment Commission to supervise and regulate Neighborhood Redevelopment Corporations organized pursuant to the provisions of this Act to operate within the boundaries of such city, village or incorporated town.

(1) Except as provided in subdivision (a)(2), such Redevelopment Commission shall consist of not less than three nor more than five members, one of which members shall be designated as its chairman, to be appointed by the mayor of the city, by and with the advice and consent of the city council of the city, or by the president of the village or incorporated town, as the case may be, by and with the advice and consent of the board of trustees of the village or incorporated town. Each member of the Redevelopment Commission shall hold office for a term of two years and until his successor shall be appointed and qualified. Any vacancy in the membership of the Redevelopment Commission occurring by reason of the death, resignation, disqualification, inability or refusal to act of any of the members thereof shall be filled by appointment by the mayor or president, as the case may be, by and with the advice and consent of the city council of the city or board of trustees of the village or incorporated town, as the case may be.

(2) In St. Clair County, the Redevelopment Commission shall consist of either 5 or 7 appointed members as determined by the mayor. The mayor and each member of the city council may nominate a person to fill each position on the Redevelopment Commission. The president of the village or incorporated town, as the case may be, and each member of the board of trustees of the village or incorporated town may nominate a person to fill each position on the Redevelopment Commission. Each nominee must be a person of recognized ability and experience in one or more of the following areas: economic development; finance; banking; industrial development; small business management; real estate development; community development; venture finance; organized labor; or civic, community, or neighborhood organization. A nominated person shall be appointed to the Redevelopment Commission only upon a majority vote of the city council or the board of trustees of the village or incorporated town, as the case may be. Only one person may fill each open position on the Redevelopment Commission. One of the appointed members shall be designated as the chairman of the Redevelopment Commission by a majority vote of the city council or the board of trustees of the village or incorporated town, as the case may be. Only one member may serve as chairman at any given time.

The initial terms of members of the Redevelopment Commission appointed under this subdivision (a)(2) shall be as follows: for a Commission consisting of 5 members: 2 terms for 3 years, 2 terms for 2 years, and one term for one year; for a Commission consisting of 7 members: 3 terms for 3 years, 3 terms for 2 years, and one term for 1 year. The length of the term of the first Commissioners shall be determined by lots at their first meeting. The initial terms of office of members who are to so hold office shall continue until the July 1 that next follows the expiration of the respective periods from the date of the appointment of the member, and until his or her successor is appointed and qualified.

Each subsequent Commissioner appointed under this subdivision (a)(2) shall hold officer for a term of for 4 years and until his or her successor is appointed and qualified.

The unexpired term of any vacancy in the membership of the Redevelopment Commission occurring by reason of the death, resignation, disqualification, inability, or refusal to act of any of the members thereof shall be filled in the same manner as the vacated position was filled.

In addition to the 5 or 7 appointed members, the Director of Commerce and Economic Opportunity, or his or her designee, and the Secretary of Transportation, or his or her designee, shall serve as ex officio non-voting members.

(b) No person holding stocks or Mortgages in any Neighborhood Redevelopment Corporation, or who is in any other manner directly or indirectly pecuniarily interested in such Neighborhood Redevelopment Corporation, or in the Development undertaken by it, shall be appointed as a member of, or be employed by, that Redevelopment Commission to whose supervision and regulation such Neighborhood Redevelopment Corporation is subject. If any such member or employee shall voluntarily become so interested his office or employment shall ipso facto become vacant. If any such member or employee becomes so interested otherwise than voluntarily he shall within ninety days divest himself of such interest and if he fails to do so his office or employment shall become vacant.

(c) The Redevelopment Commission shall have power, subject to the approval of the city council of the city, or of the president and the board of trustees of the village or incorporated town, as the case may be, to appoint a secretary and from time to time to employ such accountants, engineers, architects, experts, inspectors, clerks and other employees and fix their compensation.

(d) Each member of the Redevelopment Commission shall receive such salary as shall be fixed by the city council of the city, or by the president and the board of trustees of the village or incorporated town, as the case may be, and said city council or president and board of trustees shall have power to provide for the payment of the salaries of all members and the expenses of the Redevelopment Commission. (Source: Laws 1941, vol. 1, p. 431.)

(315 ILCS 20/15) (from Ch. 67 1/2, par. 265)

Sec. 15. Taxation of Neighborhood Redevelopment Corporations.

Except as provided in Section 15-5, Neighborhood Redevelopment Corporations organized under this Act, notwithstanding their function in the Redevelopment of Slum and Blight or Conservation Areas, shall be subject to the same taxation, general and special, as to their assets, tangible and intangible, and as to their capital stock, as is imposed by law upon the assets and capital stock of private corporations for profit organized pursuant to the laws of this State. (Source: Laws 1953, p. 1138.)

(315 ILCS 20/15-5 new)

Sec. 15-5. Property tax abatement; limitation.

(a) Once the requirements of this Section have been complied with, except as otherwise provided in this Section, the general real estate taxes imposed on the real property located in St. Clair County of a neighborhood redevelopment corporation or its immediate successor and acquired pursuant to this Law shall be abated for a period not in excess of 10 years after the date upon which the corporation becomes owner of that real property.

(b) General real estate taxes may be imposed and collected, however, to the extent and in the amount as may be imposed upon that real property during that period measured solely by the amount of the assessed valuation of the land, exclusive of improvements, acquired pursuant to this Law and owned by the neighborhood redevelopment corporation or its immediate successor, as was determined by the county, township, or multi-township assessor, for real estate taxes due and payable thereon during the calendar year preceding the calendar year during which the corporation acquired title to the real property. The assessed valuation shall not be increased during that period so long as the real property is owned by a neighborhood redevelopment corporation or its immediate successor and used in accordance with a development plan authorized by the Redevelopment Commission under this Law.

(c) If, however, the real property was exempt from general real estate taxes immediately prior to ownership by any neighborhood redevelopment corporation, the county, township, or multi-township assessor shall, upon acquisition of title by the neighborhood redevelopment corporation, promptly assess the land, exclusive of improvements, at a valuation that conforms to but does not exceed the assessed valuation made during the preceding calendar year of other land, exclusive of improvements, that is adjacent or in the same general neighborhood, and the amount of that assessed valuation shall not be increased during the period set pursuant to subsection (a) so long as the real property is owned by a neighborhood redevelopment corporation or its immediate successor and used in accordance with a development plan authorized by the Redevelopment Commission.

(d) For the next ensuing period not in excess of 15 years, general real estate taxes upon that real property shall be abated in an amount not to exceed 50% of the taxes imposed by each taxing district so long as the real property is owned by a neighborhood redevelopment corporation or its immediate successor and used in accordance with an authorized development plan.

(e) After a period totaling not more than 25 years, the real property shall be subject to assessment and payment of all real estate taxes, based on the full fair cash value of the real property.

(f) The tax abatement authorized by this Section shall not become effective unless the governing body of the city, village, or incorporated town in which the property is located does all of the following:

(1) Furnishes each taxing district whose boundaries for real estate taxation purposes include any portion of the real property to be affected by the tax abatement with a written statement of the impact on real estate taxes the tax abatement will have on those taxing districts and written notice of the hearing to be held in accordance with subdivision (f)(2). The written statement and notice required by this subdivision (f)(1) shall be furnished as provided by local ordinance before the hearing and shall include, but need not be limited to, an estimate of the amount of real estate tax revenues of each taxing district that will be affected by the proposed tax abatement, based on the estimated assessed valuation of the real property involved as the property would exist before and after it is redeveloped.

(2) Conducts a public hearing regarding the tax abatement. At the hearing all taxing districts described in subdivision (f)(1) have the right to be heard on the grant of any tax abatement.

(3) Enacts an ordinance that provides for expiration of the tax abatement. The ordinance shall provide for a duration of time within which the real property must be acquired and may allow for acquisition of property under the plan in phases.

(g) Notwithstanding any other provision of law to the contrary, payments in lieu of taxes may be imposed by contract between a city, village, or incorporated town and a neighborhood redevelopment corporation or its immediate successor that receives a tax abatement on property pursuant to this Section. The payments shall be made to the county collector of the county by December 31 of each year payments are due. The governing body of the city, village, or incorporated town shall furnish the collector with a copy of any such contract requiring payment in lieu of taxes. The collector shall allocate all revenues received from the payment in lieu of taxes among all taxing districts whose real estate tax revenues are affected by the abatement on the same pro rata basis and in the same manner as the real estate tax revenues received by each taxing district from that property in the year the payments are due.

(315 ILCS 20/17) (from Ch. 67 1/2, par. 267)

Sec. 17. Acquisition of property and construction subject to approval - Application for and issuance of certificates of convenience and necessity). No Neighborhood Redevelopment Corporation shall acquire title to any Real Property, or any interest therein except by way of unexercised option, or institute any Development without making written application to the Redevelopment Commission for approval of the proposed Development Plan in the manner hereinafter prescribed, and without securing the certificate of convenience and necessity to be issued by the Redevelopment Commission upon the conditions hereinafter mentioned.

(1) The application of a Neighborhood Redevelopment Corporation for approval of its proposed Development Plan shall contain:

(a) The legal description of the proposed Development Area and the description thereof by city blocks, street and number, if any.

(b) A statement of the character of the estates in Real Property to be acquired by the Neighborhood Redevelopment Corporation.

(c) A statement showing the present use of the Real Property in the proposed Development Area, the zoning restrictions, if any, thereon, and the private restrictions, if any, of record, and that no interest in Real Property in the proposed Development Area is to be acquired because of the race, color, creed, national origin or sex of any person owning or claiming an interest in that Real Property.

(d) A statement of the existing buildings or improvements in the Development Area, if any, which are to be demolished.

(e) A statement of the existing buildings or improvements, if any, in the Development Area which are not to be immediately demolished and the approximate period of time within which the demolition, if any, of each such building or improvement is to take place.

(f) A statement of the proposed improvements, if any, of each building, if any, not to be demolished immediately, and any proposed repairs or alterations of such buildings.

(g) A statement of the type, number and character of each new industrial, commercial, residential, public or other building or improvement to be erected or made.

(h) A metes and bounds description of that portion of the proposed Development Area to be devoted for a park, playground or recreation center for the use of the Development, the specific use to which such portion is to be put and the manner in which it shall be improved.

(i) A statement of those portions, if any, of the proposed Development Area (other than the portions to be devoted for a park, playground or recreation center for the use of the Development) to be left as open land area and the manner in which such portions, if any, shall be maintained.

(j) A statement of recommended changes, if any, in the zoning ordinances, necessary or desirable for the Development and its protection against blighting influences.

(k) A statement of recommended changes, if any, in streets or street levels and of recommended vacations, if any, of streets, alleys, or other public spaces.

(l) A statement in detail of the estimated Development Cost and of the proposed method of financing the Development, sufficient to give assurance that the Neighborhood Redevelopment Corporation will be able to complete and operate the Development.

(m) An estimate of the periods of time within which, after the approval of the Development Plan, the Neighborhood Redevelopment Corporation will be able to initiate and to complete its Development, excepting unexpected delays not caused by it.

(n) A statement of the character, approximate number of units, approximate rentals and approximate date of availability of the proposed dwelling accommodations, if any, to be furnished during construction and upon completion of the Development.

(o) Such other statements or material as the applicant Neighborhood Redevelopment Corporation

deems relevant, including recommendations for the Redevelopment of one or more areas contiguous to the proposed Development Area.

(2) No certificate of convenience and necessity shall be issued by the Redevelopment Commission upon application by a Neighborhood Redevelopment Corporation except upon the fulfillment of the following conditions:

(a) That the Neighborhood Redevelopment Corporation has filed with the Redevelopment Commission a bond, in form and with surety or sureties satisfactory to the Redevelopment Commission, in the penal sum of ten per centum of the estimated Development Cost as set out in the application of the Neighborhood Redevelopment Corporation but in no event to exceed $10,000.00, payable to the city, village or incorporated town creating the Redevelopment Commission, the payment to be deposited in the general corporate fund of such city, village or incorporated town, the bond to be conditioned upon the initiation and completion of the Development within the respective time limits, or authorized extensions thereof, prescribed by the Redevelopment Commission.

(b) That the Neighborhood Redevelopment Corporation has agreed in writing to incorporate in its instruments of sale, conveyance, transfer, lease or assignment such restrictions as the Redevelopment Commission may by rule, pursuant to paragraph 1 of Section 25 of this Act, impose as to the type of construction, use, landscape and architectural design of the Development.

(c) That the Neighborhood Redevelopment Corporation, other than for or in a Conservation Area, has agreed in writing to devote as a minimum ten per centum of the Development Area for a park, playground or recreation center for the use of the Development (the site or sites for which shall be determined by the Redevelopment Commission), to provide adequate financial arrangements for defraying the upkeep thereof during its corporate existence, and to place thereon, in the manner prescribed by subparagraph (b) of paragraph 2 of this Section, such use restrictions as the Development Commission may by rule impose; Provided, that in determining the proportion of open land area required by any zoning ordinance compared to the land area used for building purposes, the portion so devoted for park, playground or recreation center shall be counted as open land area.

(d) That the Neighborhood Redevelopment Corporation has agreed in writing that in selling, leasing and managing all Real Property subject to the plan there will be no discrimination against any person on account of race, color, creed, national origin or sex.

(e) That the Redevelopment Commission shall, after the public hearing provided by paragraph 1 of Section 18 of this Act, have made the determinations provided in paragraph 3 of this Section 17, either originally or after the application has been remanded upon judicial review.

(3) The Redevelopment Commission, before the issuance of the certificate of convenience and necessity to a Neighborhood Redevelopment Corporation, shall determine that:

(a) The Development Area is within an area which, under the conditions existing at the time, is a Slum and Blight or Conservation Area as defined by this Act and that no interest in Real Property in the proposed Development Area is to be acquired because of the race, color, creed, national origin or sex of any person owning or claiming any interest in that Real Property.

(b) The Redevelopment of the Development Area in accordance with the Development Plan is designed to effectuate the public purposes declared in Section 2 of this Act.

(c) The Development Plan conforms to the zoning ordinances, if any, applicable to the Development Area, and further conforms to the official plan of the city, village or incorporated town wherein the Development Area is located, or, in the absence of such an official plan, to the plan, if any, adopted by the Plan Commission, if any, of such city, village or incorporated town as evidenced by a report on such adopted plan prepared by such Plan Commission and on file with the Redevelopment Commission.

(d) Public facilities, including, but not limited to, fire and police protection, and recreation, are presently adequate, or will be adequate at the time that the Development is ready for use, to service the Development Area.

(e) The execution of the Development Plan will not cause undue hardship to the families, if any, occupying dwelling accommodations in the Development Area, to such a degree as to outweigh the public use defined in Section 2 of this Act to be achieved through the Redevelopment of such Development Area.

(f) The estimated Development Cost of the Development is sufficient for the proposed Redevelopment.

(g) Other than in or for a Conservation Area, no portion, greater by ten per centum in area, of the Development Area is designed by the Development Plan for use other than residential except in those instances wherein the Plan Commission, if any, of the city, village or incorporated town concerned, has filed with the Redevelopment Commission, pursuant to paragraph 1 of Section 18 of this Act, an advisory report recommending a greater portion by area than ten per centum, in which instances, no

portion, greater than that so recommended, of the Development Area is designed by the Development Plan for use other than residential.

(h) The conditions prescribed by paragraph 2 of this Section have been fulfilled.

(4) No certificate of convenience and necessity shall be issued by a Redevelopment Commission in St. Clair County without the approval, by a majority vote, of the of the city council or the board of trustees of the village or incorporated town, as the case may be, in which the Development Area is located. (Source: P.A. 81-266.)".

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 Clayborne, **House Bill No. 623**, 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 41; Nays 15; Present 1.

The following voted in the affirmative:

Althoff	Forby	Maloney	Soden
Brady	Garrett	Meeks	Trotter
Clayborne	Haine	Munoz	Viverito
Collins	Halvorson	Obama	Walsh
Cronin	Harmon	Ronen	Watson
Crotty	Hendon	Rutherford	Welch
Cullerton	Hunter	Sandoval	Winkel
del Valle	Jacobs	Schoenberg	Mr. President
DeLeo	Jones, W.	Shadid	
Demuzio	Lightford	Sieben	
Dillard	Link	Silverstein	

The following voted in the negative:

Bomke	Peterson	Righter	Sullivan, J.
Burzynski	Petka	Risinger	Syverson
Lauzen	Radogno	Roskam	Wojcik
Luechtefeld	Rauschenberger	Sullivan, D.	

The following voted present:

Jones, J.

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

Ordered that the title be as aforesaid, and 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 Harmon, **House Bill No. 648** was recalled from the order of third reading to the order of second reading.

Senator Harmon offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1____. Amend House Bill 648 by replacing everything after the enacting clause with the following:

"Section 5.

The Humane Euthanasia in Animal Shelters Act is amended by changing Sections 35, 55, and 57 as follows:

(510 ILCS 72/35)

Sec. 35. Technician certification; duties. (a) An applicant for certification as a euthanasia technician shall file an application with the Department and shall:

(1) Be 18 years of age.

(2) Be of good moral character. In determining moral character under this Section, the Department may take into consideration whether the applicant has engaged in conduct or activities that would constitute grounds for discipline under this Act.

(3) Each applicant for certification as a euthanasia technician shall have his or her fingerprints submitted to the Department of State Police in an electronic format that complies with the form and manner for requesting and furnishing criminal history record information as prescribed by the Department of State Police. These fingerprints shall be checked against the Department of State Police and Federal Bureau of Investigation criminal history record databases now and hereafter filed. The Department of State Police shall charge applicants a fee for conducting the criminal history records check, which shall be deposited in the State Police Services Fund and shall not exceed the actual cost of the records check. The Department of State Police shall furnish, pursuant to positive identification, records of Illinois convictions to the Department. ~~Submit fingerprints to the Illinois State Police or its designated vendor as set forth by rule. These fingerprints shall be checked against the Illinois State Police and Federal Bureau of Investigation criminal history record databases. A separate fee shall be charged to the applicant for fingerprinting, payable either to the Department or the Illinois State Police or its designated vendor.~~

(4) Hold a ~~current~~ license or certification from the American Humane Association, the National Animal Control Association, the Illinois Federation of Humane Societies, or the Humane Society of the United States issued within 3 years preceding the date of application.

For a period of 12 months after the adoption of final administrative rules for this Act, the Department may issue a certification to an applicant who holds a license or certification from the American Humane Association, the National Animal Control Association, the Illinois Federation of Humane Societies, or the Humane Society of the United States issued after January 1, 1997.

(5) Pay the required fee.

(b) The duties of a euthanasia technician shall include but are not limited to:

(1) preparing animals for euthanasia and scanning each animal, prior to euthanasia, for microchips;

(2) accurately recording the dosages administered and the amount of drugs wasted;

(3) ordering supplies;

(4) maintaining the security of all controlled substances and drugs;

(5) humanely euthanizing animals via intravenous injection by hypodermic needle, intraperitoneal injection by hypodermic needle, solutions or powder added to food or by mouth, intracardiac injection only on comatose animals by hypodermic needle, or carbon monoxide in a commercially manufactured chamber; and

(6) properly disposing of euthanized animals after verification of death.

(c) A euthanasia technician employed by a euthanasia agency may perform euthanasia by the administration of a Schedule II or Schedule III nonnarcotic controlled substance. A euthanasia technician may not personally possess, order, or administer a controlled substance except as an agent of the euthanasia agency.

(d) Upon termination from a euthanasia agency, a euthanasia technician shall not perform animal euthanasia until he or she is employed by another certified euthanasia agency.

(e) A certified euthanasia technician or an instructor in an approved course does not engage in the practice of veterinary medicine when performing duties set forth in this Act. (Source: P.A. 92-449, eff. 1-1-02.)

(510 ILCS 72/55)

Sec. 55. Endorsement. An applicant, who is a euthanasia technician registered or licensed under the laws of another state or territory of the United States that has requirements that are substantially similar to the requirements of this Act, may be granted certification as a euthanasia technician in this State without examination, upon presenting satisfactory proof to the Department that the applicant has been engaged in the practice of euthanasia for a period of not less than one year and upon payment of the

required fee. In addition, an applicant shall have his or her fingerprints submitted to the Department of State Police for purposes of a criminal history records check pursuant to clause (a)(3) of Section 35. (Source: P.A. 92-449, eff. 1-1-02.)

(510 ILCS 72/57)

Sec. 57. Procedures for euthanasia. (a) Only euthanasia drugs and commercially compressed carbon monoxide, subject to the limitations imposed under subsection (b) of this Section, shall be used for the purpose of humanely euthanizing injured, sick, homeless, or unwanted companion animals in an animal shelter or an animal control facility licensed under the Illinois Animal Welfare Act.

(b) Commercially compressed carbon monoxide may be used as a permitted method of euthanasia provided that it is performed in a commercially manufactured chamber pursuant to the guidelines set forth in the most recent report of the AVMA Panel on Euthanasia. A chamber that is designed to euthanize more than one animal at a time must be equipped with independent sections or cages to separate incompatible animals. The interior of the chamber must be well lit and equipped with view-ports, a regulator, and a flow meter. Monitoring equipment must be used at all times during the operation. Animals that are under 4 months of age, old, injured, or sick may not be euthanized by carbon monoxide. Animals shall remain in the chamber and be exposed for a minimum of 20 minutes. Staff members shall be fully notified of potential health risks.

(c) Animals cannot be transported beyond State lines for the sole purpose of euthanasia unless the euthanasia methods comply with subsection (a) or (b) of this Section and the euthanasia is performed by a certified euthanasia technician. (Source: P.A. 92-449, eff. 1-1-02.)

(510 ILCS 72/50 rep.)

Sec. 10. The Humane Euthanasia in Animal Shelters Act is amended by repealing Section 50.

Section 15.

The Illinois Controlled Substances Act is amended by changing Sections 102, 302, 303, 303.05, 304, and 306 as follows:

(720 ILCS 570/102) (from Ch. 56 1/2, par. 1102)

Sec. 102. Definitions. As used in this Act, unless the context otherwise requires:

(a) "Addict" means any person who habitually uses any drug, chemical, substance or dangerous drug other than alcohol so as to endanger the public morals, health, safety or welfare or who is so far addicted to the use of a dangerous drug or controlled substance other than alcohol as to have lost the power of self control with reference to his addiction.

(b) "Administer" means the direct application of a controlled substance, whether by injection, inhalation, ingestion, or any other means, to the body of a patient, ~~or~~ research subject, or animal (as defined by the Humane Euthanasia in Animal Shelters Act) by:

(1) a practitioner (or, in his presence, by his authorized agent), ~~or~~

(2) the patient or research subject at the lawful direction of the practitioner, or~~.~~

(3) a euthanasia technician as defined by the Humane Euthanasia in Animal Shelters Act.

(c) "Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser. It does not include a common or contract carrier, public warehouseman or employee of the carrier or warehouseman.

(c-1) "Anabolic Steroids" means any drug or hormonal substance, chemically and pharmacologically related to testosterone (other than estrogens, progestins, and corticosteroids) that promotes muscle growth, and includes:

(i) boldenone,
(ii) chlorotestosterone,
(iii) chostebol,
(iv) dehydrochlormethyltestosterone,
(v) dihydrotestosterone,
(vi) drostanolone,
(vii) ethylestrenol,
(viii) fluoxymesterone,
(ix) formebulone,
(x) mesterolone,
(xi) methandienone,
(xii) methandranone,
(xiii) methandriol,
(xiv) methandrostenolone,
(xv) methenolone,
(xvi) methyltestosterone,

(xvii) mibolerone,
(xviii) nandrolone,
(xix) norethandrolone,
(xx) oxandrolone,
(xxi) oxymesterone,
(xxii) oxymetholone,
(xxiii) stanolone,
(xxiv) stanozolol,
(xxv) testolactone,
(xxvi) testosterone,
(xxvii) trenbolone, and
(xxviii) any salt, ester, or isomer of a drug or substance described or listed in this paragraph, if that salt, ester, or isomer promotes muscle growth.

Any person who is otherwise lawfully in possession of an anabolic steroid, or who otherwise lawfully manufactures, distributes, dispenses, delivers, or possesses with intent to deliver an anabolic steroid, which anabolic steroid is expressly intended for and lawfully allowed to be administered through implants to livestock or other nonhuman species, and which is approved by the Secretary of Health and Human Services for such administration, and which the person intends to administer or have administered through such implants, shall not be considered to be in unauthorized possession or to unlawfully manufacture, distribute, dispense, deliver, or possess with intent to deliver such anabolic steroid for purposes of this Act.

(d) "Administration" means the Drug Enforcement Administration, United States Department of Justice, or its successor agency.

(e) "Control" means to add a drug or other substance, or immediate precursor, to a Schedule under Article II of this Act whether by transfer from another Schedule or otherwise.

(f) "Controlled Substance" means a drug, substance, or immediate precursor in the Schedules of Article II of this Act.

(g) "Counterfeit substance" means a controlled substance, which, or the container or labeling of which, without authorization bears the trademark, trade name, or other identifying mark, imprint, number or device, or any likeness thereof, of a manufacturer, distributor, or dispenser other than the person who in fact manufactured, distributed, or dispensed the substance.

(h) "Deliver" or "delivery" means the actual, constructive or attempted transfer of possession of a controlled substance, with or without consideration, whether or not there is an agency relationship.

(i) "Department" means the Illinois Department of Human Services (as successor to the Department of Alcoholism and Substance Abuse) or its successor agency.

(j) "Department of State Police" means the Department of State Police of the State of Illinois or its successor agency.

(k) "Department of Corrections" means the Department of Corrections of the State of Illinois or its successor agency.

(l) "Department of Professional Regulation" means the Department of Professional Regulation of the State of Illinois or its successor agency.

(m) "Depressant" or "stimulant substance" means:

(1) a drug which contains any quantity of (i) barbituric acid or any of the salts of barbituric acid which has been designated as habit forming under section 502 (d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352 (d)); or

(2) a drug which contains any quantity of (i) amphetamine or methamphetamine and any of their optical isomers; (ii) any salt of amphetamine or methamphetamine or any salt of an optical isomer of amphetamine; or (iii) any substance which the Department, after investigation, has found to be, and by rule designated as, habit forming because of its depressant or stimulant effect on the central nervous system; or

(3) lysergic acid diethylamide; or

(4) any drug which contains any quantity of a substance which the Department, after investigation, has found to have, and by rule designated as having, a potential for abuse because of its depressant or stimulant effect on the central nervous system or its hallucinogenic effect.

(n) (Blank).

(o) "Director" means the Director of the Department of State Police or the Department of Professional Regulation or his designated agents.

(p) "Dispense" means to deliver a controlled substance to an ultimate user or research subject by or pursuant to the lawful order of a prescriber, including the prescribing, administering, packaging,

labeling, or compounding necessary to prepare the substance for that delivery.

(q) "Dispenser" means a practitioner who dispenses.

(r) "Distribute" means to deliver, other than by administering or dispensing, a controlled substance.

(s) "Distributor" means a person who distributes.

(t) "Drug" means (1) substances recognized as drugs in the official United States Pharmacopoeia, Official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; (2) substances intended for use in diagnosis, cure, mitigation, treatment, or prevention of disease in man or animals; (3) substances (other than food) intended to affect the structure of any function of the body of man or animals and (4) substances intended for use as a component of any article specified in clause (1), (2), or (3) of this subsection. It does not include devices or their components, parts, or accessories.

(t-5) "Euthanasia agency" means an entity certified by the Department of Professional Regulation for the purpose of animal euthanasia that holds an animal control facility license or animal shelter license under the Animal Welfare Act. A euthanasia agency is authorized to purchase, store, possess, and utilize Schedule II nonnarcotic and Schedule III nonnarcotic drugs for the sole purpose of animal euthanasia.

(t-10) "Euthanasia drugs" means Schedule II or Schedule III substances (nonnarcotic controlled substances) that are used by a euthanasia agency for the purpose of animal euthanasia.

(u) "Good faith" means the prescribing or dispensing of a controlled substance by a practitioner in the regular course of professional treatment to or for any person who is under his treatment for a pathology or condition other than that individual's physical or psychological dependence upon or addiction to a controlled substance, except as provided herein: and application of the term to a pharmacist shall mean the dispensing of a controlled substance pursuant to the prescriber's order which in the professional judgment of the pharmacist is lawful. The pharmacist shall be guided by accepted professional standards including, but not limited to the following, in making the judgment:

(1) lack of consistency of doctor-patient relationship,

(2) frequency of prescriptions for same drug by one prescriber for large numbers of patients,

(3) quantities beyond those normally prescribed,

(4) unusual dosages,

(5) unusual geographic distances between patient, pharmacist and prescriber,

(6) consistent prescribing of habit-forming drugs.

(u-1) "Home infusion services" means services provided by a pharmacy in compounding solutions for direct administration to a patient in a private residence, long-term care facility, or hospice setting by means of parenteral, intravenous, intramuscular, subcutaneous, or intraspinal infusion.

(v) "Immediate precursor" means a substance:

(1) which the Department has found to be and by rule designated as being a principal compound used, or produced primarily for use, in the manufacture of a controlled substance;

(2) which is an immediate chemical intermediary used or likely to be used in the manufacture of such controlled substance; and

(3) the control of which is necessary to prevent, curtail or limit the manufacture of such controlled substance.

(w) "Instructional activities" means the acts of teaching, educating or instructing by practitioners using controlled substances within educational facilities approved by the State Board of Education or its successor agency.

(x) "Local authorities" means a duly organized State, County or Municipal peace unit or police force.

(y) "Look-alike substance" means a substance, other than a controlled substance which (1) by overall dosage unit appearance, including shape, color, size, markings or lack thereof, taste, consistency, or any other identifying physical characteristic of the substance, would lead a reasonable person to believe that the substance is a controlled substance, or (2) is expressly or impliedly represented to be a controlled substance or is distributed under circumstances which would lead a reasonable person to believe that the substance is a controlled substance. For the purpose of determining whether the representations made or the circumstances of the distribution would lead a reasonable person to believe the substance to be a controlled substance under this clause (2) of subsection (y), the court or other authority may consider the following factors in addition to any other factor that may be relevant:

(a) statements made by the owner or person in control of the substance concerning its nature, use or effect;

(b) statements made to the buyer or recipient that the substance may be resold for profit;

(c) whether the substance is packaged in a manner normally used for the illegal distribution of controlled substances;

(d) whether the distribution or attempted distribution included an exchange of or demand for

money or other property as consideration, and whether the amount of the consideration was substantially greater than the reasonable retail market value of the substance.

Clause (1) of this subsection (y) shall not apply to a noncontrolled substance in its finished dosage form that was initially introduced into commerce prior to the initial introduction into commerce of a controlled substance in its finished dosage form which it may substantially resemble.

Nothing in this subsection (y) prohibits the dispensing or distributing of noncontrolled substances by persons authorized to dispense and distribute controlled substances under this Act, provided that such action would be deemed to be carried out in good faith under subsection (u) if the substances involved were controlled substances.

Nothing in this subsection (y) or in this Act prohibits the manufacture, preparation, propagation, compounding, processing, packaging, advertising or distribution of a drug or drugs by any person registered pursuant to Section 510 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360).

(y-1) "Mail-order pharmacy" means a pharmacy that is located in a state of the United States, other than Illinois, that delivers, dispenses or distributes, through the United States Postal Service or other common carrier, to Illinois residents, any substance which requires a prescription.

(z) "Manufacture" means the production, preparation, propagation, compounding, conversion or processing of a controlled substance, either directly or indirectly, by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling of its container, except that this term does not include:

(1) by an ultimate user, the preparation or compounding of a controlled substance for his own use; or

(2) by a practitioner, or his authorized agent under his supervision, the preparation, compounding, packaging, or labeling of a controlled substance:

(a) as an incident to his administering or dispensing of a controlled substance in the course of his professional practice; or

(b) as an incident to lawful research, teaching or chemical analysis and not for sale.

(z-1) "Methamphetamine manufacturing chemical" means any of the following chemicals or substances containing any of the following chemicals: benzyl methyl ketone, ephedrine, methyl benzyl ketone, phenylacetone, phenyl-2-propanone, pseudoephedrine, or red phosphorous or any of the salts, optical isomers, or salts of optical isomers of the above-listed chemicals.

(aa) "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

(1) opium and opiate, and any salt, compound, derivative, or preparation of opium or opiate;

(2) any salt, compound, isomer, derivative, or preparation thereof which is chemically equivalent or identical with any of the substances referred to in clause (1), but not including the isoquinoline alkaloids of opium;

(3) opium poppy and poppy straw;

(4) coca leaves and any salts, compound, isomer, salt of an isomer, derivative, or preparation of coca leaves including cocaine or ecgonine, and any salt, compound, isomer, derivative, or preparation thereof which is chemically equivalent or identical with any of these substances, but not including decocainized coca leaves or extractions of coca leaves which do not contain cocaine or ecgonine (for the purpose of this paragraph, the term "isomer" includes optical, positional and geometric isomers).

(bb) "Nurse" means a registered nurse licensed under the Nursing and Advanced Practice Nursing Act.

(cc) (Blank).

(dd) "Opiate" means any substance having an addiction forming or addiction sustaining liability similar to morphine or being capable of conversion into a drug having addiction forming or addiction sustaining liability.

(ee) "Opium poppy" means the plant of the species Papaver somniferum L., except its seeds.

(ff) "Parole and Pardon Board" means the Parole and Pardon Board of the State of Illinois or its successor agency.

(gg) "Person" means any individual, corporation, mail-order pharmacy, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other entity.

(hh) "Pharmacist" means any person who holds a certificate of registration as a registered pharmacist, a local registered pharmacist or a registered assistant pharmacist under the Pharmacy Practice Act of 1987.

(ii) "Pharmacy" means any store, ship or other place in which pharmacy is authorized to be practiced

under the Pharmacy Practice Act of 1987.

(jj) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

(kk) "Practitioner" means a physician licensed to practice medicine in all its branches, dentist, podiatrist, veterinarian, scientific investigator, pharmacist, physician assistant, advanced practice nurse, licensed practical nurse, registered nurse, hospital, laboratory, or pharmacy, or other person licensed, registered, or otherwise lawfully permitted by the United States or this State to distribute, dispense, conduct research with respect to, administer or use in teaching or chemical analysis, a controlled substance in the course of professional practice or research.

(ll) "Pre-printed prescription" means a written prescription upon which the designated drug has been indicated prior to the time of issuance.

(mm) "Prescriber" means a physician licensed to practice medicine in all its branches, dentist, podiatrist or veterinarian who issues a prescription, a physician assistant who issues a prescription for a Schedule III, IV, or V controlled substance in accordance with Section 303.05 and the written guidelines required under Section 7.5 of the Physician Assistant Practice Act of 1987, or an advanced practice nurse with prescriptive authority in accordance with Section 303.05 and a written collaborative agreement under Sections 15-15 and 15-20 of the Nursing and Advanced Practice Nursing Act.

(nn) "Prescription" means a lawful written, facsimile, or verbal order of a physician licensed to practice medicine in all its branches, dentist, podiatrist or veterinarian for any controlled substance, of a physician assistant for a Schedule III, IV, or V controlled substance in accordance with Section 303.05 and the written guidelines required under Section 7.5 of the Physician Assistant Practice Act of 1987, or of an advanced practice nurse who issues a prescription for a Schedule III, IV, or V controlled substance in accordance with Section 303.05 and a written collaborative agreement under Sections 15-15 and 15-20 of the Nursing and Advanced Practice Nursing Act.

(oo) "Production" or "produce" means manufacture, planting, cultivating, growing, or harvesting of a controlled substance.

(pp) "Registrant" means every person who is required to register under Section 302 of this Act.

(qq) "Registry number" means the number assigned to each person authorized to handle controlled substances under the laws of the United States and of this State.

(rr) "State" includes the State of Illinois and any state, district, commonwealth, territory, insular possession thereof, and any area subject to the legal authority of the United States of America.

(ss) "Ultimate user" means a person who lawfully possesses a controlled substance for his own use or for the use of a member of his household or for administering to an animal owned by him or by a member of his household. (Source: P.A. 92-449, eff. 1-1-02; 93-596, eff. 8-26-03.)

(720 ILCS 570/302) (from Ch. 56 1/2, par. 1302)

Sec. 302. (a) Every person who manufactures, distributes, or dispenses any controlled substances, or engages in chemical analysis, and instructional activities which utilize controlled substances, or who purchases, stores, or administers euthanasia drugs, within this State or who proposes to engage in the manufacture, distribution, or dispensing of any controlled substance, or to engage in chemical analysis, and instructional activities which utilize controlled substances, or to engage in purchasing, storing, or administering euthanasia drugs, within this State, must obtain a registration issued by the Department of Professional Regulation in accordance with its rules. The rules shall include, but not be limited to, setting the expiration date and renewal period for each registration under this Act. The Department, and any facility or service licensed by the Department, shall be exempt from the regulation requirements of this Section.

(b) Persons registered by the Department of Professional Regulation under this Act to manufacture, distribute, or dispense controlled substances, or purchase, store, or administer euthanasia drugs, may possess, manufacture, distribute, or dispense those substances, or purchase, store, or administer euthanasia drugs, to the extent authorized by their registration and in conformity with the other provisions of this Article.

(c) The following persons need not register and may lawfully possess controlled substances under this Act:

(1) an agent or employee of any registered manufacturer, distributor, or dispenser of any controlled substance if he is acting in the usual course of his employer's lawful business or employment;

(2) a common or contract carrier or warehouseman, or an agent or employee thereof, whose possession of any controlled substance is in the usual lawful course of such business or employment;

(3) an ultimate user or a person in possession of any controlled substance pursuant to a lawful prescription of a practitioner or in lawful possession of a Schedule V substance;

(4) officers and employees of this State or of the United States while acting in the lawful course of

their official duties which requires possession of controlled substances;

(5) a registered pharmacist who is employed in, or the owner of, a pharmacy licensed under this Act and the Federal Controlled Substances Act, at the licensed location, or if he is acting in the usual course of his lawful profession, business, or employment.

(d) A separate registration is required at each place of business or professional practice where the applicant manufactures, distributes, or dispenses controlled substances, or purchases, stores, or administers euthanasia drugs. Persons are required to obtain a separate registration for each place of business or professional practice where controlled substances are located or stored. A separate registration is not required for every location at which a controlled substance may be prescribed.

(e) The Department of Professional Regulation or the Department of State Police may inspect the controlled premises, as defined in Section 502 of this Act, of a registrant or applicant for registration in accordance with this Act and the rules promulgated hereunder and with regard to persons licensed by the Department, in accordance with subsection (bb) of Section 30-5 of the Alcoholism and Other Drug Abuse and Dependency Act and the rules and regulations promulgated thereunder. (Source: P.A. 87-711; 88-670, eff. 12-2-94.)

(720 ILCS 570/303) (from Ch. 56 1/2, par. 1303)

Sec. 303. (a) The Department of Professional Regulation shall license an applicant to manufacture, distribute or dispense controlled substances included in Sections 204, 206, 208, 210 and 212 of this Act or purchase, store, or administer euthanasia drugs unless it determines that the issuance of that license would be inconsistent with the public interest. In determining the public interest, the Department of Professional Regulation shall consider the following:

(1) maintenance of effective controls against diversion of controlled substances into other than lawful medical, scientific, or industrial channels;

(2) compliance with applicable Federal, State and local law;

(3) any convictions of the applicant under any law of the United States or of any State relating to any controlled substance;

(4) past experience in the manufacture or distribution of controlled substances, and the existence in the applicant's establishment of effective controls against diversion;

(5) furnishing by the applicant of false or fraudulent material in any application filed under this Act;

(6) suspension or revocation of the applicant's Federal registration to manufacture, distribute, or dispense controlled substances, or purchase, store, or administer euthanasia drugs, as authorized by Federal law;

(7) whether the applicant is suitably equipped with the facilities appropriate to carry on the operation described in his application;

(8) whether the applicant is of good moral character or, if the applicant is a partnership, association, corporation or other organization, whether the partners, directors, governing committee and managing officers are of good moral character;

(9) any other factors relevant to and consistent with the public health and safety; and

(10) Evidence from court, medical disciplinary and pharmacy board records and those of State and Federal investigatory bodies that the applicant has not or does not prescribe controlled substances within the provisions of this Act.

(b) No license shall be granted to or renewed for any person who has within 5 years been convicted of a wilful violation of any law of the United States or any law of any State relating to controlled substances, or who is found to be deficient in any of the matters enumerated in subsections (a)(1) through (a)(8).

(c) Licensure under subsection (a) does not entitle a registrant to manufacture, distribute or dispense controlled substances in Schedules I or II other than those specified in the registration.

(d) Practitioners who are licensed to dispense any controlled substances in Schedules II through V are authorized to conduct instructional activities with controlled substances in Schedules II through V under the law of this State.

(e) If an applicant for registration is registered under the Federal law to manufacture, distribute or dispense controlled substances, or purchase, store, or administer euthanasia drugs, upon filing a completed application for licensure in this State and payment of all fees due hereunder, he shall be licensed in this State to the same extent as his Federal registration, unless, within 30 days after completing his application in this State, the Department of Professional Regulation notifies the applicant that his application has not been granted. A practitioner who is in compliance with the Federal law with respect to registration to dispense controlled substances in Schedules II through V need only send a current copy of that Federal registration to the Department of Professional Regulation and he shall be

deemed in compliance with the registration provisions of this State.

(e-5) Beginning July 1, 2003, all of the fees and fines collected under this Section 303 shall be deposited into the Illinois State Pharmacy Disciplinary Fund.

(f) The fee for registration as a manufacturer or wholesale distributor of controlled substances shall be $50.00 per year, except that the fee for registration as a manufacturer or wholesale distributor of controlled substances that may be dispensed without a prescription under this Act shall be $15.00 per year. The expiration date and renewal period for each controlled substance license issued under this Act shall be set by rule. (Source: P.A. 93-32, eff. 7-1-03.)

(720 ILCS 570/303.05)

Sec. 303.05. Mid-level practitioner registration. (a) The Department of Professional Regulation shall register licensed physician assistants and licensed advanced practice nurses to prescribe and dispense Schedule III, IV, or V controlled substances under Section 303 and euthanasia agencies to purchase, store, or administer euthanasia drugs under the following circumstances:

(1) with respect to physician assistants or advanced practice nurses,

(A) the physician assistant or advanced practice nurse has been delegated prescriptive authority by a physician licensed to practice medicine in all its branches in accordance with Section 7.5 of the Physician Assistant Practice Act of 1987 or Section 15-20 of the Nursing and Advanced Practice Nursing Act; and

(B) ~~(2)~~ the physician assistant or advanced practice nurse has completed the appropriate application forms and has paid the required fees as set by rule; or~~.~~

(2) with respect to euthanasia agencies, the euthanasia agency has obtained a license from the Department of Professional Regulation and obtained a registration number from the Department.

(b) The mid-level practitioner shall only be licensed to prescribe those schedules of controlled substances for which a licensed physician has delegated prescriptive authority, except that a euthanasia agency does not have any prescriptive authority.

(c) Upon completion of all registration requirements, physician assistants, ~~and~~ advanced practice nurses, and euthanasia agencies shall be issued a mid-level practitioner controlled substances license for Illinois. (Source: P.A. 90-818, eff. 3-23-99.)

(720 ILCS 570/304) (from Ch. 56 1/2, par. 1304)

Sec. 304. (a) A registration under Section 303 to manufacture, distribute, or dispense a controlled substance or purchase, store, or administer euthanasia drugs may be suspended or revoked by the Department of Professional Regulation upon a finding that the registrant:

(1) has furnished any false or fraudulent material information in any application filed under this Act; or

(2) has been convicted of a felony under any law of the United States or any State relating to any controlled substance; or

(3) has had suspended or revoked his Federal registration to manufacture, distribute, or dispense controlled substances or purchase, store, or administer euthanasia drugs; or

(4) has been convicted of bribery, perjury, or other infamous crime under the laws of the United States or of any State; or

(5) has violated any provision of this Act or any rules promulgated hereunder, whether or not he has been convicted of such violation; or

(6) has failed to provide effective controls against the diversion of controlled substances in other than legitimate medical, scientific or industrial channels.

(b) The Department of Professional Regulation may limit revocation or suspension of a registration to the particular controlled substance with respect to which grounds for revocation or suspension exist.

(c) The Department of Professional Regulation shall promptly notify the Administration, the Department and the Department of State Police or their successor agencies, of all orders denying, suspending or revoking registration, all forfeitures of controlled substances, and all final court dispositions, if any, of such denials, suspensions, revocations or forfeitures.

(d) If Federal registration of any registrant is suspended, revoked, refused renewal or refused issuance, then the Department of Professional Regulation shall issue a notice and conduct a hearing in accordance with Section 305 of this Act. (Source: P.A. 85-1209.)

(720 ILCS 570/306) (from Ch. 56 1/2, par. 1306)

Sec. 306. Every practitioner and person who is required under this Act to be registered to manufacture, distribute or dispense controlled substances or purchase, store, or administer euthanasia drugs under this Act shall keep records and maintain inventories in conformance with the recordkeeping and inventory requirements of the laws of the United States and with any additional rules and forms issued by the Department of Professional Regulation. (Source: P.A. 89-202, eff. 10-1-95.)

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

The motion prevailed.

And the amendment was adopted, and ordered printed.

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

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Harmon, **House Bill No. 648**, 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 58; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Silverstein
Bomke	Haine	Obama	Soden
Brady	Halvorson	Peterson	Sullivan, D.
Burzynski	Harmon	Petka	Sullivan, J.
Clayborne	Hendon	Radogno	Syverson
Collins	Hunter	Rauschenberger	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch
DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Wojcik
Dillard	Luechtefeld	Schoenberg	Mr. President
Forby	Maloney	Shadid	
Garrett	Meeks	Sieben	

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

Ordered that the title be as aforesaid, and 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 Shadid, **House Bill No. 697** was recalled from the order of third reading to the order of second reading.

Senators Shadid - Risinger offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2____. Amend House Bill 697 by replacing everything after the enacting clause as follows:

"Section 5.

The Mental Health and Developmental Disabilities Code is amended by changing Sections 3-605 and 3-819 as follows:

(405 ILCS 5/3-605) (from Ch. 91 1/2, par. 3-605)

Sec. 3-605. (a) Upon receipt of a petition and certificate prepared pursuant to this Article, the county sheriff of the county in which a respondent is found shall take a respondent into custody and notify the Department. The Department shall ~~and transport him to a mental health facility, or may~~ make arrangements either directly or through agreements with other ~~another~~ public or private entities ~~entity including a licensed ambulance service~~ to appropriately transport the respondent to the mental health facility. In the event it is determined by such facility that the respondent is in need of commitment or treatment at another mental health facility, the Department ~~county sheriff~~ shall ~~transport the respondent~~

~~to the appropriate mental health facility, or the county sheriff may~~ make arrangements either directly or through agreements with other public or private entities ~~another public or private entity including a licensed ambulance service~~ to appropriately transport the respondent to the mental health facility.

(b) The county sheriff may delegate his duties hereunder to another law enforcement body within that county if that law enforcement body agrees.

(c) The transporting authority acting in good faith and without negligence in connection with the transportation of respondents shall incur no liability, civil or criminal, by reason of such transportation.

(d) The respondent and the estate of that respondent are liable for the payment of transportation costs for transporting the respondent to a mental health facility. If the respondent is a beneficiary of a trust described in Section 15.1 of the Trusts and Trustees Act, the trust shall not be considered a part of the respondent's estate and shall not be subject to payment for transportation costs for transporting the respondent to a mental health facility under this Section except to the extent permitted under Section 15.1 of the Trusts and Trustees Act. If the respondent is unable to pay or if the estate of the respondent is insufficient, the responsible relatives are severally liable for the payment of those sums or for the balance due in case less than the amount owing has been paid. If the respondent is covered by insurance, the insurance carrier shall be liable for payment to the extent authorized by the respondent's insurance policy.

(e) The Department may not make arrangements with an existing hospital or grant-in-aid or fee-for-service community provider for transportation services under this Section unless the hospital or provider has voluntarily submitted a proposal for its transportation services. This proposal shall include the provision of trained personnel and the use of an appropriate vehicle for the safe transport of the respondents. (Source: P.A. 87-1158.)

(405 ILCS 5/3-819) (from Ch. 91 1/2, par. 3-819)

Sec. 3-819. (a) When a recipient is hospitalized upon court order, the order may authorize a relative or friend of the recipient to transport the recipient to the facility if such person is able to do so safely and humanely. ~~When the Department indicates that it has transportation to the facility available, the order may authorize the Department to transport the recipient there.~~ The court may order the Department ~~sheriff of the county in which such proceedings are held~~ to transport the recipient to the facility. When a recipient is hospitalized upon court order, and the recipient has been transported to a mental health facility, other than a state-operated mental health facility, and it is determined by the facility that the recipient is in need of commitment or treatment at another mental health facility, the court shall determine whether a relative or friend of the recipient ~~or the Department~~ is authorized to transport the recipient between facilities, or whether the Department ~~county sheriff~~ is responsible for transporting the recipient between facilities. The Department shall ~~sheriff may~~ make arrangements either directly or through agreements with another public or private entity including a licensed ambulance service to appropriately transport the recipient to the facility. The transporting entity acting in good faith and without negligence in connection with the transportation of recipients shall incur no liability, civil or criminal, by reason of such transportation.

(b) The court may authorize the transporting entity to bill the recipient, the estate of the recipient, legally responsible relatives, or insurance carrier for the cost of providing transportation of the recipient to a mental health facility. The recipient and the estate of the recipient are liable for the payment of transportation costs for transporting the recipient to a mental health facility. If the recipient is a beneficiary of a trust described in Section 15.1 of the Trusts and Trustees Act, the trust shall not be considered a part of the recipient's estate and shall not be subject to payment for transportation costs for transporting the recipient to a mental health facility under this section, except to the extent permitted under Section 15.1 of the Trusts and Trustees Act. If the recipient is unable to pay or if the estate of the recipient is insufficient, the responsible relatives are severally liable for the payment of those sums or for the balance due in case less than the amount owing has been paid. If the recipient is covered by insurance, the insurance carrier shall be liable for payment to the extent authorized by the recipient's insurance policy.

(c) Upon the delivery of a recipient to a facility, in accordance with the procedure set forth in this Article, the facility director of the facility shall sign a receipt acknowledging custody of the recipient and for any personal property belonging to him, which receipt shall be filed with the clerk of the court entering the hospitalization order.

(d) The Department may not make arrangements with an existing hospital or grant-in-aid or fee-for-service community provider for transportation services under this Section unless the hospital or provider has voluntarily submitted a proposal for its transportation services. This proposal shall include the provision of trained personnel and the use of an appropriate vehicle for the safe transport of the recipients. (Source: P.A. 87-1158; 88-380.)

Section 10.

The Code of Criminal Procedure of 1963 is amended by changing Section 104-17 as follows:

(725 ILCS 5/104-17) (from Ch. 38, par. 104-17)

Sec. 104-17. Commitment for Treatment; Treatment Plan. (a) If the defendant is eligible to be or has been released on bail or on his own recognizance, the court shall select the least physically restrictive form of treatment therapeutically appropriate and consistent with the treatment plan.

(b) If the defendant's disability is mental, the court may order him placed for treatment in the custody of the Department of Human Services, or the court may order him placed in the custody of any other appropriate public or private mental health facility or treatment program which has agreed to provide treatment to the defendant. If the defendant is placed in the custody of the Department of Human Services, the defendant shall be placed in a secure setting unless the court determines that there are compelling reasons why such placement is not necessary. During the period of time required to determine the appropriate placement the defendant shall remain in jail. Upon completion of the placement process, the Department of Human Services ~~sheriff shall be notified and~~ shall make arrangements either directly or through agreements with other public or private entities to appropriately transport the defendant to the designated facility. The placement may be ordered either on an inpatient or an outpatient basis.

(c) If the defendant's disability is physical, the court may order him placed under the supervision of the Department of Human Services which shall place and maintain the defendant in a suitable treatment facility or program, or the court may order him placed in an appropriate public or private facility or treatment program which has agreed to provide treatment to the defendant. The placement may be ordered either on an inpatient or an outpatient basis.

(d) The clerk of the circuit court shall transmit to the Department, agency or institution, if any, to which the defendant is remanded for treatment, the following:

(1) a certified copy of the order to undergo treatment;

(2) the county and municipality in which the offense was committed;

(3) the county and municipality in which the arrest took place; and

(4) all additional matters which the Court directs the clerk to transmit.

(e) Within 30 days of entry of an order to undergo treatment, the person supervising the defendant's treatment shall file with the court, the State, and the defense a report assessing the facility's or program's capacity to provide appropriate treatment for the defendant and indicating his opinion as to the probability of the defendant's attaining fitness within a period of one year from the date of the finding of unfitness. If the report indicates that there is a substantial probability that the defendant will attain fitness within the time period, the treatment supervisor shall also file a treatment plan which shall include:

(1) A diagnosis of the defendant's disability;

(2) A description of treatment goals with respect to rendering the defendant fit, a specification of the proposed treatment modalities, and an estimated timetable for attainment of the goals;

(3) An identification of the person in charge of supervising the defendant's treatment.

(f) The Department may not make arrangements with an existing hospital or grant-in-aid or fee-for-service community provider for transportation services under this Section unless the hospital or provider has voluntarily submitted a proposal for its transportation services. This proposal shall include the provision of trained personnel and the use of an appropriate vehicle for the safe transport of the defendants. (Source: P.A. 89-507, eff. 7-1-97.)

Section 15.

The Unified Code of Corrections is amended by changing Section 5-2-4 as follows:

(730 ILCS 5/5-2-4) (from Ch. 38, par. 1005-2-4)

Sec. 5-2-4. Proceedings after Acquittal by Reason of Insanity. (a) After a finding or verdict of not guilty by reason of insanity under Sections 104-25, 115-3 or 115-4 of The Code of Criminal Procedure of 1963, the defendant shall be ordered to the Department of Human Services for an evaluation as to whether he is in need of mental health services. The order shall specify whether the evaluation shall be conducted on an inpatient or outpatient basis. If the evaluation is to be conducted on an inpatient basis, the defendant shall be placed in a secure setting unless the Court determines that there are compelling reasons why such placement is not necessary. After the evaluation and during the period of time required to determine the appropriate placement, the defendant shall remain in jail. Upon completion of the placement process the Department of Human Services ~~sheriff shall be notified and~~ shall make arrangements either directly or through agreements with other public or private entities to appropriately transport the defendant to the designated facility.

The Department may not make arrangements with an existing hospital or grant-in-aid or fee-for-service community provider for transportation services under this Section unless the hospital or provider

has voluntarily submitted a proposal for its transportation services. This proposal shall include the provision of trained personnel and the use of an appropriate vehicle for the safe transport of the defendants.

The Department shall provide the Court with a report of its evaluation within 30 days of the date of this order. The Court shall hold a hearing as provided under the Mental Health and Developmental Disabilities Code to determine if the individual is: (a) in need of mental health services on an inpatient basis; (b) in need of mental health services on an outpatient basis; (c) a person not in need of mental health services. The Court shall enter its findings.

If the defendant is found to be in need of mental health services on an inpatient care basis, the Court shall order the defendant to the Department of Human Services. The defendant shall be placed in a secure setting unless the Court determines that there are compelling reasons why such placement is not necessary. Such defendants placed in a secure setting shall not be permitted outside the facility's housing unit unless escorted or accompanied by personnel of the Department of Human Services or with the prior approval of the Court for unsupervised on-grounds privileges as provided herein. Any defendant placed in a secure setting pursuant to this Section, transported to court hearings or other necessary appointments off facility grounds by personnel of the Department of Human Services, shall be placed in security devices or otherwise secured during the period of transportation to assure secure transport of the defendant and the safety of Department of Human Services personnel and others. These security measures shall not constitute restraint as defined in the Mental Health and Developmental Disabilities Code. If the defendant is found to be in need of mental health services, but not on an inpatient care basis, the Court shall conditionally release the defendant, under such conditions as set forth in this Section as will reasonably assure the defendant's satisfactory progress and participation in treatment or rehabilitation and the safety of the defendant and others. If the Court finds the person not in need of mental health services, then the Court shall order the defendant discharged from custody.

(1) Definitions: For the purposes of this Section:

(A) (Blank).

(B) "In need of mental health services on an inpatient basis" means: a defendant who has been found not guilty by reason of insanity but who due to mental illness is reasonably expected to inflict serious physical harm upon himself or another and who would benefit from inpatient care or is in need of inpatient care.

(C) "In need of mental health services on an outpatient basis" means: a defendant who has been found not guilty by reason of insanity who is not in need of mental health services on an inpatient basis, but is in need of outpatient care, drug and/or alcohol rehabilitation programs, community adjustment programs, individual, group, or family therapy, or chemotherapy.

(D) "Conditional Release" means: the release from either the custody of the Department of Human Services or the custody of the Court of a person who has been found not guilty by reason of insanity under such conditions as the Court may impose which reasonably assure the defendant's satisfactory progress in treatment or habilitation and the safety of the defendant and others. The Court shall consider such terms and conditions which may include, but need not be limited to, outpatient care, alcoholic and drug rehabilitation programs, community adjustment programs, individual, group, family, and chemotherapy, random testing to ensure the defendant's timely and continuous taking of any medicines prescribed to control or manage his or her conduct or mental state, and periodic checks with the legal authorities and/or the Department of Human Services. The Court may order as a condition of conditional release that the defendant not contact the victim of the offense that resulted in the finding or verdict of not guilty by reason of insanity or any other person. The Court may order the Department of Human Services to provide care to any person conditionally released under this Section. The Department may contract with any public or private agency in order to discharge any responsibilities imposed under this Section. The Department shall monitor the provision of services to persons conditionally released under this Section and provide periodic reports to the Court concerning the services and the condition of the defendant. Whenever a person is conditionally released pursuant to this Section, the State's Attorney for the county in which the hearing is held shall designate in writing the name, telephone number, and address of a person employed by him or her who shall be notified in the event that either the reporting agency or the Department decides that the conditional release of the defendant should be revoked or modified pursuant to subsection (i) of this Section. Such conditional release shall be for a period of five years. However, the defendant, the person or facility rendering the treatment, therapy, program or outpatient care, the Department, or the State's Attorney may petition the Court for an extension of the conditional release period for an additional 5 years. Upon receipt of such a petition, the Court shall hold a hearing consistent with the provisions of this paragraph (a) and paragraph (f) of this Section, shall determine whether the defendant should

continue to be subject to the terms of conditional release, and shall enter an order either extending the defendant's period of conditional release for an additional 5 year period or discharging the defendant. Additional 5-year periods of conditional release may be ordered following a hearing as provided in this Section. However, in no event shall the defendant's period of conditional release continue beyond the maximum period of commitment ordered by the Court pursuant to paragraph (b) of this Section. These provisions for extension of conditional release shall only apply to defendants conditionally released on or after August 8, 2003 ~~the effective date of this amendatory Act of the 93rd General Assembly~~. However the extension provisions of Public Act 83-1449 apply only to defendants charged with a forcible felony.

(E) "Facility director" means the chief officer of a mental health or developmental disabilities facility or his or her designee or the supervisor of a program of treatment or habilitation or his or her designee. "Designee" may include a physician, clinical psychologist, social worker, nurse, or clinical professional counselor.

(b) If the Court finds the defendant in need of mental health services on an inpatient basis, the admission, detention, care, treatment or habilitation, treatment plans, review proceedings, including review of treatment and treatment plans, and discharge of the defendant after such order shall be under the Mental Health and Developmental Disabilities Code, except that the initial order for admission of a defendant acquitted of a felony by reason of insanity shall be for an indefinite period of time. Such period of commitment shall not exceed the maximum length of time that the defendant would have been required to serve, less credit for good behavior as provided in Section 5-4-1 of the Unified Code of Corrections, before becoming eligible for release had he been convicted of and received the maximum sentence for the most serious crime for which he has been acquitted by reason of insanity. The Court shall determine the maximum period of commitment by an appropriate order. During this period of time, the defendant shall not be permitted to be in the community in any manner, including but not limited to off-grounds privileges, with or without escort by personnel of the Department of Human Services, unsupervised on-grounds privileges, discharge or conditional or temporary release, except by a plan as provided in this Section. In no event shall a defendant's continued unauthorized absence be a basis for discharge. Not more than 30 days after admission and every 60 days thereafter so long as the initial order remains in effect, the facility director shall file a treatment plan report in writing with the court and forward a copy of the treatment plan report to the clerk of the court, the State's Attorney, and the defendant's attorney, if the defendant is represented by counsel, or to a person authorized by the defendant under the Mental Health and Developmental Disabilities Confidentiality Act to be sent a copy of the report. The report shall include an opinion as to whether the defendant is currently in need of mental health services on an inpatient basis or in need of mental health services on an outpatient basis. The report shall also summarize the basis for those findings and provide a current summary of the following items from the treatment plan: (1) an assessment of the defendant's treatment needs, (2) a description of the services recommended for treatment, (3) the goals of each type of element of service, (4) an anticipated timetable for the accomplishment of the goals, and (5) a designation of the qualified professional responsible for the implementation of the plan. The report may also include unsupervised on-grounds privileges, off-grounds privileges (with or without escort by personnel of the Department of Human Services), home visits and participation in work programs, but only where such privileges have been approved by specific court order, which order may include such conditions on the defendant as the Court may deem appropriate and necessary to reasonably assure the defendant's satisfactory progress in treatment and the safety of the defendant and others.

(c) Every defendant acquitted of a felony by reason of insanity and subsequently found to be in need of mental health services shall be represented by counsel in all proceedings under this Section and under the Mental Health and Developmental Disabilities Code.

(1) The Court shall appoint as counsel the public defender or an attorney licensed by this State.

(2) Upon filing with the Court of a verified statement of legal services rendered by the private attorney appointed pursuant to paragraph (1) of this subsection, the Court shall determine a reasonable fee for such services. If the defendant is unable to pay the fee, the Court shall enter an order upon the State to pay the entire fee or such amount as the defendant is unable to pay from funds appropriated by the General Assembly for that purpose.

(d) When the facility director determines that:

(1) the defendant is no longer in need of mental health services on an inpatient basis; and

(2) the defendant may be conditionally released because he or she is still in need of mental health services or that the defendant may be discharged as not in need of any mental health services; or

(3) the defendant no longer requires placement in a secure setting;

the facility director shall give written notice to the Court, State's Attorney and defense attorney. Such

notice shall set forth in detail the basis for the recommendation of the facility director, and specify clearly the recommendations, if any, of the facility director, concerning conditional release. Any recommendation for conditional release shall include an evaluation of the defendant's need for psychotropic medication, what provisions should be made, if any, to ensure that the defendant will continue to receive psychotropic medication following discharge, and what provisions should be made to assure the safety of the defendant and others in the event the defendant is no longer receiving psychotropic medication. Within 30 days of the notification by the facility director, the Court shall set a hearing and make a finding as to whether the defendant is:

(i) (blank); or

(ii) in need of mental health services in the form of inpatient care; or

(iii) in need of mental health services but not subject to inpatient care; or

(iv) no longer in need of mental health services; or

(v) no longer requires placement in a secure setting.

Upon finding by the Court, the Court shall enter its findings and such appropriate order as provided in subsection (a) of this Section.

(e) A defendant admitted pursuant to this Section, or any person on his behalf, may file a petition for treatment plan review, transfer to a non-secure setting within the Department of Human Services or discharge or conditional release under the standards of this Section in the Court which rendered the verdict. Upon receipt of a petition for treatment plan review, transfer to a non-secure setting or discharge or conditional release, the Court shall set a hearing to be held within 120 days. Thereafter, no new petition may be filed for 180 days without leave of the Court.

(f) The Court shall direct that notice of the time and place of the hearing be served upon the defendant, the facility director, the State's Attorney, and the defendant's attorney. If requested by either the State or the defense or if the Court feels it is appropriate, an impartial examination of the defendant by a psychiatrist or clinical psychologist as defined in Section 1-103 of the Mental Health and Developmental Disabilities Code who is not in the employ of the Department of Human Services shall be ordered, and the report considered at the time of the hearing.

(g) The findings of the Court shall be established by clear and convincing evidence. The burden of proof and the burden of going forth with the evidence rest with the defendant or any person on the defendant's behalf when a hearing is held to review a petition filed by or on behalf of the defendant. The evidence shall be presented in open Court with the right of confrontation and cross-examination. Such evidence may include, but is not limited to:

(1) whether the defendant appreciates the harm caused by the defendant to others and the community by his or her prior conduct that resulted in the finding of not guilty by reason of insanity;

(2) Whether the person appreciates the criminality of conduct <u>similar</u> ~~similiar~~ to the conduct for which he or she was originally charged in this matter;

(3) the current state of the defendant's illness;

(4) what, if any, medications the defendant is taking to control his or her mental illness;

(5) what, if any, adverse physical side effects the medication has on the defendant;

(6) the length of time it would take for the defendant's mental health to deteriorate if the defendant stopped taking prescribed medication;

(7) the defendant's history or potential for alcohol and drug abuse;

(8) the defendant's past criminal history;

(9) any specialized physical or medical needs of the defendant;

(10) any family participation or involvement expected upon release and what is the willingness and ability of the family to participate or be involved;

(11) the defendant's potential to be a danger to himself, herself, or others; and

(12) any other factor or factors the Court deems appropriate.

(h) Before the court orders that the defendant be discharged or conditionally released, it shall order the facility director to establish a discharge plan that includes a plan for the defendant's shelter, support, and medication. If appropriate, the court shall order that the facility director establish a program to train the defendant in self-medication under standards established by the Department of Human Services. If the Court finds, consistent with the provisions of this Section, that the defendant is no longer in need of mental health services it shall order the facility director to discharge the defendant. If the Court finds, consistent with the provisions of this Section, that the defendant is in need of mental health services, and no longer in need of inpatient care, it shall order the facility director to release the defendant under such conditions as the Court deems appropriate and as provided by this Section. Such conditional release shall be imposed for a period of 5 years as provided in paragraph (1) (D) of subsection (a) and shall be subject to later modification by the Court as provided by this Section. If the Court finds consistent with the

provisions in this Section that the defendant is in need of mental health services on an inpatient basis, it shall order the facility director not to discharge or release the defendant in accordance with paragraph (b) of this Section.

(i) If within the period of the defendant's conditional release the State's Attorney determines that the defendant has not fulfilled the conditions of his or her release, the State's Attorney may petition the Court to revoke or modify the conditional release of the defendant. Upon the filing of such petition the defendant may be remanded to the custody of the Department, or to any other mental health facility designated by the Department, pending the resolution of the petition. Nothing in this Section shall prevent the emergency admission of a defendant pursuant to Article VI of Chapter III of the Mental Health and Developmental Disabilities Code or the voluntary admission of the defendant pursuant to Article IV of Chapter III of the Mental Health and Developmental Disabilities Code. If the Court determines, after hearing evidence, that the defendant has not fulfilled the conditions of release, the Court shall order a hearing to be held consistent with the provisions of paragraph (f) and (g) of this Section. At such hearing, if the Court finds that the defendant is in need of mental health services on an inpatient basis, it shall enter an order remanding him or her to the Department of Human Services or other facility. If the defendant is remanded to the Department of Human Services, he or she shall be placed in a secure setting unless the Court determines that there are compelling reasons that such placement is not necessary. If the Court finds that the defendant continues to be in need of mental health services but not on an inpatient basis, it may modify the conditions of the original release in order to reasonably assure the defendant's satisfactory progress in treatment and his or her safety and the safety of others in accordance with the standards established in paragraph (1) (D) of subsection (a). Nothing in this Section shall limit a Court's contempt powers or any other powers of a Court.

(j) An order of admission under this Section does not affect the remedy of habeas corpus.

(k) In the event of a conflict between this Section and the Mental Health and Developmental Disabilities Code or the Mental Health and Developmental Disabilities Confidentiality Act, the provisions of this Section shall govern.

(l) This amendatory Act shall apply to all persons who have been found not guilty by reason of insanity and who are presently committed to the Department of Mental Health and Developmental Disabilities (now the Department of Human Services).

(m) The Clerk of the Court shall, after the entry of an order of transfer to a non-secure setting of the Department of Human Services or discharge or conditional release, transmit a certified copy of the order to the Department of Human Services, and the sheriff of the county from which the defendant was admitted. The Clerk of the Court shall also transmit a certified copy of the order of discharge or conditional release to the Illinois Department of State Police, to the proper law enforcement agency for the municipality where the offense took place, and to the sheriff of the county into which the defendant is conditionally discharged. The Illinois Department of State Police shall maintain a centralized record of discharged or conditionally released defendants while they are under court supervision for access and use of appropriate law enforcement agencies. (Source: P.A. 93-78, eff. 1-1-04; 93-473, eff. 8-8-03; revised 9-15-03.)

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 Shadid, **House Bill No. 697**, 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 44; Nays 7.

The following voted in the affirmative:

Althoff	Haine	Radogno	Sullivan, J.
Bomke	Halvorson	Rauschenberger	Syverson

Brady	Jacobs	Righter	Viverito
Burzynski	Jones, J.	Risinger	Walsh
Clayborne	Jones, W.	Roskam	Watson
Cronin	Lauzen	Rutherford	Winkel
Crotty	Link	Schoenberg	Wojcik
del Valle	Maloney	Shadid	Mr. President
Demuzio	Meeks	Sieben	
Forby	Munoz	Silverstein	
Garrett	Peterson	Soden	
Geo-Karis	Petka	Sullivan, D.	

The following voted in the negative:

Collins	Hendon	Ronen	Welch
DeLeo	Hunter	Trotter	

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

Ordered that the title be as aforesaid, and 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 Link, **House Bill No. 716** was recalled from the order of third reading to the order of second reading.

Senator Link offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1____. Amend House Bill 716 by replacing everything after the enacting clause with the following:

"Section 5.

The Illinois Vehicle Code is amended by changing Sections 15-107, 15-111, 15-301, and 15-308.2 as follows:

(625 ILCS 5/15-107) (from Ch. 95 1/2, par. 15-107)

Sec. 15-107. Length of vehicles. (a) The maximum length of a single vehicle on any highway of this State may not exceed 42 feet except the following:

(1) Semitrailers.

(2) Charter or regulated route buses may be up to 45 feet in length, not including energy absorbing bumpers.

(a-1) A motor home as defined in Section 1-145.01 may be up to 45 feet in length, not including energy absorbing bumpers. The length limitations described in this subsection (a-1) shall be exclusive of energy-absorbing bumpers and rear view mirrors.

(b) On all non-State highways, the maximum length of vehicles in combinations is as follows:

(1) A truck tractor in combination with a semitrailer may not exceed 55 feet overall dimension.

(2) A truck tractor-semitrailer-trailer may not exceed 60 feet overall dimension.

(3) Combinations specially designed to transport motor vehicles or boats may not exceed 60 feet overall dimension.

Vehicles operating during daylight hours when transporting poles, pipes, machinery, or other objects of a structural nature that cannot readily be dismembered are exempt from length limitations, provided that no object may exceed 80 feet in length and the overall dimension of the vehicle including the load may not exceed 100 feet. This exemption does not apply to operation on a Saturday, Sunday, or legal holiday. Legal holidays referred to in this Section are the days on which the following traditional holidays are celebrated: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; and Christmas Day.

Vehicles and loads operated by a public utility while en route to make emergency repairs to public service facilities or properties are exempt from length limitations, provided that during night operations every vehicle and its load must be equipped with a sufficient number of clearance lamps on both sides and marker lamps on the extreme ends of any projecting load to clearly mark the dimensions of the load.

A tow truck in combination with a disabled vehicle or combination of disabled vehicles, as provided

in paragraph (6) of subsection (c) of this Section, is exempt from length limitations.

All other combinations not listed in this subsection (b) may not exceed 60 feet overall dimension.

(c) Combinations of vehicles may not exceed a total of 2 vehicles except the following:

(1) A truck tractor semitrailer may draw one trailer.

(2) A truck tractor semitrailer may draw one converter dolly.

(3) A truck tractor semitrailer may draw one vehicle that is defined in Chapter 1 as special mobile equipment, provided the overall dimension does not exceed 60 feet.

(4) A truck in transit may draw 3 trucks in transit coupled together by the triple saddlemount method.

(5) Recreational vehicles consisting of 3 vehicles, provided the following:

(A) The total overall dimension does not exceed 60 feet.

(B) The towing vehicle is a properly registered vehicle capable of towing another vehicle using a fifth-wheel type assembly.

(C) The second vehicle in the combination of vehicles is a recreational vehicle that is towed by a fifth-wheel assembly. This vehicle must be properly registered and must be equipped with brakes, regardless of weight.

(D) The third vehicle must be the lightest of the 3 vehicles and be a trailer or semitrailer designed or used for transporting a boat, all-terrain vehicle, personal watercraft, or motorcycle.

(E) The towed vehicles may be only for the use of the operator of the towing vehicle.

(F) All vehicles must be properly equipped with operating brakes and safety equipment required by this Code, except the additional brake requirement in subdivision (C) of this subparagraph (5).

(6) A tow truck in combination with a disabled vehicle or combination of disabled vehicles, provided the towing vehicle:

(A) Is specifically designed as a tow truck having a gross vehicle weight rating of at least 18,000 pounds and equipped with air brakes, provided that air brakes are required only if the towing vehicle is towing a vehicle, semitrailer, or tractor-trailer combination that is equipped with air brakes. For the purpose of this subsection, gross vehicle weight rating, or GVWR, means the value specified by the manufacturer as the loaded weight of the tow truck.

(B) Is equipped with flashing, rotating, or oscillating amber lights, visible for at least 500 feet in all directions.

(C) Is capable of utilizing the lighting and braking systems of the disabled vehicle or combination of vehicles.

(D) Does not engage a tow exceeding 50 highway miles from the initial point of wreck or disablement to a place of repair. Any additional movement of the vehicles may occur only upon issuance of authorization for that movement under the provisions of Sections 15-301 through 15-319 of this Code.

The Department may by rule or regulation prescribe additional requirements regarding length limitations for a tow truck towing another vehicle.

For purposes of this Section, a tow-dolly that merely serves as substitute wheels for another legally licensed vehicle is considered part of the licensed vehicle and not a separate vehicle.

(d) On Class I highways there are no overall length limitations on motor vehicles operating in combinations provided:

(1) The length of a semitrailer, unladen or with load, in combination with a truck tractor may not exceed 53 feet.

(2) The distance between the kingpin and the center of the rear axle of a semitrailer longer than 48 feet, in combination with a truck tractor, may not exceed 45 feet 6 inches.

(3) The length of a semitrailer or trailer, unladen or with load, operated in a truck tractor-semitrailer-trailer combination, may not exceed 28 feet 6 inches.

(4) Maxi-cube combinations, as defined in Chapter 1, may not exceed 65 feet overall dimension.

(5) Combinations of vehicles specifically designed to transport motor vehicles or boats may not exceed 65 feet overall dimension. The length limitation is inclusive of front and rear bumpers but exclusive of the overhang of the transported vehicles, as provided in paragraph (i) of this Section.

(6) Stinger steered semitrailer vehicles as defined in Chapter 1, specifically designed to transport motor vehicles or boats, may not exceed 75 feet overall dimension. The length limitation is inclusive of front and rear bumpers but exclusive of the overhang of the transported vehicles, as provided in paragraph (i) of this Section.

(7) A truck in transit transporting 3 trucks coupled together by the triple saddlemount method may not exceed 75 feet overall dimension.

Vehicles operating during daylight hours when transporting poles, pipes, machinery, or other objects of a structural nature that cannot readily be dismembered are exempt from length limitations, provided that no object may exceed 80 feet in length and the overall dimension of the vehicle including the load may not exceed 100 feet. This exemption does not apply to operation on a Saturday, Sunday, or legal holiday. Legal holidays referred to in this Section are the days on which the following traditional holidays are celebrated: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; and Christmas Day.

Vehicles and loads operated by a public utility while en route to make emergency repairs to public service facilities or properties are exempt from length limitations, provided that during night operations every vehicle and its load must be equipped with a sufficient number of clearance lamps on both sides and marker lamps on the extreme ends of any projecting load to clearly mark the dimensions of the load.

A tow truck in combination with a disabled vehicle or combination of disabled vehicles, as provided in paragraph (6) of subsection (c) of this Section, is exempt from length limitations.

The length limitations described in this paragraph (d) shall be exclusive of safety and energy conservation devices, such as bumpers, refrigeration units or air compressors and other devices, that the Department may interpret as necessary for safe and efficient operation; except that no device excluded under this paragraph shall have by its design or use the capability to carry cargo.

Section 5-35 of the Illinois Administrative Procedure Act relating to procedures for rulemaking shall not apply to the designation of highways under this paragraph (d).

(e) On Class II highways there are no overall length limitations on motor vehicles operating in combinations, provided:

(1) The length of a semitrailer, unladen or with load, in combination with a truck tractor, may not exceed 53 feet overall dimension.

(2) The distance between the kingpin and the center of the rear axle of a semitrailer longer than 48 feet, in combination with a truck tractor, may not exceed 45 feet 6 inches.

(3) A truck tractor-semitrailer-trailer combination may not exceed 65 feet in dimension from front axle to rear axle.

(4) The length of a semitrailer or trailer, unladen or with load, operated in a truck tractor-semitrailer-trailer combination, may not exceed 28 feet 6 inches.

(5) Maxi-cube combinations, as defined in Chapter 1, may not exceed 65 feet overall dimension.

(6) A combination of vehicles, specifically designed to transport motor vehicles or boats, may not exceed 65 feet overall dimension. The length limitation is inclusive of front and rear bumpers but exclusive of the overhang of the transported vehicles, as provided in paragraph (i) of this Section.

(7) Stinger steered semitrailer vehicles, as defined in Chapter 1, specifically designed to transport motor vehicles or boats, may not exceed 75 feet overall dimension. The length limitation is inclusive of front and rear bumpers but exclusive of the overhang of the transported vehicles, as provided in paragraph (i) of this Section.

(8) A truck in transit transporting 3 trucks coupled together by the triple saddlemount method may not exceed 75 feet overall dimension.

Vehicles operating during daylight hours when transporting poles, pipes, machinery, or other objects of a structural nature that cannot readily be dismembered are exempt from length limitations, provided that no object may exceed 80 feet in length and the overall dimension of the vehicle including the load may not exceed 100 feet. This exemption does not apply to operation on a Saturday, Sunday, or legal holiday. Legal holidays referred to in this Section are the days on which the following traditional holidays are celebrated: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; and Christmas Day.

Vehicles and loads operated by a public utility while en route to make emergency repairs to public service facilities or properties are exempt from length limitations, provided that during night operations every vehicle and its load must be equipped with a sufficient number of clearance lamps on both sides and marker lamps on the extreme ends of any projecting load to clearly mark the dimensions of the load.

A tow truck in combination with a disabled vehicle or combination of disabled vehicles, as provided in paragraph (6) of subsection (c) of this Section, is exempt from length limitations.

Local authorities, with respect to streets and highways under their jurisdiction, may also by ordinance or resolution allow length limitations of this subsection (e).

The length limitations described in this paragraph (e) shall be exclusive of safety and energy conservation devices, such as bumpers, refrigeration units or air compressors and other devices, that the Department may interpret as necessary for safe and efficient operation; except that no device excluded under this paragraph shall have by its design or use the capability to carry cargo.

(e-1) Combinations of vehicles not exceeding 65 feet overall length are allowed access as follows:

(1) From any State designated highway onto any county, township, or municipal highway for a distance of 5 highway miles for the purpose of loading and unloading, provided:

(A) The vehicle does not exceed 73,280 pounds in gross weight and 8 feet 6 inches in width.

(B) There is no sign prohibiting that access.

(C) The route is not being used as a thoroughfare between State designated highways.

(2) From any State designated highway onto any county or township highway for a distance of 5 highway miles or onto any municipal highway for a distance of one highway mile for the purpose of food, fuel, repairs, and rest, provided:

(A) The vehicle does not exceed 73,280 pounds in gross weight and 8 feet 6 inches in width.

(B) There is no sign prohibiting that access.

(C) The route is not being used as a thoroughfare between State designated highways.

(e-2) Except as provided in subsection (e-3), combinations of vehicles over 65 feet in length, with no overall length limitation except as provided in subsections (d) and (e) of this Section, are allowed access as follows:

(1) From a Class I highway onto any street or highway for a distance of one highway mile for the purpose of loading, unloading, food, fuel, repairs, and rest, provided there is no sign prohibiting that access.

(2) From a Class I or Class II highway onto any State highway or any locally designated highway for a distance of 5 highway miles for the purpose of loading, unloading, food, fuel, repairs, and rest.

(e-3) Combinations of vehicles over 65 feet in length operated by household goods carriers, with no overall length limitations except as provided in subsections (d) and (e) of this Section, have unlimited access to points of loading and unloading.

Section 5-35 of the Illinois Administrative Procedure Act relating to procedures for rulemaking shall not apply to the designation of highways under this paragraph (e).

(f) On Class III and other non-designated State highways, the length limitations for vehicles in combination are as follows:

(1) Truck tractor-semitrailer combinations, must comply with either a maximum 55 feet overall wheel base or a maximum 65 feet extreme overall dimension.

(2) Semitrailers, unladen or with load, may not exceed 53 feet overall dimension.

(3) No truck tractor-semitrailer-trailer combination may exceed 60 feet extreme overall dimension.

(4) The distance between the kingpin and the center axle of a semitrailer longer than 48 feet, in combination with a truck tractor, may not exceed 42 feet 6 inches.

(g) Length limitations in the preceding subsections of this Section 15-107 do not apply to the following:

(1) Vehicles operated in the daytime, except on Saturdays, Sundays, or legal holidays, when transporting poles, pipe, machinery, or other objects of a structural nature that cannot readily be dismembered, provided the overall length of vehicle and load may not exceed 100 feet and no object exceeding 80 feet in length may be transported unless a permit has been obtained as authorized in Section 15-301.

(2) Vehicles and loads operated by a public utility while en route to make emergency repairs to public service facilities or properties, but during night operation every vehicle and its load must be equipped with a sufficient number of clearance lamps on both sides and marker lamps upon the extreme ends of any projecting load to clearly mark the dimensions of the load.

(3) A tow truck in combination with a disabled vehicle or combination of disabled vehicles, provided the towing vehicle meets the following conditions:

(A) It is specifically designed as a tow truck having a gross vehicle weight rating of at least 18,000 pounds and equipped with air brakes, provided that air brakes are required only if the towing vehicle is towing a vehicle, semitrailer, or tractor-trailer combination that is equipped with air brakes.

(B) It is equipped with flashing, rotating, or oscillating amber lights, visible for at least 500 feet in all directions.

(C) It is capable of utilizing the lighting and braking systems of the disabled vehicle or combination of vehicles.

(D) It does not engage in a tow exceeding 50 miles from the initial point of wreck or disablement.

The Department may by rule or regulation prescribe additional requirements regarding length limitations for a tow truck towing another vehicle. <u>The towing vehicle, however, may tow any disabled vehicle from the initial point of wreck or disablement to a point where repairs are actually to occur. This movement shall be valid only on State routes. The tower must abide by posted bridge weight limits.</u>

For the purpose of this subsection, gross vehicle weight rating, or GVWR, shall mean the value specified by the manufacturer as the loaded weight of the tow truck. Legal holidays referred to in this Section shall be specified as the day on which the following traditional holidays are celebrated:

New Year's Day;

Memorial Day;

Independence Day;

Labor Day;

Thanksgiving Day; and

Christmas Day.

(h) The load upon any vehicle operated alone, or the load upon the front vehicle of a combination of vehicles, shall not extend more than 3 feet beyond the front wheels of the vehicle or the front bumper of the vehicle if it is equipped with a front bumper. The provisions of this subsection (h) shall not apply to any vehicle or combination of vehicles specifically designed for the collection and transportation of waste, garbage, or recyclable materials during the vehicle's operation in the course of collecting garbage, waste, or recyclable materials if the vehicle is traveling at a speed not in excess of 15 miles per hour during the vehicle's operation and in the course of collecting garbage, waste, or recyclable materials. However, in no instance shall the load extend more than 7 feet beyond the front wheels of the vehicle or the front bumper of the vehicle if it is equipped with a front bumper.

(i) The load upon the front vehicle of a combination of vehicles specifically designed to transport motor vehicles shall not extend more than 3 feet beyond the foremost part of the transporting vehicle and the load upon the rear transporting vehicle shall not extend more than 4 feet beyond the rear of the bed or body of the vehicle. This paragraph shall only be applicable upon highways designated in paragraphs (d) and (e) of this Section.

(j) Articulated vehicles comprised of 2 sections, neither of which exceeds a length of 42 feet, designed for the carrying of more than 10 persons, may be up to 60 feet in length, not including energy absorbing bumpers, provided that the vehicles are:

1. operated by or for any public body or motor carrier authorized by law to provide public transportation services; or

2. operated in local public transportation service by any other person and the municipality in which the service is to be provided approved the operation of the vehicle.

(j-1) (Blank).

(k) Any person who is convicted of violating this Section is subject to the penalty as provided in paragraph (b) of Section 15-113.

(l) (Blank). (Source: P.A. 92-417, eff. 1-1-02; 92-766, eff. 1-1-03; 92-883, eff. 1-13-03; 93-177, eff. 7-11-03.)

(625 ILCS 5/15-111) (from Ch. 95 1/2, par. 15-111)

Sec. 15-111. Wheel and axle loads and gross weights. (a) On non-designated highways, no vehicle or combination of vehicles equipped with pneumatic tires may be operated, unladen or with load, when the total weight transmitted to the road surface exceeds 18,000 pounds on a single axle or 32,000 pounds on a tandem axle with no axle within the tandem exceeding 18,000 pounds except:

(1) when a different limit is established and posted in accordance with Section 15-316 of this Code;

(2) vehicles for which the Department of Transportation and local authorities issue overweight permits under authority of Section 15-301 of this Code;

(3) tow trucks subject to the conditions provided in subsection (d) may not exceed 24,000 pounds on a single rear axle or 44,000 pounds on a tandem rear axle;

(4) any single axle of a 2-axle truck weighing 36,000 pounds or less and not a part of a combination of vehicles, shall not exceed 20,000 pounds;

(5) any single axle of a 2-axle truck equipped with a personnel lift or digger derrick, weighing 36,000 pounds or less, owned and operated by a public utility, shall not exceed 20,000 pounds;

(6) any single axle of a 2-axle truck specially equipped with a front loading compactor used exclusively for garbage, refuse, or recycling may not exceed 20,000 pounds per axle, provided that the gross weight of the vehicle does not exceed 40,000 pounds;

(7) a truck, not in combination and specially equipped with a selfcompactor or an industrial roll-off hoist and roll-off container, used exclusively for garbage or refuse operations may, when laden, transmit upon the road surface the following maximum weights: 22,000 pounds on a single axle; 40,000 pounds on a tandem axle;

(8) a truck, not in combination and used exclusively for the collection of rendering materials, may, when laden, transmit upon the road surface the following maximum weights: 22,000 pounds on a

single axle; 40,000 pounds on a tandem axle;

(9) tandem axles on a 3-axle truck registered as a Special Hauling Vehicle, manufactured prior to or in the model year of 2014 and first registered in Illinois prior to January 1, 2015, with a distance greater than 72 inches but not more than 96 inches between any series of 2 axles, is allowed a combined weight on the series not to exceed 36,000 pounds and neither axle of the series may exceed 18,000 pounds. Any vehicle of this type manufactured after the model year of 2014 or first registered in Illinois after December 31, 2014 may not exceed a combined weight of 32,000 pounds through the series of 2 axles and neither axle of the series may exceed 18,000 pounds;

(10) tandem axles on a 4-axle truck mixer, whose fourth axle is a road surface engaging mixer trailing axle, registered as a Special Hauling Vehicle, used exclusively for the mixing and transportation of concrete and manufactured prior to or in the model year of 2014 and first registered in Illinois prior to January 1, 2015, with a distance greater than 72 inches but not more than 96 inches between any series of 2 axles, is allowed a combined weight on the series not to exceed 36,000 pounds and neither axle of the series may exceed 18,000 pounds. Any vehicle of this type manufactured after the model year of 2014 or first registered in Illinois after December 31, 2014 may not exceed a combined weight of 32,000 pounds through the series of 2 axles and neither axle of the series may exceed 18,000 pounds;

(11) 4-axle vehicles or a 5 or more axle combination of vehicles: The weight transmitted upon the road surface through any series of 3 axles whose centers are more than 96 inches apart, measured between extreme axles in the series, may not exceed those allowed in the table contained in subsection (f) of this Section. No axle or tandem axle of the series may exceed the maximum weight permitted under this Section for a single or tandem axle.

No vehicle or combination of vehicles equipped with other than pneumatic tires may be operated, unladen or with load, upon the highways of this State when the gross weight on the road surface through any wheel exceeds 800 pounds per inch width of tire tread or when the gross weight on the road surface through any axle exceeds 16,000 pounds.

(b) On non-designated highways, the gross weight of vehicles and combination of vehicles including the weight of the vehicle or combination and its maximum load shall be subject to the foregoing limitations and further shall not exceed the following gross weights dependent upon the number of axles and distance between extreme axles of the vehicle or combination measured longitudinally to the nearest foot.

VEHICLES HAVING 2 AXLES ..... 36,000 pounds

VEHICLES OR COMBINATIONS HAVING 3 AXLES

With Tandem Axles		With or Without Tandem Axles	
Minimum distance to nearest foot between extreme axles	Maximum Gross Weight (pounds)	Minimum distance to nearest foot between extreme axles	Maximum Gross Weight (pounds)
10 feet	41,000	16 feet	46,000
11	42,000	17	47,000
12	43,000	18	47,500
13	44,000	19	48,000
14	44,500	20	49,000
15	45,000	21 feet or more	50,000

VEHICLES OR COMBINATIONS HAVING 4 AXLES

Minimum distance to nearest foot	Maximum Gross	Minimum distance to nearest foot	Maximum Gross

between extreme axles	Weight (pounds)	between extreme axles	Weight (pounds)
15 feet	50,000	26 feet	57,500
16	50,500	27	58,000
17	51,500	28	58,500
18	52,000	29	59,500
19	52,500	30	60,000
20	53,500	31	60,500
21	54,000	32	61,500
22	54,500	33	62,000
23	55,500	34	62,500
24	56,000	35	63,500
25	56,500	36 feet or more	64,000

A vehicle not in a combination having more than 4 axles may not exceed the weight in the table in this subsection (b) for 4 axles measured between the extreme axles of the vehicle.

COMBINATIONS HAVING 5 OR MORE AXLES

Minimum distance to nearest foot between extreme axles	Maximum Gross Weight (pounds)
42 feet or less	72,000
43	73,000
44 feet or more	73,280

VEHICLES OPERATING ON CRAWLER TYPE TRACKS ..... 40,000 pounds

TRUCKS EQUIPPED WITH SELFCOMPACTORS
OR ROLL-OFF HOISTS AND ROLL-OFF CONTAINERS FOR GARBAGE
OR REFUSE HAULS ONLY AND TRUCKS USED FOR
THE COLLECTION OF RENDERING MATERIALS
On Highway Not Part of National System
of Interstate and Defense Highways

with 2 axles 36,000 pounds
with 3 axles 54,000 pounds

TWO AXLE TRUCKS EQUIPPED WITH
A FRONT LOADING COMPACTOR USED EXCLUSIVELY
FOR THE COLLECTION OF GARBAGE, REFUSE, OR RECYCLING

with 2 axles 40,000 pounds

(c) Cities having a population of more than 50,000 may permit by ordinance axle loads on 2 axle motor vehicles 33 1/2% above those provided for herein, but the increase shall not become effective until the city has officially notified the Department of the passage of the ordinance and shall not apply to those vehicles when outside of the limits of the city, nor shall the gross weight of any 2 axle motor vehicle operating over any street of the city exceed 40,000 pounds.

(d) Weight limitations shall not apply to vehicles (including loads) operated by a public utility when transporting equipment required for emergency repair of public utility facilities or properties or water wells.

A combination of vehicles, including a tow truck and a disabled vehicle or disabled combination of vehicles, that exceeds the weight restriction imposed by this Code, may be operated on a public highway in this State provided that neither the disabled vehicle nor any vehicle being towed nor the tow truck itself shall exceed the weight limitations permitted under this Chapter. During the towing operation, neither the tow truck nor the vehicle combination shall exceed 24,000 pounds on a single rear axle and

44,000 pounds on a tandem rear axle, provided the towing vehicle:

(1) is specifically designed as a tow truck having a gross vehicle weight rating of at least 18,000 pounds and is equipped with air brakes, provided that air brakes are required only if the towing vehicle is towing a vehicle, semitrailer, or tractor-trailer combination that is equipped with air brakes;

(2) is equipped with flashing, rotating, or oscillating amber lights, visible for at least 500 feet in all directions;

(3) is capable of utilizing the lighting and braking systems of the disabled vehicle or combination of vehicles; and

(4) does not engage in a tow exceeding 20 miles from the initial point of wreck or disablement. Any additional movement of the vehicles may occur only upon issuance of authorization for that movement under the provisions of Sections 15-301 through 15-319 of this Code. <u>The towing vehicle, however, may tow any disabled vehicle from the initial point of wreck or disablement to a point where repairs are actually to occur. This movement shall be valid only on State routes. The tower must abide by posted bridge weight limits.</u>

Gross weight limits shall not apply to the combination of the tow truck and vehicles being towed. The tow truck license plate must cover the operating empty weight of the tow truck only. The weight of each vehicle being towed shall be covered by a valid license plate issued to the owner or operator of the vehicle being towed and displayed on that vehicle. If no valid plate issued to the owner or operator of that vehicle is displayed on that vehicle, or the plate displayed on that vehicle does not cover the weight of the vehicle, the weight of the vehicle shall be covered by the third tow truck plate issued to the owner or operator of the tow truck and temporarily affixed to the vehicle being towed.

The Department may by rule or regulation prescribe additional requirements. However, nothing in this Code shall prohibit a tow truck under instructions of a police officer from legally clearing a disabled vehicle, that may be in violation of weight limitations of this Chapter, from the roadway to the berm or shoulder of the highway. If in the opinion of the police officer that location is unsafe, the officer is authorized to have the disabled vehicle towed to the nearest place of safety.

For the purpose of this subsection, gross vehicle weight rating, or GVWR, shall mean the value specified by the manufacturer as the loaded weight of the tow truck.

(e) No vehicle or combination of vehicles equipped with pneumatic tires shall be operated, unladen or with load, upon the highways of this State in violation of the provisions of any permit issued under the provisions of Sections 15-301 through 15-319 of this Chapter.

(f) On designated Class I, II, or III highways and the National System of Interstate and Defense Highways, no vehicle or combination of vehicles with pneumatic tires may be operated, unladen or with load, when the total weight on the road surface exceeds the following: 20,000 pounds on a single axle; 34,000 pounds on a tandem axle with no axle within the tandem exceeding 20,000 pounds; 80,000 pounds gross weight for vehicle combinations of 5 or more axles; or a total weight on a group of 2 or more consecutive axles in excess of that weight produced by the application of the following formula: W = 500 times the sum of (LN divided by N-1) + 12N + 36, where "W" equals overall total weight on any group of 2 or more consecutive axles to the nearest 500 pounds, "L" equals the distance measured to the nearest foot between extremes of any group of 2 or more consecutive axles, and "N" equals the number of axles in the group under consideration.

The above formula when expressed in tabular form results in allowable loads as follows:

Distance measured to the nearest foot between the extremes of any group of 2 or more consecutive axles	Maximum weight in pounds of any group of 2 or more consecutive axles				
feet	2 axles	3 axles	4 axles	5 axles	6 axles
4	34,000				
5	34,000				
6	34,000				
7	34,000				
8	38,000*	42,000			
9	39,000	42,500			
10	40,000	43,500			

11	44,000			
12	45,000	50,000		
13	45,500	50,500		
14	46,500	51,500		
15	47,000	52,000		
16	48,000	52,500	58,000	
17	48,500	53,500	58,500	
18	49,500	54,000	59,000	
19	50,000	54,500	60,000	
20	51,000	55,500	60,500	66,000
21	51,500	56,000	61,000	66,500
22	52,500	56,500	61,500	67,000
23	53,000	57,500	62,500	68,000
24	54,000	58,000	63,000	68,500
25	54,500	58,500	63,500	69,000
26	55,500	59,500	64,000	69,500
27	56,000	60,000	65,000	70,000
28	57,000	60,500	65,500	71,000
29	57,500	61,500	66,000	71,500
30	58,500	62,000	66,500	72,000
31	59,000	62,500	67,500	72,500
32	60,000	63,500	68,000	73,000
33	64,000	68,500	74,000	
34	64,500	69,000	74,500	
35	65,500	70,000	75,000	
36	66,000	70,500	75,500	
37	66,500	71,000	76,000	
38	67,500	72,000	77,000	
39	68,000	72,500	77,500	
40	68,500	73,000	78,000	
41	69,500	73,500	78,500	
42	70,000	74,000	79,000	
43	70,500	75,000	80,000	
44	71,500	75,500		
45	72,000	76,000		
46	72,500	76,500		
47	73,500	77,500		
48	74,000	78,000		
49	74,500	78,500		
50	75,500	79,000		
51	76,000	80,000		
52	76,500			
53	77,500			
54	78,000			
55	78,500			

56	79,500
57	80,000

*If the distance between 2 axles is 96 inches or less, the 2 axles are tandem axles and the maximum total weight may not exceed 34,000 pounds, notwithstanding the higher limit resulting from the application of the formula.

Vehicles not in a combination having more than 4 axles may not exceed the weight in the table in this subsection (f) for 4 axles measured between the extreme axles of the vehicle.

Vehicles in a combination having more than 6 axles may not exceed the weight in the table in this subsection (f) for 6 axles measured between the extreme axles of the combination.

Local authorities, with respect to streets and highways under their jurisdiction, without additional fees, may also by ordinance or resolution allow the weight limitations of this subsection, provided the maximum gross weight on any one axle shall not exceed 20,000 pounds and the maximum total weight on any tandem axle shall not exceed 34,000 pounds, on designated highways when appropriate regulatory signs giving notice are erected upon the street or highway or portion of any street or highway affected by the ordinance or resolution.

The following are exceptions to the above formula:

(1) Two consecutive sets of tandem axles may carry a total weight of 34,000 pounds each if the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more.

(2) Vehicles for which a different limit is established and posted in accordance with Section 15-316 of this Code.

(3) Vehicles for which the Department of Transportation and local authorities issue overweight permits under authority of Section 15-301 of this Code. These vehicles are not subject to the bridge formula.

(4) Tow trucks subject to the conditions provided in subsection (d) may not exceed 24,000 pounds on a single rear axle or 44,000 pounds on a tandem rear axle.

(5) A tandem axle on a 3-axle truck registered as a Special Hauling Vehicle, manufactured prior to or in the model year of 2014, and registered in Illinois prior to January 1, 2015, with a distance between 2 axles in a series greater than 72 inches but not more than 96 inches may not exceed a total weight of 36,000 pounds and neither axle of the series may exceed 18,000 pounds.

(6) A truck not in combination, equipped with a self compactor or an industrial roll-off hoist and roll-off container, used exclusively for garbage or refuse operations, may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on a single axle; 40,000 pounds on a tandem axle; 36,000 pounds gross weight on a 2-axle vehicle; 54,000 pounds gross weight on a 3-axle vehicle. This vehicle is not subject to the bridge formula.

(7) Combinations of vehicles, registered as Special Hauling Vehicles that include a semitrailer manufactured prior to or in the model year of 2014, and registered in Illinois prior to January 1, 2015, having 5 axles with a distance of 42 feet or less between extreme axles, may not exceed the following maximum weights: 18,000 pounds on a single axle; 32,000 pounds on a tandem axle; and 72,000 pounds gross weight. This combination of vehicles is not subject to the bridge formula. For all those combinations of vehicles that include a semitrailer manufactured after the effective date of this amendatory Act of the 92nd General Assembly, the overall distance between the first and last axles of the 2 sets of tandems must be 18 feet 6 inches or more. Any combination of vehicles that has had its cargo container replaced in its entirety after December 31, 2014 may not exceed the weights allowed by the bridge formula.

No vehicle or combination of vehicles equipped with other than pneumatic tires may be operated, unladen or with load, upon the highways of this State when the gross weight on the road surface through any wheel exceeds 800 pounds per inch width of tire tread or when the gross weight on the road surface through any axle exceeds 16,000 pounds.

(f-1) A vehicle and load not exceeding 73,280 pounds is allowed access as follows:

(1) From any State designated highway onto any county, township, or municipal highway for a distance of 5 highway miles for the purpose of loading and unloading, provided:

(A) The vehicle and load does not exceed 8 feet 6 inches in width and 65 feet overall length.

(B) There is no sign prohibiting that access.

(C) The route is not being used as a thoroughfare between State designated highways.

(2) From any State designated highway onto any county or township highway for a distance of 5 highway miles, or any municipal highway for a distance of one highway mile for the purpose of food,

fuel, repairs, and rest, provided:

(A) The vehicle and load does not exceed 8 feet 6 inches in width and 65 feet overall length.

(B) There is no sign prohibiting that access.

(C) The route is not being used as a thoroughfare between State designated highways.

(f-2) A vehicle and load greater than 73,280 pounds in weight but not exceeding 80,000 pounds is allowed access as follows:

(1) From a Class I highway onto any street or highway for a distance of one highway mile for the purpose of loading, unloading, food, fuel, repairs, and rest, provided there is no sign prohibiting that access.

(2) From a Class I, II, or III highway onto any State highway or any local designated highway for a distance of 5 highway miles for the purpose of loading, unloading, food, fuel, repairs, and rest.

Section 5-35 of the Illinois Administrative Procedure Act relating to procedures for rulemaking shall not apply to the designation of highways under this subsection.

(g) No person shall operate a vehicle or combination of vehicles over a bridge or other elevated structure constituting part of a highway with a gross weight that is greater than the maximum weight permitted by the Department, when the structure is sign posted as provided in this Section.

(h) The Department upon request from any local authority shall, or upon its own initiative may, conduct an investigation of any bridge or other elevated structure constituting a part of a highway, and if it finds that the structure cannot with safety to itself withstand the weight of vehicles otherwise permissible under this Code the Department shall determine and declare the maximum weight of vehicles that the structures can withstand, and shall cause or permit suitable signs stating maximum weight to be erected and maintained before each end of the structure. No person shall operate a vehicle or combination of vehicles over any structure with a gross weight that is greater than the posted maximum weight.

(i) Upon the trial of any person charged with a violation of subsections (g) or (h) of this Section, proof of the determination of the maximum allowable weight by the Department and the existence of the signs, constitutes conclusive evidence of the maximum weight that can be maintained with safety to the bridge or structure. (Source: P.A. 92-417, eff. 1-1-02; 93-177, eff. 7-11-03; 93-186, eff. 1-1-04; revised 8-12-03.)

(625 ILCS 5/15-301) (from Ch. 95 1/2, par. 15-301)

Sec. 15-301. Permits for excess size and weight. (a) The Department with respect to highways under its jurisdiction and local authorities with respect to highways under their jurisdiction may, in their discretion, upon application and good cause being shown therefor, issue a special permit authorizing the applicant to operate or move a vehicle or combination of vehicles of a size or weight of vehicle or load exceeding the maximum specified in this Act or otherwise not in conformity with this Act upon any highway under the jurisdiction of the party granting such permit and for the maintenance of which the party is responsible. Applications and permits other than those in written or printed form may only be accepted from and issued to the company or individual making the movement. Except for an application to move directly across a highway, it shall be the duty of the applicant to establish in the application that the load to be moved by such vehicle or combination is composed of a single nondivisible object that cannot reasonably be dismantled or disassembled. For the purpose of over length movements, more than one object may be carried side by side as long as the height, width, and weight laws are not exceeded and the cause for the over length is not due to multiple objects. For the purpose of over height movements, more than one object may be carried as long as the cause for the over height is not due to multiple objects and the length, width, and weight laws are not exceeded. For the purpose of an over width movement, more than one object may be carried as long as the cause for the over width is not due to multiple objects and length, height, and weight laws are not exceeded. No state or local agency shall authorize the issuance of excess size or weight permits for vehicles and loads that are divisible and that can be carried, when divided, within the existing size or weight maximums specified in this Chapter. Any excess size or weight permit issued in violation of the provisions of this Section shall be void at issue and any movement made thereunder shall not be authorized under the terms of the void permit. In any prosecution for a violation of this Chapter when the authorization of an excess size or weight permit is at issue, it is the burden of the defendant to establish that the permit was valid because the load to be moved could not reasonably be dismantled or disassembled, or was otherwise nondivisible.

(b) The application for any such permit shall: (1) state whether such permit is requested for a single trip or for limited continuous operation; (2) state if the applicant is an authorized carrier under the Illinois Motor Carrier of Property Law, if so, his certificate, registration or permit number issued by the Illinois Commerce Commission; (3) specifically describe and identify the vehicle or vehicles and load to be operated or moved except that for vehicles or vehicle combinations registered by the Department as

provided in Section 15-319 of this Chapter, only the Illinois Department of Transportation's (IDT) registration number or classification need be given; (4) state the routing requested including the points of origin and destination, and may identify and include a request for routing to the nearest certified scale in accordance with the Department's rules and regulations, provided the applicant has approval to travel on local roads; and (5) state if the vehicles or loads are being transported for hire. No permits for the movement of a vehicle or load for hire shall be issued to any applicant who is required under the Illinois Motor Carrier of Property Law to have a certificate, registration or permit and does not have such certificate, registration or permit.

(c) The Department or local authority when not inconsistent with traffic safety is authorized to issue or withhold such permit at its discretion; or, if such permit is issued at its discretion to prescribe the route or routes to be traveled, to limit the number of trips, to establish seasonal or other time limitations within which the vehicles described may be operated on the highways indicated, or otherwise to limit or prescribe conditions of operations of such vehicle or vehicles, when necessary to assure against undue damage to the road foundations, surfaces or structures, and may require such undertaking or other security as may be deemed necessary to compensate for any injury to any roadway or road structure. The Department shall maintain a daily record of each permit issued along with the fee and the stipulated dimensions, weights, conditions and restrictions authorized and this record shall be presumed correct in any case of questions or dispute. The Department shall install an automatic device for recording applications received and permits issued by telephone. In making application by telephone, the Department and applicant waive all objections to the recording of the conversation.

(d) The Department shall, upon application in writing from any local authority, issue an annual permit authorizing the local authority to move oversize highway construction, transportation, utility and maintenance equipment over roads under the jurisdiction of the Department. The permit shall be applicable only to equipment and vehicles owned by or registered in the name of the local authority, and no fee shall be charged for the issuance of such permits.

(e) As an exception to paragraph (a) of this Section, the Department and local authorities, with respect to highways under their respective jurisdictions, in their discretion and upon application in writing may issue a special permit for limited continuous operation, authorizing the applicant to move loads of sweet corn, soybeans, corn, wheat, milo, other small grains and ensilage during the harvest season only on a 2 axle single vehicle registered by the Secretary of State with axle loads not to exceed 35% above those provided in Section 15-111. Permits may be issued for a period not to exceed 40 days and moves may be made of a distance not to exceed 25 miles from a field to a specified processing plant over any highway except the National System of Interstate and Defense Highways. All such vehicles shall be operated in the daytime except when weather or crop conditions require emergency operation at night, but with respect to such night operation, every such vehicle with load shall be equipped with flashing amber lights as specified under Section 12-215. Upon a declaration by the Governor that an emergency harvest situation exists, a special permit issued by the Department under this Section shall not be required from September 1 through December 31 during harvest season emergencies, provided that the weight does not exceed 20% above the limits provided in Section 15-111. All other restrictions that apply to permits issued under this Section shall apply during the declared time period. With respect to highways under the jurisdiction of local authorities, the local authorities may, at their discretion, waive special permit requirements during harvest season emergencies. This permit exemption shall apply to all vehicles eligible to obtain permits under this Section, including commercial vehicles in use during the declared time period.

(f) The form and content of the permit shall be determined by the Department with respect to highways under its jurisdiction and by local authorities with respect to highways under their jurisdiction. Every permit shall be in written form and carried in the vehicle or combination of vehicles to which it refers and shall be open to inspection by any police officer or authorized agent of any authority granting the permit and no person shall violate any of the terms or conditions of such special permit. Violation of the terms and conditions of the permit shall not be deemed a revocation of the permit; however, any vehicle and load found to be off the route prescribed in the permit shall be held to be operating without a permit. Any off route vehicle and load shall be required to obtain a new permit or permits, as necessary, to authorize the movement back onto the original permit routing. No rule or regulation, nor anything herein shall be construed to authorize any police officer, court, or authorized agent of any authority granting the permit to remove the permit from the possession of the permittee unless the permittee is charged with a fraudulent permit violation as provided in paragraph (i). However, upon arrest for an offense of violation of permit, operating without a permit when the vehicle is off route, or any size or weight offense under this Chapter when the permittee plans to raise the issuance of the permit as a defense, the permittee, or his agent, must produce the permit at any court hearing concerning the alleged

offense.

If the permit designates and includes a routing to a certified scale, the permitee, while enroute to the designated scale, shall be deemed in compliance with the weight provisions of the permit provided the axle or gross weights do not exceed any of the permitted limits by more than the following amounts:

Single axle	2000 pounds
Tandem axle	3000 pounds
Gross	5000 pounds

(g) The Department is authorized to adopt, amend, and to make available to interested persons a policy concerning reasonable rules, limitations and conditions or provisions of operation upon highways under its jurisdiction in addition to those contained in this Section for the movement by special permit of vehicles, combinations, or loads which cannot reasonably be dismantled or disassembled, including manufactured and modular home sections and portions thereof. All rules, limitations and conditions or provisions adopted in the policy shall have due regard for the safety of the traveling public and the protection of the highway system and shall have been promulgated in conformity with the provisions of the Illinois Administrative Procedure Act. The requirements of the policy for flagmen and escort vehicles shall be the same for all moves of comparable size and weight. When escort vehicles are required, they shall meet the following requirements:

(1) All operators shall be 18 years of age or over and properly licensed to operate the vehicle.

(2) Vehicles escorting oversized loads more than 12-feet wide must be equipped with a rotating or flashing amber light mounted on top as specified under Section 12-215.

The Department shall establish reasonable rules and regulations regarding liability insurance or self insurance for vehicles with oversized loads promulgated under The Illinois Administrative Procedure Act. Police vehicles may be required for escort under circumstances as required by rules and regulations of the Department.

(h) Violation of any rule, limitation or condition or provision of any permit issued in accordance with the provisions of this Section shall not render the entire permit null and void but the violator shall be deemed guilty of violation of permit and guilty of exceeding any size, weight or load limitations in excess of those authorized by the permit. The prescribed route or routes on the permit are not mere rules, limitations, conditions, or provisions of the permit, but are also the sole extent of the authorization granted by the permit. If a vehicle and load are found to be off the route or routes prescribed by any permit authorizing movement, the vehicle and load are operating without a permit. Any off route movement shall be subject to the size and weight maximums, under the applicable provisions of this Chapter, as determined by the type or class highway upon which the vehicle and load are being operated.

(i) Whenever any vehicle is operated or movement made under a fraudulent permit the permit shall be void, and the person, firm, or corporation to whom such permit was granted, the driver of such vehicle in addition to the person who issued such permit and any accessory, shall be guilty of fraud and either one or all persons may be prosecuted for such violation. Any person, firm, or corporation committing such violation shall be guilty of a Class 4 felony and the Department shall not issue permits to the person, firm or corporation convicted of such violation for a period of one year after the date of conviction. Penalties for violations of this Section shall be in addition to any penalties imposed for violation of other Sections of this Act.

(j) Whenever any vehicle is operated or movement made in violation of a permit issued in accordance with this Section, the person to whom such permit was granted, or the driver of such vehicle, is guilty of such violation and either, but not both, persons may be prosecuted for such violation as stated in this subsection (j). Any person, firm or corporation convicted of such violation shall be guilty of a petty offense and shall be fined for the first offense, not less than $50 nor more than $200 and, for the second offense by the same person, firm or corporation within a period of one year, not less than $200 nor more than $300 and, for the third offense by the same person, firm or corporation within a period of one year after the date of the first offense, not less than $300 nor more than $500 and the Department shall not issue permits to the person, firm or corporation convicted of a third offense during a period of one year after the date of conviction for such third offense.

(k) Whenever any vehicle is operated on local roads under permits for excess width or length issued by local authorities, such vehicle may be moved upon a State highway for a distance not to exceed one-half mile without a permit for the purpose of crossing the State highway.

(l) Notwithstanding any other provision of this Section, the Department, with respect to highways under its jurisdiction, and local authorities, with respect to highways under their jurisdiction, may at their discretion authorize the movement of a vehicle in violation of any size or weight requirement, or both, that would not ordinarily be eligible for a permit, when there is a showing of extreme necessity that the vehicle and load should be moved without unnecessary delay.

For the purpose of this subsection, showing of extreme necessity shall be limited to the following: shipments of livestock, hazardous materials, liquid concrete being hauled in a mobile cement mixer, or hot asphalt.

(m) Penalties for violations of this Section shall be in addition to any penalties imposed for violating any other Section of this Code.

(n) The Department with respect to highways under its jurisdiction and local authorities with respect to highways under their jurisdiction, in their discretion and upon application in writing, may issue a special permit for continuous limited operation, authorizing the applicant to operate a tow-truck that exceeds the weight limits provided for in subsection (d) of Section 15-111, provided:

(1) no rear single axle of the tow-truck exceeds 26,000 pounds;

(2) no rear tandem axle of the tow-truck exceeds 50,000 pounds;

(2.1) no triple rear axle on a manufactured recovery unit exceeds 56,000 pounds;

(3) neither the disabled vehicle nor the disabled combination of vehicles exceed the weight restrictions imposed by this Chapter 15, or the weight limits imposed under a permit issued by the Department prior to hookup;

(4) the tow-truck prior to hookup does not exceed the weight restrictions imposed by this Chapter 15;

(5) during the tow operation the tow-truck does not violate any weight restriction sign;

(6) the tow-truck is equipped with flashing, rotating, or oscillating amber lights, visible for at least 500 feet in all directions;

(7) the tow-truck is specifically designed and licensed as a tow-truck;

(8) the tow-truck has a gross vehicle weight rating of sufficient capacity to safely handle the load;

(9) the tow-truck is equipped with air brakes;

(10) the tow-truck is capable of utilizing the lighting and braking systems of the disabled vehicle or combination of vehicles;

(11) the tow commences at the initial point of wreck or disablement and terminates at a point where the repairs are actually to occur ~~the tow distance of the tow does not exceed 50 miles from the point of disablement to a place of repair or safekeeping~~;

(12) the permit issued to the tow-truck is carried in the tow-truck and exhibited on demand by a police officer; and

(13) the movement shall be valid only on state routes approved by the Department.

(Source: P.A. 90-89, eff. 1-1-98; 90-228, eff. 7-25-97; 90-655, eff. 7-30-98; 90-676, eff. 7-31-98; 91-569, eff. 1-1-00.)

(625 ILCS 5/15-308.2)

Sec. 15-308.2. Fees for special permits for tow-trucks. The fee for a special permit to operate a tow-truck pursuant to subsection (n) of Section 15-301 is $50 ~~$500~~ quarterly and $200 ~~$2,000~~ annually. (Source: P.A. 91-569, eff. 1-1-00.)

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 Link, **House Bill No. 716**, 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 58; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Silverstein
Bomke	Haine	Obama	Soden
Brady	Halvorson	Peterson	Sullivan, D.
Burzynski	Harmon	Petka	Sullivan, J.

Clayborne	Hendon	Radogno	Syverson
Collins	Hunter	Rauschenberger	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch
DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Wojcik
Dillard	Luechtefeld	Schoenberg	Mr. President
Forby	Maloney	Shadid	
Garrett	Meeks	Sieben	

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

Ordered that the title be as aforesaid, and 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 Link, **House Bill No. 763** was recalled from the order of third reading to the order of second reading.

Senator Link offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1____. Amend House Bill 763 by replacing everything after the enacting clause with the following:

"Section 5.

The School Code is amended by changing Section 29-5 as follows:

(105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

Sec. 29-5. Reimbursement by State for transportation. Any school district, maintaining a school, transporting resident pupils to another school district's vocational program, offered through a joint agreement approved by the State Board of Education, as provided in Section 10-22.22 or transporting its resident pupils to a school which meets the standards for recognition as established by the State Board of Education which provides transportation meeting the standards of safety, comfort, convenience, efficiency and operation prescribed by the State Board of Education for resident pupils in kindergarten or any of grades 1 through 12 who: (a) reside at least 1 1/2 miles as measured by the customary route of travel, from the school attended; or (b) reside in areas where conditions are such that walking constitutes a hazard to the safety of the child when determined under Section 29-3; and (c) are transported to the school attended from pick-up points at the beginning of the school day and back again at the close of the school day or transported to and from their assigned attendance centers during the school day, shall be reimbursed by the State as hereinafter provided in this Section.

The State will pay the cost of transporting eligible pupils less the assessed valuation in a dual school district maintaining secondary grades 9 to 12 inclusive times a qualifying rate of .05%; in elementary school districts maintaining grades K to 8 times a qualifying rate of .06%; in unit districts maintaining grades K to 12 times a qualifying rate of .07%. To be eligible to receive reimbursement in excess of 4/5 of the cost to transport eligible pupils, a school district shall have a Transportation Fund tax rate of at least .12%. If a school district does not have a .12% Transportation Fund tax rate, the amount of its claim in excess of 4/5 of the cost of transporting pupils shall be reduced by the sum arrived at by subtracting the Transportation Fund tax rate from .12% and multiplying that amount by the districts equalized or assessed valuation, provided, that in no case shall said reduction result in reimbursement of less than 4/5 of the cost to transport eligible pupils.

The minimum amount to be received by a district is $16 times the number of eligible pupils transported.

Any such district transporting resident pupils during the school day to an area vocational school or another school district's vocational program more than 1 1/2 miles from the school attended, as provided in Sections 10-22.20a and 10-22.22, shall be reimbursed by the State for 4/5 of the cost of transporting eligible pupils.

School day means that period of time which the pupil is required to be in attendance for instructional purposes.

If a pupil is at a location within the school district other than his residence for child care purposes at the time for transportation to school, that location may be considered for purposes of determining the 1 1/2 miles from the school attended.

Claims for reimbursement that include children who attend any school other than a public school shall show the number of such children transported.

Claims for reimbursement under this Section shall not be paid for the transportation of pupils for whom transportation costs are claimed for payment under other Sections of this Act.

The allowable direct cost of transporting pupils for regular, vocational, and special education pupil transportation shall be limited to the sum of the cost of physical examinations required for employment as a school bus driver; the salaries of full or part-time drivers and school bus maintenance personnel; employee benefits excluding Illinois municipal retirement payments, social security payments, unemployment insurance payments and workers' compensation insurance premiums; expenditures to independent carriers who operate school buses; payments to other school districts for pupil transportation services; pre-approved contractual expenditures for computerized bus scheduling; the cost of gasoline, oil, tires, and other supplies necessary for the operation of school buses; the cost of converting buses' gasoline engines to more fuel efficient engines or to engines which use alternative energy sources; the cost of travel to meetings and workshops conducted by the regional superintendent or the State Superintendent of Education pursuant to the standards established by the Secretary of State under Section 6-106 of the Illinois Vehicle Code to improve the driving skills of school bus drivers; the cost of maintenance of school buses including parts and materials used; expenditures for leasing transportation vehicles, except interest and service charges; the cost of insurance and licenses for transportation vehicles; expenditures for the rental of transportation equipment; plus a depreciation allowance of 20% for 5 years for school buses and vehicles approved for transporting pupils to and from school and a depreciation allowance of 10% for 10 years for other transportation equipment so used. Each school year, if a school district has made expenditures to the Regional Transportation Authority or any of its service boards, a mass transit district, or an urban transportation district under an intergovernmental agreement with the district to provide for the transportation of pupils and if the public transit carrier received direct payment for services or passes from a school district within its service area during the 2000-2001 school year, then the allowable direct cost of transporting pupils for regular, vocational, and special education pupil transportation shall also include the expenditures that the district has made to the public transit carrier. In addition to the above allowable costs school districts shall also claim all transportation supervisory salary costs, including Illinois municipal retirement payments, and all transportation related building and building maintenance costs without limitation.

Special education allowable costs shall also include expenditures for the salaries of attendants or aides for that portion of the time they assist special education pupils while in transit and expenditures for parents and public carriers for transporting special education pupils when pre-approved by the State Superintendent of Education.

Indirect costs shall be included in the reimbursement claim for districts which own and operate their own school buses. Such indirect costs shall include administrative costs, or any costs attributable to transporting pupils from their attendance centers to another school building for instructional purposes. No school district which owns and operates its own school buses may claim reimbursement for indirect costs which exceed 5% of the total allowable direct costs for pupil transportation.

The State Board of Education shall prescribe uniform regulations for determining the above standards and shall prescribe forms of cost accounting and standards of determining reasonable depreciation. Such depreciation shall include the cost of equipping school buses with the safety features required by law or by the rules, regulations and standards promulgated by the State Board of Education, and the Department of Transportation for the safety and construction of school buses provided, however, any equipment cost reimbursed by the Department of Transportation for equipping school buses with such safety equipment shall be deducted from the allowable cost in the computation of reimbursement under this Section in the same percentage as the cost of the equipment is depreciated.

On or before July 10, annually, the chief school administrator for the district shall certify to the regional superintendent of schools upon forms prescribed by the State Superintendent of Education the district's claim for reimbursement for the school year ended on June 30 next preceding. The regional superintendent of schools shall check all transportation claims to ascertain compliance with the prescribed standards and upon his approval shall certify not later than July 25 to the State Superintendent of Education the regional report of claims for reimbursements. The State Superintendent of Education shall check and approve the claims and prepare the vouchers showing the amounts due for district reimbursement claims. Beginning with the 1977 fiscal year, the State Superintendent of Education shall prepare and transmit the first 3 vouchers to the Comptroller on the 30th day of September, December

and March, respectively, and the final voucher, no later than June 15.

If the amount appropriated for transportation reimbursement is insufficient to fund total claims for any fiscal year, the State Board of Education shall reduce each school district's allowable costs and flat grant amount proportionately to make total adjusted claims equal the total amount appropriated.

For purposes of calculating claims for reimbursement under this Section for any school year beginning July 1, 1998, or thereafter, the equalized assessed valuation for a school district used to compute reimbursement shall be computed in the same manner as it is computed under paragraph (2) of subsection (G) of Section 18-8.05.

All reimbursements received from the State shall be deposited into the district's transportation fund or into the fund from which the allowable expenditures were made.

Notwithstanding any other provision of law, any school district receiving a payment under this Section or under Section 14-7.02, 14-7.02a, or 14-13.01 of this Code may classify all or a portion of the funds that it receives in a particular fiscal year or from general State aid pursuant to Section 18-8.05 of this Code as funds received in connection with any funding program for which it is entitled to receive funds from the State in that fiscal year (including, without limitation, any funding program referenced in this Section), regardless of the source or timing of the receipt. The district may not classify more funds as funds received in connection with the funding program than the district is entitled to receive in that fiscal year for that program. Any classification by a district must be made by a resolution of its board of education. The resolution must identify the amount of any payments or general State aid to be classified under this paragraph and must specify the funding program to which the funds are to be treated as received in connection therewith. This resolution is controlling as to the classification of funds referenced therein. A certified copy of the resolution must be sent to the State Superintendent of Education. The resolution shall still take effect even though a copy of the resolution has not been sent to the State Superintendent of Education in a timely manner. No classification under this paragraph by a district shall affect the total amount or timing of money the district is entitled to receive under this Code. No classification under this paragraph by a district shall in any way relieve the district from or affect any requirements that otherwise would apply with respect to that funding program, including any accounting of funds by source, reporting expenditures by original source and purpose, reporting requirements, or requirements of providing services.

Any school district with a population of not more than 500,000 must deposit all funds received under this Article into the transportation fund and use those funds for the provision of transportation services. (Source: P.A. 92-568, eff. 6-26-02; 93-166, eff. 7-10-03.)

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 Link, **House Bill No. 763**, 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 39; Nays 17.

The following voted in the affirmative:

Althoff	Garrett	Link	Silverstein
Brady	Geo-Karis	Maloney	Soden
Collins	Haine	Meeks	Sullivan, D.
Cronin	Halvorson	Munoz	Trotter
Crotty	Harmon	Peterson	Viverito
Cullerton	Hendon	Risinger	Walsh
del Valle	Hunter	Ronen	Winkel
DeLeo	Jacobs	Sandoval	Wojcik
Demuzio	Jones, W.	Schoenberg	Mr. President

Dillard	Lightford	Shadid	

The following voted in the negative:

Bomke	Luechtefeld	Roskam	Watson
Burzynski	Petka	Rutherford	Welch
Forby	Radogno	Sieben	
Jones, J.	Rauschenberger	Sullivan, J.	
Lauzen	Righter	Syverson	

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

Ordered that the title be as aforesaid, and 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 Shadid, **House Bill No. 852** was recalled from the order of third reading to the order of second reading.

Senator Shadid offered the following amendment and moved its adoption:

AMENDMENT NO. 3

AMENDMENT NO. 3____. Amend House Bill 852 by replacing everything after the enacting clause with the following:

"Section 5.

The Illinois Income Tax Act is amended by changing Section 215 as follows:

(35 ILCS 5/215)

Sec. 215. Transportation Employee Credit. (a) For each taxable year beginning on or after January 1, 2004 and on or before December 31, 2006, a qualified employer shall be allowed a credit against the tax imposed by subsections (a) and (b) of Section 201 of this Act in the amount of $50 for each eligible employee employed by the taxpayer as of the last day of the taxable year.

(b) For purposes of this Section, "qualified employer" means:

(1) any employer who pays a commercial distribution fee under Section 3-815.1 of the Illinois Vehicle Code during the taxable year; or

(2) any employer who, as of the end of the taxable year, has one or more employees whose compensation is subject to tax only by the employee's state of residence pursuant to 49 U.S.C 14503(a)(1).

(c) For purposes of this Section, "employee" includes an individual who is treated as an employee of the taxpayer under Section 401(c) of the Internal Revenue Code and whose actual assigned duties are such that, if the individual were a common-law employee performing such duties in 2 or more states, the individual's compensation would be subject to tax only by the individual's state of residence pursuant to 49 U.S.C. 14503(a)(1).

(d) An employee is an "eligible employee" only if all of the following criteria are met:

(1) The employee is an operator of a motor vehicle;

(2) The employee's compensation, pursuant to 49 U.S.C. 14503(a)(1), is subject to tax only by the employee's state of residence, or would be subject to tax only by the employee's state of residence if the employee's actual duties were performed in 2 or more states;

(3) As of the end of the taxable year for which the credit is claimed, the employee is a resident of this State for purposes of this Act and 49 U.S.C. 14503(a)(1); and

(4) The employee is a full-time employee working 30 or more hours per week for 180 consecutive days; provided that such 180-day period may be completed after the end of the taxable year for which the credit under this Section is claimed.

(e) For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the limited liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this Section to be determined 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.

(f) Any credit allowed under this Section which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed

until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this Section from more than one tax year that is available to offset a liability, the earliest credit arising under this Section shall be applied first.

(g) (Blank) ~~This Section is exempt from the provisions of Section 250 of this Act~~.

(h) The Department of Revenue shall promulgate such rules and regulations as may be deemed necessary to carry out the purposes of this Section. (Source: P.A. 93-23, eff. 6-20-03.)

Section 10.

The Use Tax Act is amended by changing Sections 3-5 and 3-61 as follows:

(35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

Sec. 3-5. Exemptions. Use of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after the effective date of this amendatory Act of the 92nd General Assembly, however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Personal property purchased by a governmental body, by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or by a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

(5) Until July 1, 2003, a passenger car that is a replacement vehicle to the extent that the purchase price of the car is subject to the Replacement Vehicle Tax.

(6) Until July 1, 2003, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order, certified by the purchaser to be used primarily for graphic arts production, and including machinery and equipment purchased for lease. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product.

(7) Farm chemicals.

(8) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(9) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(10) A motor vehicle of the first division, a motor vehicle of the second division that is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through to the living quarters from the driver's seat, or a motor vehicle of the second division that is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers, as defined in Section 1-146 of the Illinois Vehicle Code, that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act.

(11) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code,

but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (11). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (11) is exempt from the provisions of Section 3-90.

(12) Fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

(13) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages purchased at retail from a retailer, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(14) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(15) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(16) Until July 1, 2003, coal exploration, mining, offhighway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(17) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(18) Manufacturing and assembling machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether that sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether that sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser.

(19) Personal property delivered to a purchaser or purchaser's donee inside Illinois when the purchase order for that personal property was received by a florist located outside Illinois who has a florist located inside Illinois deliver the personal property.

(20) Semen used for artificial insemination of livestock for direct agricultural production.

(21) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes.

(22) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax

exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(23) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(24) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(25) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(26) Beginning July 1, 1999, game or game birds purchased at a "game breeding and hunting preserve area" or an "exotic game hunting area" as those terms are used in the Wildlife Code or at a hunting enclosure approved through rules adopted by the Department of Natural Resources. This paragraph is exempt from the provisions of Section 3-90.

(27) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(28) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-90.

(29) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending

machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-90.

(30) Food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article 5 of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act.

(31) Beginning on the effective date of this amendatory Act of the 92nd General Assembly, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(32) Beginning on the effective date of this amendatory Act of the 92nd General Assembly, personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(33) On and after July 1, 2003 and through June 30, 2006, the use in this State of motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds and that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. 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. (Source: P.A. 92-35, eff. 7-1-01; 92-227, eff. 8-2-01; 92-337, eff. 8-10-01; 92-484, eff. 8-23-01; 92-651, eff. 7-11-02; 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; revised 9-11-03.)

(35 ILCS 105/3-61)

Sec. 3-61. Motor vehicles; use as rolling stock definition. Through June 30, 2003 and beginning again on July 1, 2006, "use as rolling stock moving in interstate commerce" in subsections (b) and (c) of Section 3-55 means for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, and trailers, as defined in Section 1-209 of the Illinois Vehicle Code, when on 15 or more occasions in a 12-month period the motor vehicle and trailer has carried persons or property for hire in interstate commerce, even just between points in Illinois, if the motor vehicle and trailer transports persons whose journeys or property whose shipments originate or terminate outside Illinois. This definition applies to all property purchased for the purpose of being attached to those motor vehicles or trailers as a part thereof. On and after July 1, 2003 and through June 30, 2006, "use as rolling stock moving in interstate commerce" in paragraphs (b) and (c) of Section 3-55 occurs for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, when during a 12-month period the rolling stock has carried persons or

property for hire in interstate commerce for 51% of its total trips and transports persons whose journeys or property whose shipments originate or terminate outside Illinois. ~~Trips that are only between points in Illinois shall not be counted as interstate trips when calculating whether the tangible personal property qualifies for the exemption but such trips shall be included in total trips taken.~~ (Source: P.A. 93-23, eff. 6-20-03.)

Section 15.

The Service Use Tax Act is amended by changing Sections 2 and 3-5 as follows:

(35 ILCS 110/2) (from Ch. 120, par. 439.32)

Sec. 2. "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) a sale or transfer of tangible personal property as an incident to the rendering of service for interstate carriers for hire for use as rolling stock moving in interstate commerce or by lessors under a lease of one year or longer, executed or in effect at the time of purchase of personal property, to interstate carriers for hire for use as rolling stock moving in interstate commerce so long as so used by such 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) 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, 2006, 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. 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.

(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.

(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. 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 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;

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; or

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.

(Source: P.A. 92-484, eff. 8-23-01; 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; revised 8-21-03.)

(35 ILCS 110/3-51)

Sec. 3-51. Motor vehicles; use as rolling stock definition. Through June 30, 2003 and beginning again on July 1, 2006, "use as rolling stock moving in interstate commerce" in subsection (b) of Section 3-45 means for motor vehicles, as defined in Section 1-46 of the Illinois Vehicle Code, and trailers, as defined in Section 1-209 of the Illinois Vehicle Code, when on 15 or more occasions in a 12-month period the motor vehicle and trailer has carried persons or property for hire in interstate commerce, even just between points in Illinois, if the motor vehicle and trailer transports persons whose journeys or property whose shipments originate or terminate outside Illinois. This definition applies to all property purchased for the purpose of being attached to those motor vehicles or trailers as a part thereof. On and after July 1, 2003 and through June 30, 2006, "use as rolling stock moving in interstate commerce" in paragraphs (4) and (4a) of the definition of "sale of service" in Section 2 and subsection (b) of Section 3-45 occurs for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, when during a 12-month period the rolling stock has carried persons or property for hire in interstate commerce for 51% of its total trips and transports persons whose journeys or property whose shipments originate or terminate outside Illinois. ~~Trips that are only between points in Illinois shall not be counted as interstate trips when calculating whether the tangible personal property qualifies for the exemption but such trips shall be included in total trips taken.~~ (Source: P.A. 93-23, eff. 6-20-03.)

Section 20.

The Service Occupation Tax Act is amended by changing Sections 2 and 2d as follows:

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

Sec. 2. "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) A sale or transfer of tangible personal property as an incident to the rendering of service for interstate carriers for hire for use as rolling stock moving in interstate commerce or lessors under leases of one year or longer, executed or in effect at the time of purchase, to 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) 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, 2006, 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. 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.

(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.

(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. 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. 92-484, eff. 8-23-01; 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; revised 8-21-03.)

(35 ILCS 115/2d)

Sec. 2d. Motor vehicles; use as rolling stock definition. Through June 30, 2003 and beginning again on July 1, 2006, "use as rolling stock moving in interstate commerce" in subsections (d) and (d-1) of the definition of "sale of service" in Section 2 means for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, and trailers, as defined in Section 1-209 of the Illinois Vehicle Code, when on 15 or more occasions in a 12-month period the motor vehicle and trailer has carried persons or property for hire in interstate commerce, even just between points in Illinois, if the motor vehicle and trailer transports persons whose journeys or property whose shipments originate or terminate outside Illinois. This definition applies to all property purchased for the purpose of being attached to those motor vehicles or trailers as a part thereof. On and after July 1, 2003 and through June 30, 2006, "use as rolling stock moving in interstate commerce" in paragraphs (d) and (d-1) of the definition of "sale of service" in Section 2 occurs for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, when during a 12-month period the rolling stock has carried persons or property for hire in interstate

commerce for 51% of its total trips and transports persons whose journeys or property whose shipments originate or terminate outside Illinois. ~~Trips that are only between points in Illinois will not be counted as interstate trips when calculating whether the tangible personal property qualifies for the exemption but such trips will be included in total trips taken.~~ (Source: P.A. 93-23, eff. 6-20-03.)

Section 25.

The Retailers' Occupation Tax Act is amended by changing Sections 2-5 and 2-51 as follows:

(35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

Sec. 2-5. Exemptions. Gross receipts from proceeds from the sale of the following tangible personal property are exempt from the tax imposed by this Act:

(1) Farm chemicals.

(2) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (2). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed, if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the provisions of Section 2-70.

(3) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(4) Until July 1, 2003, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product.

(5) A motor vehicle of the first division, a motor vehicle of the second division that 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, or a motor vehicle of the second division that is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers, as defined in Section 1-146 of the Illinois Vehicle Code, that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act.

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Until July 1, 2003, proceeds of that portion of the selling price of a passenger car the sale of which is subject to the Replacement Vehicle Tax.

(8) Personal property sold to an Illinois county fair association for use in conducting, operating, or promoting the county fair.

(9) Personal property sold to a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after the effective date of this amendatory Act of the 92nd General Assembly, however, an entity

otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(10) Personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(11) Personal property sold to a governmental body, to a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or to a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active identification number issued by the Department.

(12) Tangible personal property sold to interstate carriers for hire for use as rolling stock moving in interstate commerce or to lessors under leases of one year or longer executed or in effect at the time of purchase 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.

(12-5) On and after July 1, 2003 and through June 30, 2006, motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. 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.

(13) Proceeds from sales to owners, lessors, or shippers of tangible personal property that is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(14) Machinery and equipment that will be used by the purchaser, or a lessee of the purchaser, primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether the sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether the sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser.

(15) Proceeds of mandatory service charges separately stated on customers' bills for purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(16) Petroleum products sold to a purchaser if the seller is prohibited by federal law from charging tax to the purchaser.

(17) Tangible personal property sold to a common carrier by rail or motor that receives the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.

(18) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(19) Until July 1 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(20) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily

for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(21) Until July 1, 2003, coal exploration, mining, offhighway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(22) Fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

(23) A transaction in which the purchase order is received by a florist who is located outside Illinois, but who has a florist located in Illinois deliver the property to the purchaser or the purchaser's donee in Illinois.

(24) Fuel consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property or the conveyance of persons for hire on rivers bordering on this State if the fuel is delivered by the seller to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river.

(25) A motor vehicle sold in this State to a nonresident even though the motor vehicle is delivered to the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a drive-away permit is issued to the motor vehicle as provided in Section 3-603 of the Illinois Vehicle Code or if the nonresident purchaser has vehicle registration plates to transfer to the motor vehicle upon returning to his or her home state. The issuance of the drive-away permit or having the out-of-state registration plates to be transferred is prima facie evidence that the motor vehicle will not be titled in this State.

(26) Semen used for artificial insemination of livestock for direct agricultural production.

(27) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes.

(28) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(29) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(30) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(31) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(32) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" or an "exotic game hunting area" as those terms are used in the Wildlife Code or at a hunting enclosure approved through rules adopted by the Department of Natural Resources. This paragraph is exempt from the provisions of Section 2-70.

(33) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and

operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(34) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 2-70.

(35) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 2-70.

(35-5) Food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article 5 of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act.

(36) Beginning August 2, 2001, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(37) Beginning August 2, 2001, personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(38) Beginning on January 1, 2002, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (38). The permit issued under this paragraph (38) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois. (Source: P.A. 92-16, eff. 6-28-01; 92-35, eff. 7-1-01; 92-227, eff. 8-2-01; 92-337, eff. 8-10-01; 92-484, eff. 8-23-01; 92-488, eff. 8-23-01; 92-651, eff. 7-11-02; 92-680, eff. 7-16-02; 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; revised 9-11-03.)

(35 ILCS 120/2-51)

Sec. 2-51. Motor vehicles; use as rolling stock definition. Through June 30, 2003 and beginning again on July 1, 2006, "use as rolling stock moving in interstate commerce" in paragraphs (12) and (13) of Section 2-5 means for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, and trailers, as defined in Section 1-209 of the Illinois Vehicle Code, when on 15 or more occasions in a 12-month period the motor vehicle and trailer has carried persons or property for hire in interstate commerce, even just between points in Illinois, if the motor vehicle and trailer transports persons whose journeys or property whose shipments originate or terminate outside Illinois. This definition applies to all property purchased for the purpose of being attached to those motor vehicles or trailers as a part thereof. On and after July 1, 2003 and through June 30, 2006, "use as rolling stock moving in interstate commerce" in paragraphs (12) and (13) of Section 2-5 occurs for motor vehicles, as defined in Section 1-146 of the Illinois Vehicle Code, when during a 12-month period the rolling stock has carried persons or

property for hire in interstate commerce for 51% of its total trips and transports persons whose journeys or property whose shipments originate or terminate outside Illinois. ~~Trips that are only between points in Illinois shall not be counted as interstate trips when calculating whether the tangible personal property qualifies for the exemption but such trips shall be included in total trips taken.~~ (Source: P.A. 93-23, eff. 6-20-03.)

Section 30.

The Illinois Vehicle Code is amended by changing Section 3-815.1 as follows:

(625 ILCS 5/3-815.1)

Sec. 3-815.1. Commercial distribution fee. Beginning July 1, 2003, in addition to any tax or fee imposed under this Code:

(a) Vehicles of the second division with a gross vehicle weight that exceeds 8,000 pounds and that incur any tax or fee under subsection (a) of Section 3-815 of this Code or subsection (a) of Section 3-818 of this Code, as applicable, ~~and~~ shall pay to the Secretary of State a commercial distribution fee, for each registration year, for the use of the public highways, State infrastructure, and State services, in an amount equal to:

36% for the registration year beginning on July 1, 2003;

24% for the registration year beginning on July 1, 2004;

12% for the registration year beginning on July 1, 2005; and

0% for the registration year beginning on July 1, 2006 and for each registration year thereafter

of the taxes and fees incurred under subsection (a) of Section 3-815 of this Code, or subsection (a) of Section 3-818 of this Code, as applicable, rounded up to the nearest whole dollar.

(b) Vehicles of the second division with a gross vehicle weight of 8,000 pounds or less and that incur any tax or fee under subsection (a) of Section 3-815 of this Code or subsection (a) of Section 3-818 of this Code, as applicable, and have claimed the rolling stock exemption under the Retailers' Occupation Tax Act, Use Tax Act, Service Occupation Tax Act, or Service Use Tax Act shall pay to the Illinois Department of Revenue (or the Secretary of State under an intergovernmental agreement) a commercial distribution fee, for each registration year, for the use of the public highways, State infrastructure, and State services, in an amount equal to:

36% for the registration year beginning on July 1, 2003;

24% for the registration year beginning on July 1, 2004;

12% for the registration year beginning on July 1, 2005; and

0% for the registration year beginning on July 1, 2006 and for each registration year thereafter

of the taxes and fees incurred under subsection (a) of Section 3-815 of this Code or subsection (a) of Section 3-818 of this Code, as applicable, rounded up to the nearest whole dollar.

The fees paid under this Section shall be deposited by the Secretary of State into the General Revenue Fund. (Source: P.A. 93-23, eff. 6-20-03; revised 10-9-03.)

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 BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Shadid, **House Bill No. 852**, 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.

Pending roll call on motion of Senator Shadid, further consideration of **House Bill No. 852** was postponed.

HOUSE BILLS RECALLED

On motion of Senator Crotty, **House Bill No. 1029** was recalled from the order of third reading to the order of second reading.

Senator Crotty offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1____. Amend House Bill 1029 by replacing everything after the enacting

clause with the following:

"Section 5.

The Code of Civil Procedure is amended by adding Section 7-103.102 as follows:

(735 ILCS 5/7-103.102 new)

Sec. 7-103.102. Quick-take; City of Oak Forest. Quick-take proceedings under Section 7-103 may be used for a period of 12 months after the effective of this amendatory Act of the 93rd General Assembly, by the City of Oak Forest, for the acquisition, for school purposes, of property bounded on the south by Christopher Street, excluding lots 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 24, 23, 22, 21, 20, 19, and 18, which abut the north line of Christopher Street; on the west by Central Avenue; on the north by the southern boundary line of Outlot A, extended from Central Avenue to Lockwood Avenue; and on the east by Lockwood Avenue.

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

The motion prevailed.

And the amendment was adopted, and ordered printed.

Floor Amendment No. 2 was held in the Committee on Executive.

Senator J. Jones offered the following amendment and moved its adoption:

AMENDMENT NO. 3

AMENDMENT NO. 3____. Amend House Bill 1029, AS AMENDED, with reference to the page and line numbers of Senate Amendment No. 1, on page 1, line 5, by replacing "Section 7-103.102" with "Sections 7-103.102 and 7-103.103"; and

on page 1, by inserting between lines 17 and 18, the following:

"(735 ILCS 5/7-103.103 new)

Sec. 7-103.103. Quick-take; Mt. Vernon Township/Jefferson County. Quick-take proceedings under Section 7-103 may be used for a period of 3 years after the effective date of this amendatory Act of the 93rd General Assembly by Mt. Vernon Township/Jefferson County for the acquisition of all property necessary for the purpose of improving Green Road with an overpass over the Union Pacific Railroad and Casey Fork Creek.".

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 Crotty, **House Bill No. 1029**, 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 42; Nays 10; Present 1.

The following voted in the affirmative:

Althoff	Geo-Karis	Meeks	Soden
Clayborne	Haine	Munoz	Sullivan, D.
Collins	Harmon	Righter	Syverson
Cronin	Hendon	Risinger	Trotter
Crotty	Hunter	Ronen	Viverito
Cullerton	Jacobs	Roskam	Walsh
del Valle	Jones, J.	Sandoval	Watson
DeLeo	Jones, W.	Schoenberg	Winkel
Demuzio	Lightford	Shadid	Mr. President
Dillard	Link	Sieben	
Garrett	Maloney	Silverstein	

The following voted in the negative:

Bomke	Lauzen	Rutherford	Wojcik
Burzynski	Peterson	Sullivan, J.	
Forby	Rauschenberger	Welch	

The following voted present:

Obama

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

Ordered that the title be as aforesaid, and that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

HOUSE BILL RECALLED

On motion of Senator Lightford, **House Bill No. 1078** was recalled from the order of third reading to the order of second reading.

Senator Lightford offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1____. Amend House Bill 1078 by replacing everything after the enacting clause with the following:

"Section 5.

The Illinois Credit Union Act is amended by changing Section 12 as follows:

(205 ILCS 305/12) (from Ch. 17, par. 4413)

Sec. 12. Regulatory fees. (1) A credit union regulated by the Department shall pay a regulatory fee to the Department based upon its total assets as shown by its Year-end Call Report at the following rates:

TOTAL ASSETS	REGULATORY FEE
$25,000 or less	$100 ~~$150~~
Over $25,000 and not over $100,000	$100 ~~$150~~ plus $4 ~~$6~~ per $1,000 of assets in excess of $25,000
Over $100,000 and not over $200,000	$400 ~~$600~~ plus $3 ~~$4.50~~ per $1,000 of assets in excess of $100,000
Over $200,000 and not over $500,000	$700 ~~$1,050~~ plus $2 ~~$3~~ per $1,000 of assets in excess of $200,000
Over $500,000 and not over $1,000,000	$1,300 ~~$1,950~~ plus $1.40 ~~$2.10~~ per $1,000 of assets in excess of $500,000
Over $1,000,000 and not over $5,000,000.....	$2,000 ~~$3,000~~ plus $0.50 ~~$0.75~~ per $1,000 of assets in excess of $1,000,000
Over $5,000,000 and not	

over $30,000,000	$5,080 ~~$6,000~~ plus
$0.44 ~~$0.525~~	
per $1,000 assets	
in excess of $5,000,000	
Over $30,000,000 and not	
over $100,000,000	$16,192 ~~$19,125~~ plus
$0.38 ~~$0.45~~	
per $1,000 of assets in	
excess of $30,000,000	
Over $100,000,000 and not	
over $500,000,000	$42,862 ~~$50,625~~ plus
$0.19 ~~$0.225~~	
per $1,000 of assets in	
excess of $100,000,000	
Over $500,000,000	$140,625 plus $0.075
per $1,000 of assets in	
excess of $500,000,000	

(2) The Director shall review the regulatory fee schedule in subsection (1) and the projected earnings on those fees on an annual basis and adjust the fee schedule no more than 5% annually if necessary to defray the estimated administrative and operational expenses of the Department as defined in subsection (5). The Director shall provide credit unions with written notice of any adjustment made in the regulatory fee schedule.

(3) Not later than March 1 of each calendar year, a credit union shall pay to the Department a regulatory fee for that calendar year in accordance with the regulatory fee schedule in subsection (1), on the basis of assets as of the Year-end Call Report of the preceding year. The regulatory fee shall not be less than $100 ~~$150~~ or more than $187,500, provided that the regulatory fee cap of $187,500 shall be adjusted to incorporate the same percentage increase as the Director makes in the regulatory fee schedule from time to time under subsection (2). No regulatory fee shall be collected from a credit union until it has been in operation for one year.

(4) The aggregate of all fees collected by the Department under this Act shall be paid promptly after they are received, accompanied by a detailed statement thereof, into the State Treasury and shall be set apart in the Credit Union Fund, a special fund hereby created in the State treasury. The amount from time to time deposited in the Credit Union Fund and shall be used to offset the ordinary administrative and operational expenses of the Department under this Act. All earnings received from investments of funds in the Credit Union Fund shall be deposited into the Credit Union Fund and may be used for the same purposes as fees deposited into that Fund.

(5) The administrative and operational expenses for any calendar year shall mean the ordinary and contingent expenses for that year incidental to making the examinations provided for by, and for administering, this Act, including all salaries and other compensation paid for personal services rendered for the State by officers or employees of the State to enforce this Act; all expenditures for telephone and telegraph charges, postage and postal charges, office supplies and services, furniture and equipment, office space and maintenance thereof, travel expenses and other necessary expenses; all to the extent that such expenditures are directly incidental to such examination or administration.

(6) When the aggregate of all fees collected by the Department under this Act and all earnings thereon for any calendar year exceeds 150% of the total administrative and operational expenses under this Act for that year, such excess shall be credited to credit unions and applied against their regulatory fees for the subsequent year. The amount credited to a credit union shall be in the same proportion as the fee paid by such credit union for the calendar year in which the excess is produced bears to the aggregate of the fees collected by the Department under this Act for the same year.

(7) Examination fees for the year 2000 statutory examinations paid pursuant to the examination fee schedule in effect at that time shall be credited toward the regulatory fee to be assessed the credit union in calendar year 2001.

(8) Nothing in this Act shall prohibit the General Assembly from appropriating funds to the

Department from the General Revenue Fund for the purpose of administering this Act. (Source: P.A. 92-293, eff. 8-9-01; 93-32, eff. 7-1-03.)

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 BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Lightford, **House Bill No. 1078**, 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 58; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Silverstein
Bomke	Haine	Obama	Soden
Brady	Halvorson	Peterson	Sullivan, D.
Burzynski	Harmon	Petka	Sullivan, J.
Clayborne	Hendon	Radogno	Syverson
Collins	Hunter	Rauschenberger	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch
DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Wojcik
Dillard	Luechtefeld	Schoenberg	Mr. President
Forby	Maloney	Shadid	
Garrett	Meeks	Sieben	

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

Ordered that the title be as aforesaid, and that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

On motion of Senator DeLeo, **House Bill No. 610**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

Yeas 47; Nays 6; Present 1.

The following voted in the affirmative:

Bomke	Garrett	Meeks	Silverstein
Brady	Geo-Karis	Munoz	Soden
Clayborne	Haine	Obama	Sullivan, D.
Collins	Halvorson	Peterson	Trotter
Cronin	Harmon	Risinger	Viverito
Crotty	Hendon	Ronen	Walsh
Cullerton	Hunter	Roskam	Watson
del Valle	Jacobs	Rutherford	Welch

DeLeo	Jones, J.	Sandoval	Winkel
Demuzio	Lightford	Schoenberg	Wojcik
Dillard	Link	Shadid	Mr. President
Forby	Maloney	Sieben	

The following voted in the negative:

Althoff	Lauzen	Rauschenberger
Jones, W.	Luechtefeld	Righter

The following voted present:

Sullivan, J.

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

Ordered that the title be as aforesaid, and that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

At the hour of 4:05 o'clock p.m., Senator Demuzio presiding.

CONSIDERATION OF GOVERNOR'S VETO MESSAGES

Pursuant to the Motion in Writing filed on Thursday, November 6, 2003 and journalized Tuesday, November 18, 2003, Senator Trotter moved that the item on page 81, line 27-30 to **House Bill No. 2716** do pass, the item veto of the Governor to the contrary notwithstanding.

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

Yeas 54; Nays None.

The following voted in the affirmative:

Althoff	Halvorson	Obama	Silverstein
Bomke	Harmon	Peterson	Soden
Brady	Hendon	Petka	Sullivan, D.
Burzynski	Hunter	Radogno	Sullivan, J.
Collins	Jacobs	Rauschenberger	Trotter
Crotty	Jones, J.	Righter	Viverito
Cullerton	Jones, W.	Risinger	Walsh
del Valle	Lauzen	Ronen	Watson
DeLeo	Lightford	Roskam	Welch
Demuzio	Link	Rutherford	Winkel
Dillard	Luechtefeld	Sandoval	Wojcik
Garrett	Maloney	Schoenberg	Mr. President
Geo-Karis	Meeks	Shadid	
Haine	Munoz	Sieben	

This bill, having received the vote of three-fifths of the members elected, was declared passed, the item veto of the Governor to the contrary notwithstanding.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Forby asked and obtained unanimous consent for the Journal to reflect his affirmative vote on the Motion to Override the Item Veto on page 81, line 27-30 to **House Bill No. 2716.**

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Welch moved that the item on page 15, line 27-29 to **House Bill No. 2663** be restored, the item reduction of the Governor to the contrary notwithstanding.

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

Yeas 55; Nays None; Present 1.

The following voted in the affirmative:

Althoff	Geo-Karis	Meeks	Sieben
Bomke	Haine	Munoz	Silverstein
Brady	Halvorson	Obama	Soden
Burzynski	Harmon	Peterson	Sullivan, D.
Clayborne	Hendon	Petka	Sullivan, J.
Collins	Hunter	Radogno	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch
DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Wojcik
Forby	Luechtefeld	Schoenberg	Mr. President
Garrett	Maloney	Shadid	

The following voted present:

Dillard

The motion prevailed.

And the Senate concurred with the House in the restoration of the item reduction of the Governor to House Bill No. 2663.

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Trotter moved that the item on page 18, line 17-22 to **House Bill No. 2671** be restored, the item reduction of the Governor to the contrary notwithstanding.

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

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Silverstein
Bomke	Haine	Obama	Soden
Brady	Halvorson	Peterson	Sullivan, D.
Burzynski	Harmon	Petka	Sullivan, J.
Clayborne	Hendon	Radogno	Syverson
Collins	Hunter	Rauschenberger	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch
DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Wojcik
Dillard	Luechtefeld	Schoenberg	Mr. President
Forby	Maloney	Shadid	
Garrett	Meeks	Sieben	

The motion prevailed.

And the Senate concurred with the House in the restoration of the item reduction of the Governor to House Bill No. 2671.

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Welch moved that the item on page 235, line 28 to **House Bill No. 2700** be restored, the item reduction of the Governor to the contrary notwithstanding.

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

Yeas 43; Nays 12.

The following voted in the affirmative:

Althoff	Garrett	Link	Soden
Bomke	Geo-Karis	Maloney	Sullivan, D.
Clayborne	Haine	Meeks	Sullivan, J.
Collins	Halvorson	Munoz	Trotter
Cronin	Harmon	Peterson	Viverito
Crotty	Hendon	Ronen	Walsh
Cullerton	Hunter	Rutherford	Watson
del Valle	Jacobs	Sandoval	Welch
DeLeo	Jones, W.	Schoenberg	Wojcik
Demuzio	Lauzen	Shadid	Mr. President
Forby	Lightford	Silverstein	

The following voted in the negative:

Brady	Petka	Risinger
Burzynski	Radogno	Roskam
Jones, J.	Rauschenberger	Sieben
Luechtefeld	Righter	Winkel

The motion prevailed.

And the Senate concurred with the House in the restoration of the item reduction of the Governor to House Bill No. 2700.

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Welch moved that the item on page 236, line 28 to **House Bill No. 2700** be restored, the item reduction of the Governor to the contrary notwithstanding.

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

Yeas 45; Nays 11.

The following voted in the affirmative:

Althoff	Garrett	Luechtefeld	Soden
Bomke	Geo-Karis	Maloney	Sullivan, D.
Burzynski	Haine	Meeks	Sullivan, J.
Clayborne	Halvorson	Munoz	Trotter
Collins	Harmon	Obama	Viverito
Cronin	Hendon	Peterson	Walsh
Crotty	Hunter	Ronen	Welch
Cullerton	Jacobs	Rutherford	Wojcik
del Valle	Jones, W.	Sandoval	Mr. President
DeLeo	Lauzen	Schoenberg	
Demuzio	Lightford	Shadid	
Forby	Link	Silverstein	

The following voted in the negative:

Brady	Radogno	Risinger	Watson
Jones, J.	Rauschenberger	Roskam	Winkel

Petka	Righter	Sieben

The motion prevailed.

And the Senate concurred with the House in the restoration of the item reduction of the Governor to House Bill No. 2700.

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Welch moved that the item on page 255, line 17-20 to **House Bill No. 2700** be restored, the item reduction of the Governor to the contrary notwithstanding.

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

Yeas 36; Nays 21.

The following voted in the affirmative:

Bomke	Geo-Karis	Meeks	Sullivan, J.
Clayborne	Haine	Munoz	Trotter
Collins	Halvorson	Obama	Viverito
Crotty	Harmon	Peterson	Walsh
Cullerton	Hendon	Ronen	Welch
del Valle	Hunter	Sandoval	Mr. President
DeLeo	Jacobs	Schoenberg	
Demuzio	Lightford	Shadid	
Forby	Link	Sieben	
Garrett	Maloney	Silverstein	

The following voted in the negative:

Althoff	Lauzen	Risinger	Watson
Brady	Luechtefeld	Roskam	Winkel
Burzynski	Petka	Rutherford	Wojcik
Cronin	Radogno	Soden	
Jones, J.	Rauschenberger	Sullivan, D.	
Jones, W.	Righter	Syverson	

The motion prevailed.

And the Senate concurred with the House in the restoration of the item reduction of the Governor to House Bill No. 2700.

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Trotter moved that the item on page 5, line 24-25 to **House Bill No. 2716** be restored, the item reduction of the Governor to the contrary notwithstanding.

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

Yeas 54; Nays 4.

The following voted in the affirmative:

Althoff	Haine	Munoz	Silverstein
Bomke	Halvorson	Obama	Soden
Burzynski	Harmon	Peterson	Sullivan, D.
Clayborne	Hendon	Petka	Sullivan, J.
Collins	Hunter	Rauschenberger	Syverson
Crotty	Jacobs	Righter	Trotter
Cullerton	Jones, J.	Risinger	Viverito
del Valle	Jones, W.	Ronen	Walsh
DeLeo	Lauzen	Roskam	Welch

Demuzio	Lightford	Rutherford	Winkel
Dillard	Link	Sandoval	Wojcik
Forby	Luechtefeld	Schoenberg	Mr. President
Garrett	Maloney	Shadid	
Geo-Karis	Meeks	Sieben	

The following voted in the negative:

Brady	Radogno
Cronin	Watson

The motion prevailed.

And the Senate concurred with the House in the restoration of the item reduction of the Governor to House Bill No. 2716.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Brady asked and obtained unanimous consent for the Journal to reflect his affirmative vote on Motion to Restore Item Reduction on page 5, Line 24-25 to **House Bill No. 2716.**

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Trotter moved that the item on page 25, line 18-22 to **House Bill No. 2716** be restored, the item reduction of the Governor to the contrary notwithstanding.

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

Yeas 50; Nays 4.

The following voted in the affirmative:

Althoff	Halvorson	Munoz	Silverstein
Burzynski	Harmon	Peterson	Soden
Clayborne	Hendon	Petka	Sullivan, D.
Collins	Hunter	Radogno	Sullivan, J.
Crotty	Jacobs	Righter	Trotter
Cullerton	Jones, J.	Risinger	Viverito
del Valle	Jones, W.	Ronen	Watson
DeLeo	Lauzen	Roskam	Welch
Demuzio	Lightford	Rutherford	Winkel
Forby	Link	Sandoval	Wojcik
Garrett	Luechtefeld	Schoenberg	Mr. President
Geo-Karis	Maloney	Shadid	
Haine	Meeks	Sieben	

The following voted in the negative:

Bomke	Cronin
Brady	Rauschenberger

The motion prevailed.

And the Senate concurred with the House in the restoration of the item reduction of the Governor to House Bill No. 2716.

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Trotter moved that the item on page 56, line 34 and page 57, line 1 to **House Bill No. 2716** be restored, the item reduction of the Governor to the contrary notwithstanding.

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

Yeas 45; Nays 11.

The following voted in the affirmative:

Bomke	Halvorson	Obama	Sullivan, D.
Burzynski	Harmon	Peterson	Sullivan, J.
Clayborne	Hendon	Righter	Trotter
Collins	Hunter	Risinger	Viverito
Crotty	Jacobs	Ronen	Walsh
Cullerton	Jones, J.	Rutherford	Welch
del Valle	Lightford	Sandoval	Winkel
DeLeo	Link	Schoenberg	Wojcik
Demuzio	Luechtefeld	Shadid	Mr. President
Forby	Maloney	Sieben	
Garrett	Meeks	Silverstein	
Geo-Karis	Munoz	Soden	

The following voted in the negative:

Althoff	Haine	Petka	Roskam
Brady	Jones, W.	Radogno	Watson
Cronin	Lauzen	Rauschenberger	

The motion prevailed.

And the Senate concurred with the House in the restoration of the item reduction of the Governor to House Bill No. 2716.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 4:37 o'clock p.m., Senator Welch presiding.

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Trotter moved that the item on page 61, line 1 to **House Bill No. 2716** be restored, the item reduction of the Governor to the contrary notwithstanding.

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

Yeas 35; Nays 21.

The following voted in the affirmative:

Clayborne	Harmon	Munoz	Silverstein
Collins	Hendon	Obama	Sullivan, D.
Crotty	Hunter	Peterson	Sullivan, J.
Cullerton	Jacobs	Petka	Trotter
del Valle	Lightford	Risinger	Viverito
DeLeo	Link	Ronen	Walsh
Demuzio	Luechtefeld	Sandoval	Winkel
Forby	Maloney	Schoenberg	Mr. President
Halvorson	Meeks	Shadid	

The following voted in the negative:

Althoff	Haine	Righter	Watson
Bomke	Jones, J.	Roskam	Welch
Brady	Jones, W.	Rutherford	Wojcik
Burzynski	Lauzen	Sieben	
Cronin	Radogno	Soden	
Dillard	Rauschenberger	Syverson	

The motion prevailed.

And the Senate concurred with the House in the restoration of the item reduction of the Governor to House Bill No. 2716.

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed and journalized on Thursday, November 6, 2003, Senator Trotter moved to accept the Governor's specific recommendations for change to **House Bill No. 88**.

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

Yeas 56; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Obama	Sullivan, D.
Bomke	Haine	Peterson	Sullivan, J.
Brady	Halvorson	Petka	Syverson
Burzynski	Harmon	Radogno	Trotter
Clayborne	Hendon	Rauschenberger	Viverito
Collins	Hunter	Righter	Walsh
Cronin	Jacobs	Risinger	Watson
Crotty	Jones, J.	Ronen	Welch
Cullerton	Jones, W.	Roskam	Winkel
del Valle	Lauzen	Rutherford	Wojcik
DeLeo	Lightford	Sandoval	Mr. President
Demuzio	Link	Shadid	
Dillard	Maloney	Sieben	
Forby	Meeks	Silverstein	
Garrett	Munoz	Soden	

The motion prevailed.

And the Senate concurred with the House in the adoption of the Governor's specific recommendations for change to **House Bill No. 88.**

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed on Wednesday, November 12, 2003 and journalized Tuesday, November 18, 2003, Senator Shadid moved to accept the Governor's specific recommendations for change to **House Bill No. 313**.

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

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Silverstein
Bomke	Haine	Obama	Soden
Brady	Halvorson	Peterson	Sullivan, D.
Burzynski	Harmon	Petka	Sullivan, J.
Clayborne	Hendon	Radogno	Syverson
Collins	Hunter	Rauschenberger	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch
DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Wojcik
Dillard	Luechtefeld	Schoenberg	Mr. President
Forby	Maloney	Shadid	
Garrett	Meeks	Sieben	

The motion prevailed.

And the Senate concurred with the House in the adoption of the Governor's specific recommendations for change to **House Bill No. 313.**

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed on Wednesday, November 5, 2003 and journalized Thursday, November 6, 2003, Senator Link moved to accept the Governor's specific recommendations for change to **House Bill No. 684**.

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

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Silverstein
Bomke	Haine	Obama	Soden
Brady	Halvorson	Peterson	Sullivan, D.
Burzynski	Harmon	Petka	Sullivan, J.
Clayborne	Hendon	Radogno	Syverson
Collins	Hunter	Rauschenberger	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch
DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Wojcik
Dillard	Luechtefeld	Schoenberg	Mr. President
Forby	Maloney	Shadid	
Garrett	Meeks	Sieben	

The motion prevailed.

And the Senate concurred with the House in the adoption of the Governor's specific recommendations for change to **House Bill No. 684.**

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Walsh moved to accept the Governor's specific recommendations for change to **House Bill No. 816**.

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

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Silverstein
Bomke	Haine	Obama	Soden
Brady	Halvorson	Peterson	Sullivan, D.
Burzynski	Harmon	Petka	Sullivan, J.
Clayborne	Hendon	Radogno	Syverson
Collins	Hunter	Rauschenberger	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch
DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Wojcik
Dillard	Luechtefeld	Schoenberg	Mr. President
Forby	Maloney	Shadid	
Garrett	Meeks	Sieben	

The motion prevailed.

And the Senate concurred with the House in the adoption of the Governor's specific recommendations for change to **House Bill No. 816.**

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed on Wednesday, November 5, 2003 and journalized Thursday, November 6, 2003, Senator Lightford moved to accept the Governor's specific recommendations for change to **House Bill No. 1516**.

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

Yeas 56; Nays None; Present 1.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Sullivan, D.
Bomke	Haine	Peterson	Sullivan, J.
Brady	Halvorson	Petka	Syverson
Burzynski	Harmon	Radogno	Trotter
Clayborne	Hendon	Rauschenberger	Viverito
Collins	Hunter	Righter	Walsh
Cronin	Jacobs	Risinger	Watson
Crotty	Jones, J.	Ronen	Welch
Cullerton	Jones, W.	Rutherford	Winkel
del Valle	Lauzen	Sandoval	Wojcik
DeLeo	Lightford	Schoenberg	Mr. President
Demuzio	Link	Shadid	
Dillard	Luechtefeld	Sieben	
Forby	Maloney	Silverstein	
Garrett	Meeks	Soden	

The following voted present:

Obama

The motion prevailed.

And the Senate concurred with the House in the adoption of the Governor's specific recommendations for change to **House Bill No. 1516.**

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Walsh moved to accept the Governor's specific recommendations for change to **House Bill No. 3048**.

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

Yeas 40; Nays 18.

The following voted in the affirmative:

Bomke	Haine	Munoz	Sullivan, J.
Clayborne	Halvorson	Obama	Syverson
Collins	Harmon	Radogno	Trotter
Crotty	Hendon	Ronen	Viverito
Cullerton	Hunter	Rutherford	Walsh
del Valle	Jacobs	Sandoval	Welch
DeLeo	Jones, W.	Schoenberg	Mr. President
Demuzio	Lightford	Shadid	
Forby	Link	Silverstein	
Garrett	Maloney	Soden	
Geo-Karis	Meeks	Sullivan, D.	

The following voted in the negative:

Althoff	Jones, J.	Rauschenberger	Watson
Brady	Lauzen	Righter	Winkel
Burzynski	Luechtefeld	Risinger	Wojcik
Cronin	Peterson	Roskam	
Dillard	Petka	Sieben	

The motion prevailed.

And the Senate concurred with the House in the adoption of the Governor's specific recommendations for change to **House Bill No. 3048.**

Ordered that the Secretary inform the House of Representatives thereof.

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Halvorson moved to accept the Governor's specific recommendations for change to **House Bill No. 3080**.

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

Yeas 56; Nays 2.

The following voted in the affirmative:

Althoff	Geo-Karis	Obama	Sullivan, D.
Bomke	Haine	Peterson	Sullivan, J.
Brady	Halvorson	Petka	Syverson
Burzynski	Harmon	Radogno	Trotter
Clayborne	Hendon	Righter	Viverito
Collins	Hunter	Risinger	Walsh
Cronin	Jacobs	Ronen	Watson
Crotty	Jones, J.	Roskam	Welch
Cullerton	Jones, W.	Rutherford	Winkel
del Valle	Lightford	Sandoval	Wojcik
DeLeo	Link	Schoenberg	Mr. President
Demuzio	Luechtefeld	Shadid	
Dillard	Maloney	Sieben	
Forby	Meeks	Silverstein	
Garrett	Munoz	Soden	

The following voted in the negative:

Lauzen
Rauschenberger

The motion prevailed.

And the Senate concurred with the House in the adoption of the Governor's specific recommendations for change to **House Bill No. 3080.**

Ordered that the Secretary inform the House of Representatives thereof.

MESSAGES FROM THE HOUSE

A message from the House by

Mr. Bolin, Assistant 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. 771

A bill for AN ACT in relation to banking.

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. 771
Passed the House, as amended, November 19, 2003.

BRADLEY S. BOLIN, Assistant Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 771

AMENDMENT NO. 1____. Amend Senate Bill 771, by replacing everything after the enacting clause with the following:

"Section 5.

The Illinois Banking Act is amended by changing Section 34 as follows:

(205 ILCS 5/34) (from Ch. 17, par. 342)

Sec. 34. Exceptions to loans and investment limits. The limitations in Sections 32, 33, and 35.1 of this Act upon the liabilities of any one person and upon the purchase and holding of marketable investment securities shall not apply:

(1) To the extent of 50% of the unimpaired capital and unimpaired surplus of any bank, to loans to or obligations of any person to the extent that the loan shall be secured by a like amount of obligations of or guaranteed by the United States or by the State of Illinois, or by a like amount of obligations of any corporation wholly owned directly or indirectly by the United States or of any agency or instrumentality of the United States or of the State of Illinois, including any unit of local government or school district, provided that the total liabilities to any bank of any one person shall not exceed 50% of such unimpaired capital and unimpaired surplus.

(2) To the extent of 30% of the unimpaired capital and unimpaired surplus of any bank, to loans to or obligations of any person to the extent that the same shall be secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at the time of the making of the loan less than 115% of the principal amount of the obligation, provided that the total liabilities to any bank of any one person shall not exceed 50% of the unimpaired capital and unimpaired surplus.

(3) To the extent of the unimpaired capital and unimpaired surplus of any bank, to the purchase of or holding by any bank of the general obligations of each municipality located in the State of Illinois or in any other state of the United States or to the purchase of or holding of the tax anticipation warrants of each such municipality.

(4) To the obligations as endorser, whether with or without recourse, or as guarantor, whether conditional or unconditional, of negotiable or nonnegotiable installment consumer paper of the person transferring the same if the bank's files or the knowledge of its officers of the financial condition of each maker of those obligations is reasonably adequate and if an officer of the bank, designated for that purpose by the board of directors of the bank, certifies that the responsibility of each maker of the obligations has been evaluated and that the bank is relying primarily upon each maker for the payment of the obligations; certification shall be in writing and shall be retained as part of the records of the bank.

(5) To the issuance, advice, or confirmation of letters of credit; however, if the letter of credit is a standby letter of credit, it shall be included within the limit under Section 32 for the person who has procured the issuance of the standby letter of credit unless the issuing bank has, at the time of issuance, an irrevocable commitment by another bank to purchase or participate out any amounts that may later be drawn under the letter of credit that would create a loan in excess of the limits under Section 32 for the person or the amounts are secured by pledge of United States government securities, a segregated deposit account, or other security that would exempt a loan so secured by application of Section 34 or 35 of this Act; if, however, a commitment to purchase or participate is in place, the amounts are not included in the limits under Section 32 for the person until drafts are presented upon the letter.

(6) To the acceptance of drafts or bills of exchange that grow out of transactions involving the importation or exportation of goods; or that grow out of transactions involving the domestic shipment of goods, provided documents of title covering the goods secure the acceptances at the time of acceptance; or that are secured at the time of acceptances by documents of title covering readily marketable staples; but the aggregate amount of these acceptances by any State bank on behalf of any one person at any one time outstanding shall not exceed 20% of the unimpaired capital and unimpaired surplus of the bank unless the part thereof in excess of that percentum of unimpaired capital and unimpaired surplus is and will remain secured by accompanying documents of title or proceeds thereof growing out of the same transaction or by substituted security of similar character; provided further, however, that the aggregate amount of the acceptances on behalf of any one person outstanding at any one time shall not exceed 50% of the amount of unimpaired capital and unimpaired surplus of the bank. The provisions of this paragraph (6) apply to the acceptances by a State bank on behalf of any one person and not to the

purchase by a State bank of other banks' acceptances. A State bank may purchase acceptances from other banks in amounts not to exceed 50% of the State bank's unimpaired capital and unimpaired surplus from any one bank.

(7) To the extent of 20% of the unimpaired capital and unimpaired surplus of any bank, to the purchase of or holding by any bank of obligations of the State of Israel or obligations fully guaranteed by the State of Israel as to payment of principal and interest.

(8) To the purchase of stock in a Federal Home Loan Bank. (Source: P.A. 90-301, eff. 8-1-97.)

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

Under the rules, the foregoing **Senate Bill No. 771**, with House Amendment No. 1 was referred to the Secretary's Desk.

A message from the House by

Mr. Bolin, Assistant 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. 865

A bill for AN ACT in relation to sports facilities.

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. 865

Passed the House, as amended, November 19, 2003.

BRADLEY S. BOLIN, Assistant Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 865

AMENDMENT NO. 1____. Amend Senate Bill 865 by replacing the title with the following:

"AN ACT in relation to health, which may be known as the Colleen O'Sullivan Law."; and

by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Physical Fitness Facility Medical Emergency Preparedness Act.

Section 5. Definitions. In this Act, words and phrases have the meanings set forth in the following Sections.

Section 5.5. Automated external defibrillator. "Automated external defibrillator" or "AED" means an automated external defibrillator as defined in the Automated External Defibrillator Act.

Section 5.10. Department. "Department" means the Department of Public Health.

Section 5.15. Director. "Director" means the Director of Public Health.

Section 5.20. Medical emergency. "Medical emergency" means the occurrence of a sudden, serious, and unexpected sickness or injury that would lead a reasonable person, possessing an average knowledge of medicine and health, to believe that the sick or injured person requires urgent or unscheduled medical care.

Section 5.25. Physical fitness facility.

(a) "Physical fitness facility" means the following:

(1) Any of the following indoor facilities that is (i) owned or operated by a park district, municipality, or other unit of local government, including a home rule unit, or by a public or private elementary or secondary school, college, university, or technical or trade school and (ii) supervised by one or more persons, other than maintenance or security personnel, employed by the unit of local government, school, college, or university for the purpose of directly supervising the physical fitness activities taking place at any of these indoor facilities: a swimming pool; stadium; athletic field; track and field facility; tennis court; basketball court; or volleyball court; or such facilities located adjacent thereto.

(2) A golf course.

(3) Except as provided in subsection (b), any other indoor establishment, whether public or private, that provides services or facilities focusing primarily on cardiovascular exertion as defined by Department rule.

(b) "Physical fitness facility" does not include a facility serving less than a total of 100 individuals, as further defined by Department rule. In addition, the term does not include a facility located in a hospital or in a hotel or motel, or any outdoor facility. The term also does not include any facility that does not employ any persons to provide instruction, training, or assistance for persons using the facility.

Section 10. Medical emergency plan required.

(a) Before January 1, 2005, each person or entity, including a home rule unit, that operates a physical fitness facility must adopt and implement a written plan for responding to medical emergencies that occur at the facility during the time that the facility is open for use by its members or by the public. The plan must comply with this Act and rules adopted by the Department to implement this Act. The facility must file a copy of the plan with the Department.

(b) Whenever there is a change in the structure occupied by the facility or in the services provided or offered by the facility that would materially affect the facility's ability to respond to a medical emergency, the person or entity, including a home rule unit, must promptly update its plan developed under subsection (a) and must file a copy of the updated plan with the Department.

Section 15. Automated external defibrillator required.

(a) By the dates specified in Section 50, every physical fitness facility must have at least one AED on the facility premises. The Department shall adopt rules to ensure coordination with local emergency medical services systems regarding the placement and use of AEDs in physical fitness facilities. The Department may adopt rules requiring a facility to have more than one AED on the premises, based on factors that include the following:

(1) The size of the area or the number of buildings or floors occupied by the facility.

(2) The number of persons using the facility, excluding spectators.

(b) A physical fitness facility must ensure that there is a trained AED user on staff.

(c) Every physical fitness facility must ensure that every AED on the facility's premises is properly tested and maintained in accordance with rules adopted by the Department.

Section 20. Training. The Department shall adopt rules to establish programs to train physical fitness facility staff on the role of cardiopulmonary resuscitation and the use of automated external defibrillators. The rules must be consistent with those adopted by the Department for training AED users under the Automated External Defibrillator Act.

Section 30. Inspections. The Department shall inspect a physical fitness facility in response to a complaint filed with the Department alleging a violation of this Act. For the purpose of ensuring compliance with this Act, the Department may inspect a physical fitness facility at other times in accordance with rules adopted by the Department.

Section 35. Penalties for violations.

(a) If a physical fitness facility violates this Act by (i) failing to adopt or implement a plan for responding to medical emergencies under Section 10 or (ii) failing to have on the premises an AED or trained AED user as required under subsection (a) or (b) of Section 15, the Director may issue to the facility a written administrative warning without monetary penalty for the initial violation. The facility may reply to the Department with written comments concerning the facility's remedial response to the warning. For subsequent violations, the Director may impose a civil monetary penalty against the facility as follows:

(1) At least $1,500 but less than $2,000 for a second violation.

(2) At least $2,000 for a third or subsequent violation.

(b) The Director may impose a civil monetary penalty under this Section only after it provides the following to the facility:

(1) Written notice of the alleged violation.

(2) Written notice of the facility's right to request an administrative hearing on the question of the alleged violation.

(3) An opportunity to present evidence, orally or in writing or both, on the question of the alleged violation before an impartial hearing examiner appointed by the Director.

(4) A written decision from the Director, based on the evidence introduced at the hearing and the hearing examiner's recommendations, finding that the facility violated this Act and imposing the civil penalty.

(c) The Attorney General may bring an action in the circuit court to enforce the collection of a monetary penalty imposed under this Section.

(d) The fines shall be deposited into the Physical Fitness Facility Medical Emergency Preparedness Fund to be appropriated to the Department, together with any other amounts, for the costs of administering this Act.

Section 40. Rules. The Department shall adopt rules to implement this Act.

Section 45. Liability. Nothing in this Act shall be construed to either limit or expand the exemptions from civil liability in connection with the purchase or use of an automated external defibrillator that are provided under the Automated External Defibrillator Act or under any other provision of law. A right of action does not exist in connection with the use or non-use of an automated external defibrillator at a

facility governed by this Act, provided that the person, unit of state or local government, or school district operating the facility has adopted a medical emergency plan as required under Section 10 of this Act, has an automated external defibrillator at the facility as required under Section 15 of this Act, and has maintained the automated external defibrillator in accordance with the rules adopted by the Department.

Section 50. Compliance dates; private and public indoor physical fitness facilities.

(a) Privately owned indoor physical fitness facilities. Every privately owned or operated indoor physical fitness facility must be in compliance with this Act on or before July 1, 2004.

(b) Publicly owned indoor physical fitness facilities. A public entity owning or operating 4 or fewer indoor physical fitness facilities must have at least one such facility in compliance with this Act on or before July 1, 2004; its second facility in compliance by July 1, 2005; its third facility in compliance by July 1, 2006; and its fourth facility in compliance by July 1, 2007.

A public entity owning or operating more than 4 indoor physical fitness facilities must have 25% of those facilities in compliance by July 1, 2004; 50% of those facilities in compliance by July 1, 2005; 75% of those facilities in compliance by July 1, 2006; and 100% of those facilities in compliance by July 1, 2007.

Section 55. Home rule. A home rule unit must comply with the requirements of this Act. A home rule unit may not regulate physical fitness facilities in a manner inconsistent with this Act. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

Section 75.

The State Finance Act is amended by adding Section 5.620 as follows:

(30 ILCS 105/5.620 new)

Sec. 5.620. The Physical Fitness Facility Medical Emergency Preparedness Fund.

Section 88.

The State Mandates Act is amended by adding Section 8.27 as follows:

(30 ILCS 805/8.27 new)

Sec. 8.27. 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 this amendatory Act of the 93rd General Assembly.

Section 95.

The Automated External Defibrillator Act is amended by changing Section 30 as follows:

(410 ILCS 4/30)

Sec. 30. Exemption from civil liability. (a) A physician licensed in Illinois to practice medicine in all its branches who authorizes the purchase of an automated external defibrillator is not liable for civil damages as a result of any act or omission arising out of authorizing the purchase of an automated external defibrillator, except for willful or wanton misconduct, if the requirements of this Act are met.

(b) An individual or entity providing training in the use of automated external defibrillators is not liable for civil damages as a result of any act or omission involving the use of an automated external defibrillator, except for willful or wanton misconduct, if the requirements of this Act are met.

(c) A person, unit of State or local government, or school district owning, occupying, or managing the premises where an automated external defibrillator is located is not liable for civil damages as a result of any act or omission involving the use of an automated external defibrillator, except for willful or wanton misconduct, if the requirements of this Act are met.

(d) An ~~A trained~~ AED user is not liable for civil damages as a result of any act or omission involving the use of an automated external defibrillator in an emergency situation, except for willful or wanton misconduct, if the requirements of this Act are met.

(e) This Section does not apply to a public hospital. (Source: P.A. 91-524, eff. 1-1-00.)".

Under the rules, the foregoing **Senate Bill No. 865**, with House Amendment No. 1 was referred to the Secretary's Desk.

A message from the House by

Mr. Bolin, Assistant 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. 867

A bill for AN ACT in relation to the State Comptroller.

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. 867

Passed the House, as amended, November 19, 2003.

BRADLEY S. BOLIN, Assistant Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 867

AMENDMENT NO. 1____. Amend Senate Bill 867 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Budget Stabilization Act.

Section 5. Budget Stabilization Fund. The Budget Stabilization Fund is a special fund in the State treasury established for the purpose of reducing the need for future tax increases, maintaining the highest possible bond rating, reducing the need for short term borrowing, providing available resources to meet State obligations whenever casual deficits or failures in revenue occur, and providing the means of addressing budgetary shortfalls. In authorizing transfers from the Budget Stabilization Fund, whenever possible, priority consideration should be given to meeting obligations for secondary and elementary education, child care, and other programs that may provide a direct benefit to children.

Section 10. Budget limitations.

(a) In addition to Section 50-5 of the State Budget Law of the Civil Administrative Code of Illinois, the General Assembly's appropriations and transfers or diversions as required by law from general funds shall not exceed 99.5% of the estimated general funds revenues for the fiscal year when revenue estimates of the State's general funds revenues exceed the prior fiscal year's estimated general funds revenues by more than 4%.

(b) The General Assembly's appropriations and transfers or diversions as required by law from general funds shall not exceed 99% of the estimated general funds revenues for the fiscal year when revenue estimates of the State's general funds revenues exceed the prior fiscal year's estimated general funds revenues by more than 4% for 2 or more consecutive fiscal years.

(c) For the purpose of this Act, "estimated general funds revenues" include, for each budget year, all taxes, fees, and other revenues expected to be deposited into the State's general funds, including recurring transfers from other State funds into the general funds.

Year-over-year comparisons used to determine the percentage growth factor of estimated general funds revenues shall exclude the sum of the following: (i) expected revenues resulting from new taxes or fees or from tax or fee increases during the first year of the change, (ii) expected revenues resulting from one-time receipts or non-recurring transfers in, (iii) expected proceeds resulting from borrowing, and (iv) increases in federal grants that must be completely appropriated based on the terms of the grants.

Section 15. Transfers to Budget Stabilization Fund. In furtherance of the State's objective for the Budget Stabilization Fund to have resources representing 5% of the State's annual general funds revenues:

(a) For each fiscal year when the General Assembly's appropriations and transfers or diversions as required by law from general funds do not exceed 99.5% of the estimated general funds revenues pursuant to subsection (a) of Section 10, the Comptroller shall transfer from the General Revenue Fund as provided by this Section a total amount equal to .5% of the estimated general funds revenues to the Budget Stabilization Fund.

(b) For each fiscal year when the General Assembly's appropriations and transfers or diversions as required by law from general funds do not exceed 99% of the estimated general funds revenues pursuant to subsection (b) of Section 10, the Comptroller shall transfer from the General Revenue Fund as provided by this Section a total amount equal to 1% of the estimated general funds revenues to the Budget Stabilization Fund.

(c) The Comptroller shall transfer 1/12 of the total amount to be transferred each fiscal year under this Section into the Budget Stabilization Fund on the first day of each month of that fiscal year or as soon thereafter as possible. The balance of the Budget Stabilization Fund shall not exceed 5% of the total of general funds revenues estimated for that fiscal year except as provided by subsection (d) of this Section.

(d) If the balance of the Budget Stabilization Fund exceeds 5% of the total general funds revenues estimated for that fiscal year, the additional transfers are not required unless there are outstanding liabilities under Section 25 of the State Finance Act from prior fiscal years. If there are such outstanding Section 25 liabilities, then the Comptroller shall continue to transfer 1/12 of the total amount identified for transfer to the Budget Stabilization Fund on the first day of each month of that fiscal year or as soon thereafter as possible to be reserved for those Section 25 liabilities. Nothing in this Act prohibits the

General Assembly from appropriating additional moneys into the Budget Stabilization Fund.

(e) On or before August 31 of each fiscal year, the amount determined to be transferred to the Budget Stabilization Fund shall be reconciled to actual general funds revenues for that fiscal year. The final transfer for each fiscal year shall be adjusted so that the amount transferred is equal to the percentage specified in subsection (a) or (b) of Section 10 of this Act, as applicable, based on actual general funds revenues calculated consistently with subsection (c) of Section 10 of this Act for each fiscal year.

(f) For the fiscal year beginning July 1, 2006 and for each fiscal year thereafter, the budget proposal to the General Assembly shall identify liabilities incurred in a prior fiscal year under Section 25 of the State Finance Act and the budget proposal shall provide funding as allowable pursuant to subsection (d) of this Section, if applicable.

Section 90.

The State Finance Act is amended by changing Section 6z-51 as follows:

(30 ILCS 105/6z-51)

Sec. 6z-51. Budget Stabilization Fund. (a) The Budget Stabilization Fund, a special fund in the State Treasury, shall consist of moneys appropriated or transferred to that Fund, as provided in Section 6z-43 and as otherwise provided by law. All earnings on Budget Stabilization Fund investments shall be deposited into that Fund.

(b) The State Comptroller may direct the State Treasurer to transfer moneys from the Budget Stabilization Fund to the General Revenue Fund in order to meet cash flow deficits resulting from timing variations between disbursements and the receipt of funds within a fiscal year. Any moneys so borrowed shall be repaid by June 30 of the fiscal year in which they were borrowed. (Source: P.A. 92-11, eff. 6-11-01; 92-651, eff. 7-11-02.)

Section 99. Effective date. This Act takes effect July 1, 2004.".

Under the rules, the foregoing **Senate Bill No. 867**, with House Amendment No. 1 was referred to the Secretary's Desk.

A message from the House by

Mr. Bolin, Assistant 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. 978

A bill for AN ACT in relation to vehicles.

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. 978

Passed the House, as amended, November 19, 2003.

BRADLEY S. BOLIN, Assistant Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 978

AMENDMENT NO. 1____. Amend Senate Bill 978 by replacing everything after the enacting clause with the following:

"Section 5.

The Illinois Vehicle Code is amended by changing Section 11-602 as follows:

(625 ILCS 5/11-602) (from Ch. 95 1/2, par. 11-602)

Sec. 11-602. Alteration of limits by Department. Whenever the Department determines, upon the basis of an engineering and traffic investigation concerning any highway for which the Department has maintenance responsibility, that a maximum speed limit prescribed in Section 11-601 of this Chapter is greater or less than is reasonable or safe with respect to the conditions found to exist at any intersection or other place on such highway or along any part or zone thereof, the Department shall determine and declare a reasonable and safe absolute maximum speed limit applicable to such intersection or place, or along such part or zone. However, such limit shall not exceed 65 miles per hour, or 55 miles per hour for a second division vehicle designed or used for the carrying of a gross weight of 8,001 pounds or more (including the weight of the vehicle and maximum load), on a highway or street which is especially designed for through traffic and to, from, or over which owners of or persons having an interest in abutting property or other persons have no right or easement, or only a limited right or easement, of access, crossing, light, air, or view, and shall not exceed 55 miles per hour on any other highway. Where a highway under the Department's jurisdiction is contiguous to school property, the Department may, at

the school district's request, set a reduced maximum speed limit for student safety purposes in the portion of the highway that faces the school property and in the portions of the highway that extend one-quarter mile in each direction from the opposite ends of the school property. A limit ~~so~~ determined and declared as provided in this Section becomes effective, and suspends the applicability of the limit prescribed in Section 11-601 of this Chapter, when appropriate signs giving notice of the limit are erected at such intersection or other place, or along such part or zone of the highway. Electronic speed-detecting devices shall not be used within 500 feet beyond any such sign in the direction of travel; if so used in violation hereof, evidence obtained thereby shall be inadmissible in any prosecution for speeding. However, nothing in this Section prohibits the use of such electronic speed-detecting devices within 500 feet of a sign within a special school speed zone indicating such zone, conforming to the requirements of Section 11-605 of this Act, nor shall evidence obtained thereby be inadmissible in any prosecution for speeding provided the use of such device shall apply only to the enforcement of the speed limit in such special school speed zone. (Source: P.A. 89-444, eff. 1-25-96; 89-551, eff. 1-1-97.)

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

Under the rules, the foregoing **Senate Bill No. 978**, with House Amendment No. 1 was referred to the Secretary's Desk.

INTRODUCTION OF BILLS

SENATE BILL NO. 2131. Introduced by Senators Demuzio - DeLeo - D. Sullivan - Dillard - Haine, a bill for AN ACT concerning utilities.

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

SENATE BILL NO. 2132. Introduced by Senator Sieben, a bill for AN ACT concerning taxes.

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

MOTION IN WRITING

Senator Watson submitted the following Motions in Writing:

Having voted on the prevailing side, I move to reconsider the vote by which the motion that the item on page 235, line 28 of **House Bill 2700** be restored, notwithstanding the item reduction of the Governor was passed.

Date: November 18, 2003

Frank Watson
Senator

The foregoing Motions in writing were filed with the Secretary and placed on the Senate Calendar.

CONSIDERATION OF HOUSE BILL VETOED BY THE GOVERNOR

Pursuant to the Motion in Writing filed and journalized on Tuesday, November 18, 2003, Senator Garrett moved that **House Bill No. 3412** do pass, the specific recommendations of the Governor to the contrary notwithstanding.

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

Yeas 47; Nays 3; Present 7.

The following voted in the affirmative:

Althoff	Garrett	Meeks	Soden
Bomke	Haine	Munoz	Sullivan, D.
Brady	Halvorson	Obama	Sullivan, J.

Burzynski	Harmon	Radogno	Trotter
Clayborne	Hendon	Righter	Viverito
Collins	Hunter	Ronen	Walsh
Crotty	Jacobs	Roskam	Watson
Cullerton	Jones, J.	Sandoval	Welch
del Valle	Lauzen	Schoenberg	Winkel
DeLeo	Lightford	Shadid	Wojcik
Demuzio	Link	Sieben	Mr. President
Forby	Maloney	Silverstein	

The following voted in the negative:

Petka
Rauschenberger
Syverson

The following voted present:

Cronin	Geo-Karis	Luechtefeld	Risinger
Dillard	Jones, W.	Peterson	

This bill, having received the vote of three-fifths of the members elected, was declared passed, the specific recommendations of the Governor to the contrary notwithstanding.

Ordered that the Secretary inform the House of Representatives thereof.

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 Rules:

Motion to Concur in House Amendment 1 to Senate Bill 867
Motion to Concur in House Amendment 1 to Senate Bill 978
Motion to Concur in House Amendment 1 to Senate Bill 1656
Motion to Concur in House Amendment 1 to Senate Bill 1704

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

On motion of Obama, **Senate Bill No. 783**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 57; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Silverstein
Bomke	Haine	Obama	Soden
Brady	Halvorson	Peterson	Sullivan, D.
Burzynski	Harmon	Petka	Sullivan, J.
Clayborne	Hendon	Radogno	Syverson
Collins	Hunter	Rauschenberger	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch

DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Mr. President
Dillard	Luechtefeld	Schoenberg	
Forby	Maloney	Shadid	
Garrett	Meeks	Sieben	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 783**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Demuzio, **Senate Bill No. 794**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Silverstein
Bomke	Haine	Obama	Soden
Brady	Halvorson	Peterson	Sullivan, D.
Burzynski	Harmon	Petka	Sullivan, J.
Clayborne	Hendon	Radogno	Syverson
Collins	Hunter	Rauschenberger	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch
DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Wojcik
Dillard	Luechtefeld	Schoenberg	Mr. President
Forby	Maloney	Shadid	
Garrett	Meeks	Sieben	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 794**.

Ordered that the Secretary inform the House of Representatives thereof.

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

On motion of Senator Maloney, **Senate Bill No. 1014**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 57; Nays 1.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Soden
Bomke	Haine	Obama	Sullivan, D.
Brady	Halvorson	Peterson	Sullivan, J.
Burzynski	Harmon	Petka	Syverson

Clayborne	Hendon	Radogno	Trotter
Collins	Hunter	Rauschenberger	Viverito
Cronin	Jacobs	Righter	Walsh
Crotty	Jones, J.	Risinger	Watson
Cullerton	Jones, W.	Roskam	Welch
del Valle	Lauzen	Rutherford	Winkel
DeLeo	Lightford	Sandoval	Wojcik
Demuzio	Link	Schoenberg	Mr. President
Dillard	Luechtefeld	Shadid	
Forby	Maloney	Sieben	
Garrett	Meeks	Silverstein	

The following voted in the negative:

Ronen

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1014**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Obama, **Senate Bill No. 1935**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 57; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Soden
Bomke	Haine	Obama	Sullivan, D.
Brady	Halvorson	Peterson	Sullivan, J.
Burzynski	Harmon	Petka	Syverson
Clayborne	Hendon	Radogno	Trotter
Collins	Hunter	Rauschenberger	Viverito
Cronin	Jacobs	Risinger	Walsh
Crotty	Jones, J.	Ronen	Watson
Cullerton	Jones, W.	Roskam	Welch
del Valle	Lauzen	Rutherford	Winkel
DeLeo	Lightford	Sandoval	Wojcik
Demuzio	Link	Schoenberg	Mr. President
Dillard	Luechtefeld	Shadid	
Forby	Maloney	Sieben	
Garrett	Meeks	Silverstein	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 1935**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Halvorson, **Senate Bill No. 1937**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 56; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Soden
Bomke	Haine	Obama	Sullivan, D.
Brady	Halvorson	Peterson	Sullivan, J.
Burzynski	Harmon	Petka	Trotter
Clayborne	Hendon	Radogno	Viverito
Collins	Hunter	Righter	Walsh
Cronin	Jacobs	Risinger	Watson
Crotty	Jones, J.	Ronen	Welch
Cullerton	Jones, W.	Roskam	Winkel
del Valle	Lauzen	Rutherford	Wojcik
DeLeo	Lightford	Sandoval	Mr. President
Demuzio	Link	Schoenberg	
Dillard	Luechtefeld	Shadid	
Forby	Maloney	Sieben	
Garrett	Meeks	Silverstein	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1937**.

Ordered that the Secretary inform the House of Representatives thereof.

MESSAGES FROM THE HOUSE

A message from the House by

Mr. Bolin, Assistant 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. 1559

A bill for AN ACT in relation to agriculture.

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

House Amendment No. 2 to SENATE BILL NO. 1559

Passed the House, as amended, November 19, 2003.

BRADLEY S. BOLIN, Assistant Clerk of the House

AMENDMENT NO. 2 TO SENATE BILL 1559

AMENDMENT NO. 2____. Amend Senate Bill 1559 by replacing everything after the enacting clause with the following:

"Section 5.

The Rural Diversification Act is amended by changing Sections 2, 3, 4, and 5 as follows:

(20 ILCS 690/2) (from Ch. 5, par. 2252)

Sec. 2. Findings and declaration of policy. The General Assembly hereby finds, determines and declares:

(a) That Illinois is a state of diversified economic strength and that an important economic strength in Illinois is derived from rural business production and the agribusiness industry;

(b) That the Illinois rural economy is in a state of transition, which presents a unique opportunity for the State to act on its growth and development;

(c) That full and continued growth and development of Illinois' rural economy, especially in the small towns and farm communities, is vital for Illinois;

(d) That by encouraging the development of diversified rural business and agricultural production, nonproduction and processing activities in Illinois, the State creates a beneficial climate for new and improved job opportunities for its citizens and expands jobs and job training opportunities;

(e) That in order to cultivate strong rural economic growth and development in Illinois, it is necessary to proceed with a plan which encourages Illinois rural businesses and agribusinesses to expand business

employment opportunities through diversification of business and industries, offers managerial, technical and financial assistance to or on behalf of rural businesses and agribusiness, and works in a cooperative venture and spirit with Illinois' business, labor, local government, educational and scientific communities;

(f) That dedication of State resources over a multi-year period targeted to promoting the growth and development of one or more classes of diversified rural products, particularly new agricultural products, is an effective use of State funds;

(g) That the United States Congress, having identified similar needs and purposes has enacted legislation creating the United States Department of Agriculture/Farmers Home Administration Non-profit National Finance Corporations Loan and Grant Program and made funding available to the states consistent with the purposes of this Act.

(h) That the Illinois General Assembly has enacted "Rural Revival" and a series of "Harvest the Heartland" initiatives which create within the Illinois Farm Development ~~Finance~~ Authority a "Seed Capital Fund" to provide venture capital for emerging new agribusinesses, and to help coordinate cooperative research and development on new agriculture technologies in conjunction with the Agricultural Research and Development Consortium in Peoria, the United State Department of Agriculture Northern Regional Research Laboratory in Peoria, the institutions of higher learning in Illinois, and the agribusiness community of this State, identify the need for enhanced efforts by the State to promote the use of fuels utilizing ethanol made from Illinois grain, and promote forestry development in this State; and

(i) That there is a need to coordinate the many programs offered by the State of Illinois Departments of Agriculture, Commerce and Community Affairs, and Natural Resources, and the Illinois Farm Development ~~Finance~~ Authority that are targeted to agriculture and the rural community with those offered by the federal government. Therefore it is desirable that the fullest measure of coordination and integration of the programs offered by the various state agencies and the federal government be achieved. (Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 690/3) (from Ch. 5, par. 2253)

Sec. 3. Definitions. The following words and phrases shall have the meaning ascribed to each of them in this Section unless the context clearly indicates otherwise:

(a) "Office" means the Office of Rural Community Development within the Illinois Department of Commerce and Community Affairs.

(b) "Rural business" means a business, including a cooperative, proprietorship, partnership, corporation or other entity, that is located in a municipality of 20,000 population or less, or in an unincorporated area of a county with a population of less than 350,000, but not in a municipality which is contiguous to a municipality or municipalities with a population greater than 20,000. The business must also be engaged in manufacturing, mining, agriculture, wholesale, transportation, tourism, or utilities or in research and development or services to these basic industrial sectors.

(c) "Agribusiness", for purpose of this Act, means a rural business that is defined as an agribusiness pursuant to subsection (i) of Section 2 of the Illinois Farm Development ~~Finance~~ Authority Act.

(d) "Rural diversification project" means financing to a rural business for a specific activity undertaken to promote: (i) the improvement and expansion of business and industry in rural areas; (ii) creation of entrepreneurial and self-employment businesses; (iii) industry or region wide research directed to profit oriented uses of rural resources, and (iv) value added agricultural supply, production processing or reprocessing facilities or operations and shall include but not be limited to agricultural diversification projects.

(e) "Financing" means direct loans at market or below market rate interest, grants, technical assistance contracts, or other means whereby monetary assistance is provided to or on behalf of rural business or agribusinesses for purposes of rural diversification.

(f) "Agricultural diversification project" means financing awarded to a rural business for a specific activity undertaken to promote diversification of the farm economy of this State through (i) profit oriented nonproduction uses of Illinois land resources, (ii) growth and development of new crops or livestock not customarily grown or produced in this State, or (iii) developments which emphasize a vertical integration of grain or livestock produced or raised in this State into a finished product for consumption or use. "New crops or livestock not customarily grown or produced in this State" does not include corn, soybeans, wheat, swine, or beef or dairy cattle. "Vertical integration of grain or livestock produced or raised in this State" includes any new or existing grain or livestock grown or produced in this State. (Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 690/4) (from Ch. 5, par. 2254)

Sec. 4. Powers of the Office. The Office has the following powers, in addition to those granted to it

by other law:

(a) To provide financing pursuant to the provisions of this Act, from appropriations made by the General Assembly from the General Revenue Fund, Federal trust funds, and the Rural Diversification Revolving Fund created herein, to or on behalf of rural business and agribusiness to promote rural diversification.

(b) To provide financing in the form of direct loans and grants from State funds for qualifying agricultural and rural diversification projects independent of federal financial participation, except that no grants from State funds shall be made directly with a rural business.

(c) To provide financing in the form of direct loans, grants, and technical assistance contracts from State funds for qualifying agricultural and rural diversification projects in coordination with federal financial participation in the form of loan guarantees, direct loans, and grant and technical assistance contract reimbursements.

(d) To consider in the award of State funded financing the satisfaction of matching requirements associated with federal financing participation and the maximization of federal financing participation to the benefit of the rural Illinois economy.

(e) To enter into agreements or contracts, accept funds or grants, and cooperate with agencies of the Federal Government, State or Local Governments, the private sector or non-profit organizations to carry out the purposes of this Act;

(f) To enter into agreements or contracts for the promotion, application origination, analysis or servicing of the financings made by the Office pursuant to this Act;

(g) To receive and accept, from any source, aid or contributions of money, property or labor for the furtherance of this Act and collect fees, charges or advances as the Department may determine in connection with its financing;

(h) To establish application, notification, contract and other procedures and other procedures and rules deemed necessary and appropriate by the Office to carry out the provisions of this Act;

(i) To foreclose any mortgage, deed of trust, note, debenture, bond or other security interest held by the Office and to take all such actions as may be necessary to enforce any obligation held by the Office;

(j) To analyze opportunities and needs of rural communities, primarily those communities experiencing farm worker distress including consultation with regional commissions, governments, or diversification organizations, and work to strengthen the coordination of existing programs offered through the Office, the Department of Agriculture, the Department of Natural Resources, the Illinois Farm Development ~~Finance~~ Authority, the Cooperative Extension Service and others for rural and agribusiness development and assistance; and

(k) To cooperate with an existing committee comprised of representatives from the Office, the Rural Affairs Council or its successor, the Department of Agriculture, the Illinois Farm Development ~~Finance~~ Authority and others to coordinate departmental policies with other State agencies and to promote agricultural and rural diversification in the State.

(l) To exercise such other right, powers and duties as are necessary to fulfill the purposes of this Act. (Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 690/5) (from Ch. 5, par. 2255)

Sec. 5. Agricultural and rural diversification financing. (a) The Office's financing to or on behalf of rural businesses or agribusinesses in the State shall be for the purpose of assisting in the cost of agricultural and rural diversification projects including (i) acquisition, construction, reconstruction, replacement, repair, rehabilitation, alteration, expansion or extension of real property, buildings or machinery and equipment but not the acquisition of unimproved land for the production of crops or livestock; (ii) working capital items including but not limited to, inventory, accounts receivable and prepaid expenses; (iii) organizational expenses including, but not limited to, architectural and engineering costs, legal services, marketing analyses, production analyses, or other professional services; (iv) needed leasehold improvements, easements, and other amenities required to prepare a site; (v) information, technical support and technical assistance contracts to local officials or not-for-profit agencies regarding private, state and federal resources, programs or grant assistances and the needs and opportunities for diversification; and (vi) when conducted in cooperation with federal reimbursement programs, financing costs including guarantee fees, packaging fees and origination fees but not debt refinancing.

(b) Agricultural or rural diversification financing to a rural business or agribusiness under this Act shall be used only where it can be shown that the agricultural or rural diversification project for which financing is being sought has the potential to achieve commercial success and will increase employment, directly or indirectly retain jobs, or promote local diversification.

(c) The Office shall establish an internal review committee with the Director of the Rural Affairs

Council, or his designee, the Director of the Department of Agriculture, or his designee, and the Director of the Illinois Farm Development ~~Finance~~ Authority, or his designee, as members to assist in the review of all project applications.

(d) The Office shall not provide financing to a rural business or agribusiness unless the application includes convincing evidence that a specific agricultural or rural diversification project is ready to occur and will only occur if the financing is made. The Office shall also consider the applicability of other state and federal programs prior to financing any project. (Source: P.A. 93-205, eff. 1-1-04.)

Section 10.

The Illinois Finance Authority Act is amended by changing Sections 801-5, 801-10, 845-75, 845-80, 845-85, and 890-90 as follows:

(20 ILCS 3501/801-5)

Sec. 801-5. Findings and declaration of policy. The General Assembly hereby finds, determines and declares:

(a) that there are a number of existing State authorities authorized to issue bonds to alleviate the conditions and promote the objectives set forth below; and to provide a stronger, better coordinated development effort, it is determined to be in the interest of promoting the health, safety, morals and general welfare of all the people of the State to consolidate certain of such existing authorities into one finance authority;

(b) that involuntary unemployment affects the health, safety, morals and general welfare of the people of the State of Illinois;

(c) that the economic burdens resulting from involuntary unemployment fall in part upon the State in the form of public assistance and reduced tax revenues, and in the event the unemployed worker and his family migrate elsewhere to find work, may also fall upon the municipalities and other taxing districts within the areas of unemployment in the form of reduced tax revenues, thereby endangering their financial ability to support necessary governmental services for their remaining inhabitants;

(d) that a vigorous growing economy is the basic source of job opportunities;

(e) that protection against involuntary unemployment, its economic burdens and the spread of economic stagnation can best be provided by promoting, attracting, stimulating and revitalizing industry, manufacturing and commerce in the State;

(f) that the State has a responsibility to help create a favorable climate for new and improved job opportunities for its citizens by encouraging the development of commercial businesses and industrial and manufacturing plants within the State;

(g) that increased availability of funds for construction of new facilities and the expansion and improvement of existing facilities for industrial, commercial and manufacturing facilities will provide for new and continued employment in the construction industry and alleviate the burden of unemployment;

(h) that in the absence of direct governmental subsidies the unaided operations of private enterprise do not provide sufficient resources for residential construction, rehabilitation, rental or purchase, and that support from housing related commercial facilities is one means of stimulating residential construction, rehabilitation, rental and purchase;

(i) that it is in the public interest and the policy of this State to foster and promote by all reasonable means the provision of adequate capital markets and facilities for borrowing money by units of local government, and for the financing of their respective public improvements and other governmental purposes within the State from proceeds of bonds or notes issued by those governmental units; and to assist local governmental units in fulfilling their needs for those purposes by use of creation of indebtedness;

(j) that it is in the public interest and the policy of this State to the extent possible, to reduce the costs of indebtedness to taxpayers and residents of this State and to encourage continued investor interest in the purchase of bonds or notes of governmental units as sound and preferred securities for investment; and to encourage governmental units to continue their independent undertakings of public improvements and other governmental purposes and the financing thereof, and to assist them in those activities by making funds available at reduced interest costs for orderly financing of those purposes, especially during periods of restricted credit or money supply, and particularly for those governmental units not otherwise able to borrow for those purposes;

(k) (blank); ~~that in this State the following conditions exist: (i) an inadequate supply of funds at interest rates sufficiently low to enable persons engaged in agriculture in this State to pursue agricultural operations at present levels; (ii) that such inability to pursue agricultural operations lessens the supply of agricultural commodities available to fulfill the needs of the citizens of this State; (iii) that such inability to continue operations decreases available employment in the agricultural sector of the State and results~~

~~in unemployment and its attendant problems; (iv) that such conditions prevent the acquisition of an adequate capital stock of farm equipment and machinery, much of which is manufactured in this State, therefore impairing the productivity of agricultural land and, further, causing unemployment or lack of appropriate increase in employment in such manufacturing; (v) that such conditions are conducive to consolidation of acreage of agricultural land with fewer individuals living and farming on the traditional family farm; (vi) that these conditions result in a loss in population, unemployment and movement of persons from rural to urban areas accompanied by added costs to communities for creation of new public facilities and services; (vii) that there have been recurrent shortages of funds for agricultural purposes from private market sources at reasonable rates of interest; (viii) that these shortages have made the sale and purchase of agricultural land to family farmers a virtual impossibility in many parts of the State; (ix) that the ordinary operations of private enterprise have not in the past corrected these conditions; and (x) that a stable supply of adequate funds for agricultural financing is required to encourage family farmers in an orderly and sustained manner and to reduce the problems described above;~~

(l) that for the benefit of the people of the State of Illinois, the conduct and increase of their commerce, the protection and enhancement of their welfare, the development of continued prosperity and the improvement of their health and living conditions it is essential that all the people of the State be given the fullest opportunity to learn and to develop their intellectual and mental capacities and skills; that to achieve these ends it is of the utmost importance that private institutions of higher education within the State be provided with appropriate additional means to assist the people of the State in achieving the required levels of learning and development of their intellectual and mental capacities and skills and that cultural institutions within the State be provided with appropriate additional means to expand the services and resources which they offer for the cultural, intellectual, scientific, educational and artistic enrichment of the people of the State;

(m) that in order to foster civic and neighborhood pride, citizens require access to facilities such as educational institutions, recreation, parks and open spaces, entertainment and sports, a reliable transportation network, cultural facilities and theaters and other facilities as authorized by this Act, and that it is in the best interests of the State to lower the costs of all such facilities by providing financing through the State; and

(n) that to preserve and protect the health of the citizens of the State, and lower the costs of health care, that financing for health facilities should be provided through the State; and it is hereby declared to be the policy of the State, in the interest of promoting the health, safety, morals and general welfare of all the people of the State, to address the conditions noted above, to increase job opportunities and to retain existing jobs in the State, by making available through the Illinois Finance Authority, hereinafter created, funds for the development, improvement and creation of industrial, housing, local government, educational, health, public purpose and other projects; to issue its bonds and notes to make funds at reduced rates and on more favorable terms for borrowing by local governmental units through the purchase of the bonds or notes of the governmental units; ~~and to make or acquire loans for the acquisition and development of agricultural facilities;~~ to provide financing for private institutions of higher education, cultural institutions, health facilities and other facilities and projects as authorized by this Act; and to grant broad powers to the Illinois Finance Authority to accomplish and to carry out these policies of the State which are in the public interest of the State and of its taxpayers and residents. (Source: P.A. 93-205, eff. 1-1-04.)

(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, housing project, public purpose project, higher education project, health facility project, and cultural institution 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, but "project" shall not include any facility used or to be used for sectarian instruction or as a place of religious worship nor any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or other professional persons in the field of religion.

(c) The term "public purpose project" means 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 which is authorized or required by law to be undertaken by any unit of government.

(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 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 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; (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.

(k) The term "participating health institution" means a private corporation or association or public entity of this State, authorized by the laws of this 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 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. An educational facility shall not include any property used or to be used for sectarian instruction or study or as a place

for devotional activities or religious worship nor any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(s) The term "cultural facility" means any property located within the State 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. A cultural facility shall not include any property used or to be used for sectarian instruction or study or as a place for devotional activities or religious worship nor any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(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, color or creed. "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. Academic institution does not include any school or any institution primarily engaged in religious or sectarian activities.

(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. Cultural institution does not include any institution primarily engaged in religious or sectarian activities.

(w) (Blank). ~~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) (Blank). ~~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.~~

(y) (Blank). ~~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) (Blank). ~~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 of Illinois 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) (Blank). ~~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) (Blank). ~~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 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. (Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3501/845-75)

Sec. 845-75. Transfer of functions from previously existing authorities to the Illinois Finance

Authority. The Illinois Finance Authority created by the Illinois Finance Authority Act shall succeed to, assume and exercise all rights, powers, duties and responsibilities formerly exercised by the following Authorities and entities (herein called the "Predecessor Authorities") prior to the abolition of the Predecessor Authorities by this Act:

The Illinois Development Finance Authority

~~The Illinois Farm Development Authority~~

The Illinois Health Facilities Authority

The Illinois Educational Facilities Authority

The Illinois Community Development Finance Corporation

The Illinois Rural Bond Bank

The Research Park Authority

All books, records, papers, documents and pending business in any way pertaining to the Predecessor Authorities are transferred to the Illinois Finance Authority, but any rights or obligations of any person under any contract made by, or under any rules, regulations, uniform standards, criteria and guidelines established or approved by, such Predecessor Authorities shall be unaffected thereby. All bonds, notes or other evidences of indebtedness outstanding on the effective date of this Act shall be unaffected by the transfer of functions to the Illinois Finance Authority. No rule, regulation, standard, criteria or guideline promulgated, established or approved by the Predecessor Authorities pursuant to an exercise of any right, power, duty or responsibility assumed by and transferred to the Illinois Finance Authority shall be affected by this Act, and all such rules, regulations, standards, criteria and guidelines shall become those of the Illinois Finance Authority until such time as they are amended or repealed by the Illinois Finance Authority. (Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3501/845-80)

Sec. 845-80. Any reference in statute, in rule, or otherwise to the following entities is a reference to the Illinois Finance Authority created by this Act:

The Illinois Development Finance Authority.

~~The Illinois Farm Development Authority.~~

The Illinois Health Facilities Authority.

The Illinois Research Park Authority.

The Illinois Rural Bond Bank.

The Illinois Educational Facilities Authority.

The Illinois Community Development Finance Corporation. (Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3501/845-85)

Sec. 845-85. Any reference in statute, in rule, or otherwise to the following Acts is a reference to this Act:

The Illinois Development Finance Authority Act.

~~The Illinois Farm Development Act.~~

The Illinois Health Facilities Authority Act.

The Illinois Research Park Authority Act.

The Rural Bond Bank Act.

The Illinois Educational Facilities Authority Act.

The Illinois Community Development Finance Corporation Act. (Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3501/890-90)

Sec. 890-90. The following Acts are repealed:

The Illinois Development Finance Authority Act.

~~The Illinois Farm Development Act.~~

The Illinois Health Facilities Authority Act.

The Illinois Research Park Authority Act.

The Rural Bond Bank Act.

The Illinois Educational Facilities Authority Act.

The Illinois Community Development Finance Corporation Act.

(Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3501/Art. 830 rep.)

Sec. 12. The Illinois Finance Authority Act is amended by repealing Article 830.

Section 13.

The Illinois Farm Development Act is amended by changing Sections 12.1, 12.2, 12.4, and 12.5 as follows:

(20 ILCS 3605/12.1) (from Ch. 5, par. 1212.1)

Sec. 12.1. State Guarantees for existing debt. (a) The Authority is authorized to issue State

Guarantees for farmers' existing debts held by a lender. For the purposes of this Section, a farmer shall be a resident of Illinois, who is a principal operator of a farm or land, at least 30% ~~50%~~ of whose annual gross income is derived from farming and whose debt to asset ratio shall not exceed the maximum established by the Authority ~~be less than 40%~~, except in those cases where the applicant has previously used the guarantee program there shall be no debt to asset ratio or income restriction. For the purposes of this Section, debt to asset ratio shall mean the current outstanding liabilities of the farmer divided by the current outstanding assets of the farmer. The Authority shall establish the maximum permissible debt to asset ratio based on criteria established by the Authority.

Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fees or charges involved in recording mortgages, releases, financing statements, insurance for secondary market issues and any other similar fees or charges as the Authority may require. The application shall at a minimum contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the lender must agree to bring the farmer's debt to a current status at the time the State Guarantee is provided and must also agree to charge a fixed or adjustable interest rate which the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State Guarantee Loan can be converted to a fixed interest rate at any time during the term of the loan.

Any State Guarantees provided under this Section (i) shall not exceed $1,000,000 ~~$500,000~~ per farmer, (ii) ~~shall be set up on a payment schedule not to exceed 30 years, and~~ shall be no longer than 30 years in duration, and (iii) shall be subject to an annual review and renewal by the lender and the Authority; provided that only one such State Guarantee shall be outstanding per farmer at any one time. No State Guarantee shall be revoked by the Authority without a 90 day notice, in writing, to all parties. ~~In those cases were the borrower has not previously used the guarantee program, the lender shall not call due any loan during the first 3 years for any reason except for lack of performance or insufficient collateral.~~ The lender can review and withdraw or continue with the State Guarantee on an annual basis ~~after the first 3 years of the loan~~, provided a 90 day notice, in writing, to all parties has been given.

(b) The Authority shall provide or renew a State Guarantee to a lender if:

(i) A fee equal to 25 basis points on the loan is paid to the Authority on an annual basis by the lender.

(ii) The application provides collateral acceptable to the Authority that is at least equal to the gross loan amount ~~State's portion of the Guarantee to be provided~~.

(iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

(iv) The lender is responsible for the first 15% of the outstanding principal of the note for which the State Guarantee has been applied.

(c) There is hereby created outside of the State Treasury a special fund to be known as the Illinois Agricultural Loan Guarantee Fund. The State Treasurer shall be custodian of this Fund. Any amounts in the Illinois Agricultural Loan Guarantee Fund not currently needed to meet the obligations of the Fund shall be invested as provided by law, and all interest earned from these investments shall be deposited into the Fund until the Fund reaches the maximum amount authorized in this Act; thereafter, interest earned shall be deposited into the General Revenue Fund. After September 1, 1989, annual investment earnings equal to 1.5% of the Fund shall remain in the Fund to be used for the purposes established in Section 12.3 of this Act.

The Authority is authorized to transfer to the Fund such amounts as are necessary to satisfy claims during the duration of the State Guarantee program to secure State Guarantees issued under this Section. If for any reason the General Assembly fails to make an appropriation sufficient to meet these obligations, this Act shall constitute an irrevocable and continuing appropriation of an amount necessary to secure guarantees as defaults occur and the irrevocable and continuing authority for, and direction to, the State Treasurer and the Comptroller to make the necessary transfers to the Illinois Agricultural Loan Guarantee Fund, as directed by the Governor, out of the General Revenue Fund.

Within 30 days after November 15, 1985, the Authority may transfer up to $7,000,000 from available appropriations into the Illinois Agricultural Loan Guarantee Fund for the purposes of this Act. Thereafter, the Authority may transfer additional amounts into the Illinois Agricultural Loan Guarantee Fund to secure guarantees for defaults as defaults occur.

In the event of default by the farmer, the lender shall be entitled to, and the Authority shall direct

payment on, the State Guarantee after 90 days of delinquency. All payments by the Authority shall be made from the Illinois Agricultural Loan Guarantee Fund to satisfy claims against the State Guarantee. The Illinois Agricultural Loan Guarantee Fund shall guarantee receipt of payment of the 85% of the principal and interest owed on the State Guarantee Loan by the farmer to the guarantee holder.

It shall be the responsibility of the lender to proceed with the collecting and disposing of collateral on the State Guarantee within 14 months of the time the State Guarantee is declared delinquent; provided, however, that the lender shall not collect or dispose of collateral on the State Guarantee without the express written prior approval of the Authority. If the lender does not dispose of the collateral within 14 months, the lender shall be liable to repay to the State interest on the State Guarantee equal to the same rate which the lender charges on the State Guarantee; provided, however, that the Authority may extend the 14 month period for a lender in the case of bankruptcy or extenuating circumstances. The Fund shall be reimbursed for any amounts paid under this Section upon liquidation of the collateral. The Authority, by resolution of the Board, may borrow sums from the Fund and provide for repayment as soon as may be practical upon receipt of payments of principal and interest by a farmer. Money may be borrowed from the Fund by the Authority for the sole purpose of paying certain interest costs for farmers associated with selling a loan subject to a State Guarantee in a secondary market as may be deemed reasonable and necessary by the Authority.

(d) Notwithstanding the provisions of this Section 12.1 with respect to the farmers and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of farmers and lenders to participate in the State guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section. (Source: P.A. 90-325, eff. 8-8-97; 91-386, eff. 1-1-00.)

(20 ILCS 3605/12.2) (from Ch. 5, par. 1212.2)

Sec. 12.2. State Guarantees for loans to farmers and agribusiness; eligibility.

(a) The Authority is authorized to issue State Guarantees to lenders for loans to eligible farmers and agribusinesses for purposes set forth in this Section. For purposes of this Section, an eligible farmer shall be a resident of Illinois (i) who is principal operator of a farm or land, at least 30% ~~50%~~ of whose annual gross income is derived from farming, and (ii) whose annual total sales of agricultural products, commodities, or livestock exceeds $20,000~~, and (iii) whose net worth does not exceed $500,000~~. An eligible agribusiness shall be that as defined in Section 2 of this Act.

The Authority may approve applications by farmers and agribusinesses that promote diversification of the farm economy of this State through the growth and development of new crops or livestock not customarily grown or produced in this State or that emphasize a vertical integration of grain or livestock produced or raised in this State into a finished agricultural product for consumption or use. "New crops or livestock not customarily grown or produced in this State" shall not include corn, soybeans, wheat, swine, or beef or dairy cattle. "Vertical integration of grain or livestock produced or raised in this State" shall include any new or existing grain or livestock grown or produced in this State.

Lenders shall apply for the State Guarantees on forms provided by the Authority, certify that the application and any other documents submitted are true and correct, and pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fees or charges involved in recording mortgages, releases, financing statements, insurance for secondary market issues and any other similar fees or charges as the Authority may require. The application shall at a minimum contain the farmer's or agribusiness' name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the lender must agree to charge an interest rate, which may vary, on the loan that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State Guarantee Loan can be converted to a fixed interest rate at any time during the term of the loan.

Any State Guarantees provided under this Section (i) shall not exceed ~~$500,000 per farmer or~~ an amount as determined by the Authority on a case-by-case basis ~~for an agribusiness~~, (ii) shall not exceed a term of 30 ~~15~~ years, and (iii) shall be subject to an annual review and renewal by the lender and the Authority; provided that only one such State Guarantee shall be made per farmer or agribusiness, except that additional State Guarantees may be made for purposes of expansion of projects financed in part by a previously issued State Guarantee. No State Guarantee shall be revoked by the Authority without a 90 day notice, in writing, to all parties. The lender shall not call due any loan for any reason except for lack of performance, insufficient collateral, or maturity. A lender may review and withdraw or continue with a State Guarantee on an annual basis ~~after the first 5 years following closing of the loan application if the loan contract provides for an interest rate that shall not vary. A lender shall not withdraw a State~~

~~Guarantee if the loan contract provides for an interest rate that may vary, except for reasons set forth herein~~.

(b) The Authority shall provide or renew a State Guarantee to a lender if:

i. A fee equal to 25 basis points on the loan is paid to the Authority on an annual basis by the lender.

ii. The application provides collateral acceptable to the Authority that is at least equal to the gross loan amount ~~State's portion of the Guarantee to be provided~~.

iii. The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

iv. The lender is responsible for the first 15% of the outstanding principal of the note for which the State Guarantee has been applied.

(c) There is hereby created outside of the State Treasury a special fund to be known as the Illinois Farmer and Agribusiness Loan Guarantee Fund. The State Treasurer shall be custodian of this Fund. Any amounts in the Fund not currently needed to meet the obligations of the Fund shall be invested as provided by law, and all interest earned from these investments shall be deposited into the Fund until the Fund reaches the maximum amounts authorized in this Act; thereafter, interest earned shall be deposited into the General Revenue Fund. After September 1, 1989, annual investment earnings equal to 1.5% of the Fund shall remain in the Fund to be used for the purposes established in Section 12.3 of this Act.

The Authority is authorized to transfer such amounts as are necessary to satisfy claims from available appropriations and from fund balances of the Farm Emergency Assistance Fund as of June 30 of each year to the Illinois Farmer and Agribusiness Loan Guarantee Fund to secure State Guarantees issued under this Section and Sections 12.4 and 12.5. If for any reason the General Assembly fails to make an appropriation sufficient to meet these obligations, this Act shall constitute an irrevocable and continuing appropriation of an amount necessary to secure guarantees as defaults occur and the irrevocable and continuing authority for, and direction to, the State Treasurer and the Comptroller to make the necessary transfers to the Illinois Farmer and Agribusiness Loan Guarantee Fund, as directed by the Governor, out of the General Revenue Fund.

In the event of default by the borrower on State Guarantee Loans under this Section, Section 12.4, or Section 12.5, the lender shall be entitled to, and the Authority shall direct payment on, the State Guarantee after 90 days of delinquency. All payments by the Authority shall be made from the Illinois Farmer and Agribusiness Loan Guarantee Fund to satisfy claims against the State Guarantee.

It shall be the responsibility of the lender to proceed with the collecting and disposing of collateral on the State Guarantee under this Section, Section 12.4, or Section 12.5 within 14 months of the time the State Guarantee is declared delinquent. If the lender does not dispose of the collateral within 14 months, the lender shall be liable to repay to the State interest on the State Guarantee equal to the same rate that the lender charges on the State Guarantee, provided that the Authority shall have the authority to extend the 14 month period for a lender in the case of bankruptcy or extenuating circumstances. The Fund shall be reimbursed for any amounts paid under this Section, Section 12.4, or Section 12.5 upon liquidation of the collateral.

The Authority, by resolution of the Board, may borrow sums from the Fund and provide for repayment as soon as may be practical upon receipt of payments of principal and interest by a borrower on State Guarantee Loans under this Section, Section 12.4, or Section 12.5. Money may be borrowed from the Fund by the Authority for the sole purpose of paying certain interest costs for borrowers associated with selling a loan subject to a State Guarantee under this Section, Section 12.4, or Section 12.5 in a secondary market as may be deemed reasonable and necessary by the Authority.

(d) Notwithstanding the provisions of this Section 12.2 with respect to the farmers, agribusinesses, and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of farmers, agribusinesses, and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section. (Source: P.A. 90-325, eff. 8-8-97; 91-386, eff. 1-1-00.)

(20 ILCS 3605/12.4) (from Ch. 5, par. 1212.4)

Sec. 12.4. Illinois ~~Young~~ Farmer Loan Guarantee Program. (a) The Authority is authorized to issue State Guarantees to lenders for loans to finance or refinance debts of ~~young~~ farmers. For the purposes of this Section, a ~~young~~ farmer is a resident of Illinois who is at least 18 years of age and who is a principal operator of a farm or land, who derives at least 30% ~~50%~~ of annual gross income from farming, whose net worth is not less than $10,000 and whose debt to asset ratio does not exceed the maximum limit established by the Authority ~~is not less than 40%~~. For the purposes of this Section, debt

to asset ratio means current outstanding liabilities, including any debt to be financed or refinanced under this Section, divided by current outstanding assets. The Authority shall establish the maximum permissible debt to asset ratio based on criteria established by the Authority.

Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fee or charge that the Authority may require. The application shall at a minimum contain the ~~young~~ farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the borrower must certify to the Authority that, at the time the State Guarantee is provided, the borrower will not be delinquent in the repayment of any debt. The lender must agree to charge a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State guaranteed loan can be converted to a fixed interest rate at any time during the term of the loan.

State Guarantees provided under this Section (i) shall not exceed $1,000,000 ~~$500,000~~ per ~~young~~ farmer, (ii) ~~shall be set up on a payment schedule not to exceed 30 years, but~~ shall be no longer than 30 ~~15~~ years in duration, and (iii) shall be subject to an annual review and renewal by the lender and the Authority. A ~~young~~ farmer may use this program more than once ~~provided the aggregate principal amount of State Guarantees under this Section to that young farmer does not exceed $500,000~~. No State Guarantee shall be revoked by the Authority without a 90 day notice, in writing, to all parties.

(b) The Authority shall provide or renew a State Guarantee to a lender if:

(i) The lender pays a fee equal to 25 basis points on the loan to the Authority on an annual basis.

(ii) The application provides collateral acceptable to the Authority that is at least equal to the gross loan amount ~~State Guarantee~~.

(iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

(iv) The lender is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided.

(c) The Illinois Farmer and Agribusiness Loan Guarantee Fund may be used to secure State Guarantees issued under this Section as provided in Section 12.2.

(d) Notwithstanding the provisions of this Section 12.4 with respect to the ~~young~~ farmers and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of ~~young~~ farmers and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section. (Source: P.A. 90-325, eff. 8-8-97; 91-386, eff. 1-1-00.)

(20 ILCS 3605/12.5)

Sec. 12.5. Specialized Livestock Guarantee Program. (a) The Authority is authorized to issue State Guarantees to lenders for loans to finance or refinance debts for specialized livestock operations that are or will be located in Illinois. For purposes of this Section, a "specialized livestock operation" includes, but is not limited to, dairy, beef, and swine enterprises.

(b) Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fee or charge that the Authority may require. The application shall, at a minimum, contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the borrower must certify to the Authority that, at the time the State Guarantee is provided, the borrower will not be delinquent in the repayment of any debt. The lender must agree to charge a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State guaranteed loan can be converted to a fixed interest rate at any time during the term of the loan.

(c) State Guarantees provided under this Section (i) shall not exceed $1,000,000 per applicant, (ii) shall be no longer than 30 ~~15~~ years in duration, and (iii) shall be subject to an annual review and renewal by the lender and the Authority. An applicant may use this program more than once~~, provided that the~~

~~aggregate principal amount of State Guarantees under this Section to that applicant does not exceed $1,000,000~~. A State Guarantee shall not be revoked by the Authority without a 90-day notice, in writing, to all parties.

(d) The Authority shall provide or renew a State Guarantee to a lender if:

(i) The lender pays a fee equal to 25 basis points on the loan to the Authority on an annual basis.

(ii) The application provides collateral acceptable to the Authority that is at least equal to the gross loan amount ~~State Guarantee~~.

(iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

(iv) The lender is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided.

(e) The Illinois Farmer and Agribusiness Loan Guarantee Fund may be used to secure State Guarantees issued under this Section as provided in Section 12.2.

(f) Notwithstanding the provisions of this Section 12.5 with respect to the specialized livestock operations and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of specialized livestock operations and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section. (Source: P.A. 91-386, eff. 1-1-00.)

Section 15.

The Emergency Farm Credit Allocation Act is amended by changing Sections 3 and 4 as follows:

(20 ILCS 3610/3) (from Ch. 5, par. 1253)

Sec. 3. As used in this Act unless the context otherwise requires: (a) "Applicant" means an Illinois farmer applying for an operating loan.

(b) "Operating loan" means a loan to an applicant in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, feeding and management of livestock or poultry on a farm of which the applicant is the owner, tenant, or operator, for the current year's operating expenses.

(c) "Lender" 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, 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.

(d) "Payment adjustment" means an amount of money equal to one-half of the total interest payable on the principal of the operating loan.

(e) "Authority" means the Illinois Farm Development ~~Finance~~ Authority.

(f) "Asset" shall include, but not be 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.

(g) "Liability" 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.

(h) "Debt to asset ratio" means the current outstanding liabilities of the farmer divided by the current outstanding assets of the farmer. (Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3610/4) (from Ch. 5, par. 1254)

Sec. 4. There is hereby created a payment adjustment program to be administered by the Illinois Farm Development ~~Finance~~ Authority. The Authority shall have the authority to promulgate and adopt rules and regulations which are consistent with this Act. The Authority may impose a minimal fee to cover the costs of administering the program. On or before May 1 of each of the next six years, or until all repayments have been received on payment adjustments, the Authority shall submit a report to the General Assembly and the Governor concerning the status of the payment adjustment program. The Authority shall grant no payment adjustments after June 15, 1986. (Source: P.A. 93-205, eff. 1-1-04.)

Section 20.

The Build Illinois Act is amended by changing Section 8-3 as follows:

(30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

Sec. 8-3. Powers of the Department. The Department has the power to:

(a) provide business development public infrastructure loans or grants from appropriations from the Build Illinois Bond Fund, the Build Illinois Purposes Fund, the Fund for Illinois' Future, and the Public Infrastructure Construction Loan Fund to local governments to provide or improve a community's public infrastructure so as to create or retain private sector jobs pursuant to the provisions of this Article;

(b) provide affordable financing of public infrastructure loans and grants to, or on behalf of, local governments, local public entities, medical facilities, and public health clinics from appropriations from the Public Infrastructure Construction Loan Fund for the purpose of assisting with the financing, or application and access to financing, of a community's public infrastructure necessary to health, safety, and economic development;

(c) enter into agreements, accept funds or grants, and engage in cooperation with agencies of the federal government, or state or local governments to carry out the purposes of this Article, and to use funds appropriated pursuant to this Article to participate in federal infrastructure loan and grant programs upon such terms and conditions as may be established by the federal government;

(d) establish application, notification, contract, and other procedures, rules, or regulations deemed necessary and appropriate to carry out the provisions of this Article;

(e) coordinate assistance under this program with activities of the Illinois Finance Authority in order to maximize the effectiveness and efficiency of State development programs;

(f) coordinate assistance under the Affordable Financing of Public Infrastructure Loan and Grant Program with the activities of the Illinois Finance Authority, ~~Illinois Finance Authority,~~ Illinois Farm Development ~~Finance~~ Authority, Illinois Housing Development Authority, Illinois Environmental Protection Agency, and other federal and State programs and entities providing financing assistance to communities for public health, safety, and economic development infrastructure;

(f-5) provide staff, administration, and related support required to manage the programs authorized under this Article and pay for the staffing, administration, and related support from the Public Infrastructure Construction Loan Revolving Fund;

(g) exercise such other powers as are necessary or incidental to the foregoing. (Source: P.A. 93-205 (Sections 890-10, 890-34, and 890-43), eff. 1-1-04; revised 10-3-03.)

Section 25.

The Livestock Management Facilities Act is amended by changing Section 17 as follows:

(510 ILCS 77/17)

Sec. 17. Financial responsibility. Owners of new or modified lagoons registered under the provisions of this Act shall establish and maintain evidence of financial responsibility to provide for the closure of the lagoons and the proper disposal of their contents within the time provisions outlined in this Act. Financial responsibility may be evidenced by any combination of the following:

(1) Commercial or private insurance;

(2) Guarantee;

(3) Surety bond;

(4) Letter of credit;

(5) Certificate of Deposit or designated savings account;

(6) Participation in a livestock waste lagoon closure fund managed by the Illinois Farm Development ~~Finance~~ Authority.

The level of surety required shall be determined by rule and be based upon the volumetric capacity of the lagoon. Surety instruments required under this Section shall be required after the effective date of rules adopted for the implementation of this Act. (Source: P.A. 93-205, eff. 1-1-04.)

Section 30.

The Illinois Forestry Development Act is amended by changing Section 4 and 6a as follows:

(525 ILCS 15/4) (from Ch. 96 1/2, par. 9104)

Sec. 4. The Department shall: (a) Implement the forestry development cost share program created by Section 5 of this Act and coordinate with the United States Department of Agriculture - Soil Conservation Service and the Agricultural Stabilization and Conservation Service in the administration of such program.

(b) Approve acceptable forestry management plans as required by Section 5 of this Act.

(c) Provide assistance to the Illinois Council on Forestry Development.

(d) Promote the development of an active forestry industry in this State by providing information to timber growers relating to acceptable management practices, suitability of various kinds of timber to various land types, marketability of various types of timber, market strategies including marketing cooperatives, availability of State and federal government assistance, soil and water conservation benefits, and wildlife habitat enhancement opportunities.

(e) Provide any aid or information requested by the Illinois Farm Development ~~Finance~~ Authority in

relation to forestry industry assistance programs implemented under the Illinois Farm Development ~~Finance Authority~~ Act. (Source: P.A. 93-205, eff. 1-1-04.)

(525 ILCS 15/6a) (from Ch. 96 1/2, par. 9106a) (Section scheduled to be repealed on December 31, 2008)

Sec. 6a. Illinois Forestry Development Council. (a) The Illinois Forestry Development Council is hereby re-created by this amendatory Act of the 91st General Assembly.

(b) The Council shall consist of 24 members appointed as follows:

(1) four members of the General Assembly, one appointed by the President of the Senate, one appointed by the Senate Minority Leader, one appointed by the Speaker of the House of Representatives, and one appointed by the House Minority Leader;

(2) one member appointed by the Governor to represent the Governor;

(3) the Directors of the Departments of Natural Resources, Agriculture, and Commerce and Community Affairs, the Executive Director of the Illinois Farm Development ~~Finance~~ Authority, and the Director of the Office of Rural Affairs, or their designees;

(4) the chairman of the Department of Forestry or a forestry academician, appointed by the Dean of Agriculture at Southern Illinois University at Carbondale;

(5) the head of the Department of Natural Resources and Environmental Sciences or a forestry academician, appointed by the Dean of Agriculture at the University of Illinois;

(6) two members, appointed by the Governor, who shall be private timber growers;

(7) one member, appointed by the president of the Illinois Wood Products Association, who shall be involved in primary forestry industry;

(8) one member, appointed by the president of the Illinois Wood Products Association, who shall be involved in secondary forestry industry;

(9) one member who is actively involved in environmental issues, appointed by the Governor;

(10) the president of the Association of Illinois Soil and Water Conservation Districts;

(11) two persons who are actively engaged in farming, appointed by the Governor;

(12) one member, appointed by the Governor, whose primary area of expertise is urban forestry;

(13) one member appointed by the President of the Illinois Arborists Association;

(14) the Supervisor of the Shawnee National Forest and the United States Department of Agriculture Natural Resource Conservation Service's State Conservationist, ex officio, or their designees.

(c) Members of the Council shall serve without compensation but shall be reimbursed for actual expenses incurred in the performance of their duties which are not otherwise reimbursed.

(d) The Council shall select from its membership a chairperson and such other officers as it considers necessary.

(e) Other individuals, agencies and organizations may be invited to participate as deemed advisable by the Council.

(f) The Council shall study and evaluate the forestry resources and forestry industry of Illinois. The Council shall:

(1) determine the magnitude, nature and extent of the State's forestry resources;

(2) determine current uses and project future demand for forest products, services and benefits in Illinois;

(3) determine and evaluate the ownership characteristics of the State's forests, the motives for forest ownership and the success of incentives necessary to stimulate development of forest resources;

(4) determine the economic development and management opportunities that could result from improvements in local and regional forest product marketing and from the establishment of new or additional wood-related businesses in Illinois;

(5) confer with and offer assistance to the Illinois Farm Development ~~Finance~~ Authority relating to its implementation of forest industry assistance programs authorized by the Illinois Farm Development ~~Finance Authority~~ Act;

(6) determine the opportunities for increasing employment and economic growth through development of forest resources;

(7) determine the effect of current governmental policies and regulations on the management of woodlands and the location of wood products markets;

(8) determine the staffing and funding needs for forestry and other conservation programs to support and enhance forest resources development;

(9) determine the needs of forestry education programs in this State;

(10) confer with and offer assistance to the Department of Natural Resources relating to the

implementation of urban forestry assistance grants pursuant to the Urban and Community Forestry Assistance Act; and

(11) determine soil and water conservation benefits and wildlife habitat enhancement opportunities that can be promoted through approved forestry management plans.

(g) The Council shall report (i) its findings and recommendations for future State action and (ii) its evaluation of Urban/Community Forestry Assistance Grants to the General Assembly no later than July 1 of each year.

(h) This Section 6a is repealed December 31, 2008. (Source: P.A. 93-205, eff. 1-1-04.)

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 on December 31, 2003.".

Under the rules, the foregoing **Senate Bill No. 1559**, with House Amendment No. 2 was referred to the Secretary's Desk.

A message from the House by

Mr. Bolin, Assistant 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. 1656

A bill for AN ACT concerning space needs.

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. 1656

Passed the House, as amended, November 19, 2003.

BRADLEY S. BOLIN, Assistant Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1656

AMENDMENT NO. 1____. Amend Senate Bill 1656 by replacing the title with the following:

"AN ACT concerning the legislature."; and

by replacing everything after the enacting clause with the following:

"Section 5.

The Illinois Administrative Procedure Act is amended by changing Section 1-20 as follows:

(5 ILCS 100/1-20) (from Ch. 127, par. 1001-20)

Sec. 1-20. "Agency" means each officer, board, commission, and agency created by the Constitution, whether in the executive, legislative, or judicial branch of State government, but other than the circuit court; each officer, department, board, commission, agency, institution, authority, university, and body politic and corporate of the State; each administrative unit or corporate outgrowth of the State government that is created by or pursuant to statute, other than units of local government and their officers, school districts, and boards of election commissioners; and each administrative unit or corporate outgrowth of the above and as may be created by executive order of the Governor. "Agency", however, does not include the following:

(1) The House of Representatives and Senate and their respective standing and service committees, including without limitation the Board of the Office of the Architect of the Capitol and the Architect of the Capitol established under the Legislative Commission Reorganization Act of 1984.

(2) The Governor.

(3) The justices and judges of the Supreme and Appellate Courts.

(Source: P.A. 87-823.)

Section 10. The Civil Administrative Code of Illinois is amended by changing Section 5-630 as follows:

(20 ILCS 5/5-630) (was 20 ILCS 5/17)

Sec. 5-630. Department offices. Each department shall maintain a central office in ~~the Capitol Building, Centennial Building, or State Office Building at~~ Springfield, in space ~~rooms~~ provided by the Secretary of State, ~~or in the Armory Building at Springfield, in rooms provided by~~ the Department of

Central Management Services, or the Architect of the Capitol, excepting the Department of Agriculture, which shall maintain a central office at the State fair grounds at Springfield, and the Department of Transportation, which shall also maintain a Division of Aeronautics at Capital Airport. The director of each department (see Section 5-10 of this Law for the definition of "director") may, in the director's discretion and with the approval of the Governor, establish and maintain, at places other than the seat of government, branch offices for the conduct of any one or more functions of the director's department. (Source: P.A. 91-239, eff. 1-1-00.)

Section 13.

The Governor's Office of Management and Budget Act is amended by changing Section 5.1 as follows:

(20 ILCS 3005/5.1) (from Ch. 127, par. 415)

Sec. 5.1. Under such regulations as the Governor may prescribe, every State agency, other than State colleges and universities, agencies of legislative and judicial branches of State government, and elected State executive officers not including the Governor, shall file with the Legislative Research Unit ~~Illinois Commission on Intergovernmental Cooperation~~ all applications for federal grants, contracts and agreements. The Legislative Research Unit ~~Commission on Intergovernmental Cooperation~~ shall immediately forward all such materials to the Office for the Office's approval. Any application for federal funds which has not received Office approval shall be considered void and any funds received as a result of such application shall be returned to the federal government before they are spent. Each State agency subject to this Section shall, at least 45 days before submitting its application to the federal agency, report in detail to the Legislative Research Unit ~~Commission on Intergovernmental Cooperation~~ what the grant is intended to accomplish and the specific plans for spending the federal dollars received pursuant to the grant. The Legislative Research Unit ~~Commission on Intergovernmental Cooperation~~ shall immediately forward such materials to the Office. The Office may approve the submission of an application to the federal agency in less than 45 days after its receipt by the Office when the Office determines that the circumstances require an expedited application. Such reports of applications and plans of expenditure shall include but shall not be limited to:

(1) an estimate of both the direct and indirect costs in non-federal revenues of participation in the federal program;

(2) the probable length of duration of the program, a schedule of fund receipts and an estimate of the cost to the State of maintaining the program if and when the federal financial assistance or grant is terminated;

(3) a list of State or local agencies utilizing the financial assistance as direct recipients or subgrantees;

(4) a description of each program proposed to be funded by the financial assistance or grant; and

(5) a description of any financial, program or planning commitment on the part of the State required by the federal government as a requirement for receipt of the financial assistance or grant.

All State agencies subject to this Section shall immediately file with the Legislative Research Unit ~~Illinois Commission on Intergovernmental Cooperation~~, any awards of federal funds and any and all changes in the programs, in awards, in program duration, in schedule of fund receipts, and in estimated costs to the State of maintaining the program if and when federal assistance is terminated, or in direct and indirect costs, of any grant under which they are or expect to be receiving federal funds. The Legislative Research Unit ~~Commission on Intergovernmental Cooperation~~ shall immediately forward such materials to the Office.

The Office in cooperation with the Legislative Research Unit ~~Commission on Intergovernmental Cooperation~~ shall develop standard forms and a system of identifying numbers for the applications and reports required by this Section. Upon receipt from the State agencies of each application and report, the Legislative Research Unit ~~Commission~~ shall promptly designate the appropriate identifying number therefor and communicate such number to the respective State agency, the Comptroller and the Office.

Each State agency subject to this Section shall include in each report to the Comptroller of the receipt of federal funds the identifying number applicable to the grant under which such funds are received. (Source: P.A. 93-25, eff. 6-20-03.)

Section 15.

The Illinois Construction Evaluation Act is amended by changing Section 2 as follows:

(20 ILCS 3015/2) (from Ch. 127, par. 3202)

Sec. 2. (a) There is hereby created the Construction Evaluation Council, hereinafter the "Council", which shall consist of the Architect of the Capitol ~~the Executive Director of the Space Needs Commission~~, the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget,~~ and the Director of ~~the Department of~~ Central Management Services or their designees. The members of the Council shall select from among themselves one person to act as chairman for a term of 2 years.

(b) Members of the Council shall serve without pay, but shall be reimbursed for necessary and

reasonable costs incurred in the performance of their duties.

(c) The Council shall meet at the call of the chairman. (Source: P.A. 84-859; revised 8-23-03.)

Section 20.

The Capital Development Board Act is amended by changing Section 1.1 as follows:

(20 ILCS 3105/1.1) (from Ch. 127, par. 771.1)

Sec. 1.1. Nothing herein applies to the design, planning, construction, reconstruction, improvement, and installation of capital facilities within the State Capitol Building and other areas of the legislative complex, as defined in Section 8A-15 of the Legislative Commission Reorganization Act of 1984, which functions shall be within the exclusive jurisdiction of the Architect of the Capitol ~~Space Needs Commission created by "The Space Needs Act", approved September 8, 1967, as now and hereafter amended~~. (Source: P.A. 79-835.)

Section 25.

The Government Buildings Energy Cost Reduction Act of 1991 is amended by changing Section 20 as follows:

(20 ILCS 3953/20) (from Ch. 96 1/2, par. 9820)

Sec. 20. Powers and duties. The Interagency Energy Conservation Committee shall have the authority:

(a) to prepare an annual assessment of opportunities for energy cost reduction in State owned and leased buildings and facilities designated by the committee. Each assessment shall be completed by September 15 of each year, beginning in 1992, shall be available to the public and shall include:

(1) data on energy consumption and costs for each State building and facility designated by the committee for the preceding 5 years and anticipated energy consumption and cost data projected for the next 3 years;

(2) energy conservation measures deployed in State buildings and facilities designated by the committee during the preceding year;

(3) evaluation studies of the cost reductions and other benefits realized through the deployment of such measures; and

(4) energy conservation opportunities (based on audits, technical analyses or other methods of determining such opportunities) and associated energy saving operation and maintenance procedures and capital projects for each State building or facility designated by the committee.

(b) to conduct such surveys, audits, technical analyses and other research or investigations as may be necessary to support the preparation of the annual plan and the objectives of this Act.

(c) to review all proposed capital projects and energy cost operating budgets of State agencies designated by the committee and recommend energy conservation measures which would reduce operating costs in buildings or facilities affected by such capital projects.

(d) to develop, after study of existing or emerging energy conservation technologies, guidelines as may be necessary or desirable to further the objectives of this Act or to aid the work of the Committee.

(e) to provide, at the request of the Secretary of State, the Architect of the Capitol, ~~Legislative Space Needs Commission~~ or any other officer or entity of State government, technical and consultative assistance concerning energy cost management or conservation.

(f) to annually recommend to the Governor by November 15, beginning in 1992, specific operations and maintenance procedure modifications and capital projects for State owned and leased buildings and facilities designed to reduce energy consumption and costs.

(g) to issue a report to the Governor and General Assembly by March 31 of each odd-numbered year, beginning in 1993, describing the status of government building energy cost reduction and management efforts in the State, listing obstacles to building energy efficiency improvement together with related recommendations for statutory change, and identifying opportunities for public sector energy cost reductions not addressed by this Act or the programs developed pursuant hereto. (Source: P.A. 87-852.)

Section 30.

The Pension Impact Note Act is amended by changing Section 2 as follows:

(25 ILCS 55/2) (from Ch. 63, par. 42.42)

Sec. 2. Pension impact notes. The Illinois Economic and Fiscal ~~Pension Laws~~ Commission, hereafter in this Act referred to as the "Commission", shall prepare a written pension system impact note in relation to any bill introduced in either house of the General Assembly which proposes to amend, revise, or add to any provision of the Illinois Pension Code or the State Pension Funds Continuing Appropriation Act. Upon the introduction of any such bill, the Clerk of the House or the Secretary of the Senate shall forward the bill to the Commission, which shall prepare such a note within 7 calendar days after receiving the request. The bill shall be held on second reading until the note has been received.

Copies of each pension impact note shall be furnished by the Commission to the presiding officer of

each house, the minority leader of each house, the Clerk of the House of Representatives, the Secretary of the Senate, the sponsor of the bill which is the subject of the note, the member, if any, who initiated the request for the note, the Chairman of the House Committee on Personnel and Pensions, and the Chairman of the Senate Committee on Insurance, Pensions and Licensed Activities. (Source: P.A. 89-113, eff. 7-7-95.)

(25 ILCS 125/Act rep.)

Sec. 35. The Space Needs Act is repealed.

Section 40. The Legislative Commission Reorganization Act of 1984 is amended by changing Sections 1-3, 1-5, 3A-1, 4-1, 4-3, 4-4, 4-7, 4-9, 10-3, and 10-6, by changing and resectioning Section 4-2 as Sections 4-2 and 4-2.1, and by adding Article 8A as follows:

(25 ILCS 130/1-3) (from Ch. 63, par. 1001-3)

Sec. 1-3. Legislative support services agencies. The Joint Committee on Legislative Support Services is responsible for establishing general policy and coordinating activities among the legislative support services agencies. The legislative support services agencies include the following:

(1) Joint Committee on Administrative Rules;

(2) Illinois Economic and Fiscal Commission;

~~(3) Illinois Commission on Intergovernmental Cooperation;~~

(3) ~~(4)~~ Legislative Information System;

(4) ~~(5)~~ Legislative Reference Bureau;

(5) ~~(6)~~ Legislative Audit Commission;

~~(7) Space Needs Commission;~~

(6) ~~(8)~~ Legislative Printing Unit;

(7) ~~(9)~~ Legislative Research Unit; and

~~(10) Citizens Assembly; and~~

~~(11) Pension Laws Commission~~

(8) Office of the Architect of the Capitol. (Source: P.A. 89-113, eff. 7-7-95.)

(25 ILCS 130/1-5) (from Ch. 63, par. 1001-5)

Sec. 1-5. Composition of agencies; directors.

(a)(1) Each legislative support services agency listed in Section 1-3 is hereafter in this Section referred to as the Agency.

(2) (Blank). ~~The Citizens Assembly shall consist of the 14 co-chairpersons of the Citizens Councils created under Article 11A.~~

(2.1) (Blank). ~~The Pension Laws Commission shall consist of 8 members of the General Assembly, of whom 2 shall be appointed by the President of the Senate, 2 shall be appointed by the Minority Leader of the Senate, 2 shall be appointed by the Speaker of the House of Representatives, and 2 shall be appointed by the Minority Leader of the House of Representatives; plus 8 public members with knowledge of privately funded and operated pension plans, of whom 2 shall be appointed by the President of the Senate, 2 shall be appointed by the Minority Leader of the Senate, 2 shall be appointed by the Speaker of the House of Representatives, and 2 shall be appointed by the Minority Leader of the House of Representatives. All appointments shall be in writing and filed with the Secretary of State as a public record.~~

~~Legislative members of the Pension Laws Commission shall be appointed during the month of January in each odd-numbered year for 2-year terms beginning February 1. Any vacancy on the Commission shall be filled by appointment for the balance of the term in the same manner as the original appointment. A vacancy exists when a legislative member ceases to hold the elected legislative office held at the time of appointment. The initial legislative members of the Commission shall be appointed as soon as practicable after the effective date of this amendatory Act and shall serve until January 31, 1997.~~

(2.5) The Board of the Office of the Architect of the Capitol shall consist of the Secretary and Assistant Secretary of the Senate and the Clerk and Assistant Clerk of the House of Representatives.

(3) The other legislative support services agencies shall each consist of 12 members of the General Assembly, of whom 3 shall be appointed by the President of the Senate, 3 shall be appointed by the Minority Leader of the Senate, 3 shall be appointed by the Speaker of the House of Representatives, and 3 shall be appointed by the Minority Leader of the House of Representatives. All appointments shall be in writing and filed with the Secretary of State as a public record.

Members shall serve a 2-year ~~two-year~~ term, and must be appointed by the Joint Committee during the month of January in each odd-numbered year for terms beginning February 1. Any vacancy in an Agency shall be filled by appointment for the balance of the term in the same manner as the original appointment. A vacancy shall exist when a member no longer holds the elected legislative office held at the time of the appointment or at the termination of the member's legislative service.

(b) (Blank).

(c) ~~Every two years the members of each Agency shall elect,~~ During the month of February of each odd-numbered year, the Joint Committee on Legislative Support Services shall select from the members of each agency, other than the Office of the Architect of the Capitol, 2 co-chairmen and such other officers as the Joint Committee deems ~~they deem~~ necessary. ~~If members of the Agency cannot agree on the co-chairmen by March 1 of the odd-numbered year, the co-chairmen shall be selected from among the members by the Joint Committee on Legislative Support Services.~~ The co-chairmen of each Agency shall serve for a 2-year ~~two year~~ term, beginning February 1 of the odd-numbered year, and the 2 co-chairmen shall not be members of or identified with the same house or the same political party. The co-chairmen of the Board of the Office of the Architect of the Capitol shall be the Secretary of the Senate and the Clerk of the House of Representatives, each ex officio. ~~If a co-chairman of the Citizens Assembly is not a member of the General Assembly, he shall be considered to be identified with the house and the political party of the legislative leader by whom he was appointed. The co-chairmen of the Pension Laws Commission shall be legislative members of the Commission.~~

Each Agency shall meet twice annually or more often upon the call of the chair or any 9 members (or any 3 members in the case of the Office of the Architect of the Capitol). A quorum of the Agency shall consist of a majority of the appointed members.

(d) Members of each Agency shall serve without compensation, but shall be reimbursed for expenses incurred in carrying out the duties of the Agency pursuant to rules and regulations adopted by the Joint Committee on Legislative Support Services.

(e) Beginning February 1, 1985, and every 2 ~~two~~ years thereafter, the Joint Committee shall select an Executive Director who shall be the chief executive officer and staff director of each Agency. The Executive Director shall receive a salary as fixed by the Joint Committee and shall be authorized to employ and fix the compensation of necessary professional, technical and secretarial staff and prescribe their duties, sign contracts, and issue vouchers for the payment of obligations pursuant to rules and regulations adopted by the Joint Committee on Legislative Support Services. The Executive Director and other employees of the Agency shall not be subject to the Personnel Code.

The executive director of the Office of the Architect of the Capitol shall be known as the Architect of the Capitol. (Source: P.A. 89-113, eff. 7-7-95.)

(25 ILCS 130/3A-1)

Sec. 3A-1. Economic and Fiscal ~~Pension Laws~~ Commission; pension laws.

(a) The Economic and Fiscal ~~Pension Laws~~ Commission ~~is hereby established as a legislative support services agency. The Commission is subject to the provisions of this Act. It~~ shall have the powers, ~~and perform the~~ duties, and ~~delegated to it under this Act, the Pension Impact Note Act, and the Illinois Pension Code and shall perform any other~~ functions that may be provided by law.

(b) The ~~Pension Laws~~ Commission shall make a continuing study of the laws and practices pertaining to pensions and related retirement and disability benefits for persons in State or local government service and their survivors and dependents, shall evaluate existing laws and practices, and shall review and make recommendations on proposed changes to those laws and practices.

(c) The Commission shall be responsible for the preparation of Pension Impact Notes as provided in the Pension Impact Note Act.

(d) The Commission shall report to the General Assembly annually or as it deems necessary or useful on the results of its studies and the performance of its duties.

(e) The Commission may request assistance from any other entity as necessary or useful for the performance of its duties.

(f) For purposes of the Successor Agency Act and Section 9b of the State Finance Act, the Economic and Fiscal Commission is the successor to the Pension Laws Commission. The Economic and Fiscal Commission succeeds to and assumes all powers, duties, rights, responsibilities, personnel, assets, liabilities, and indebtedness of the Pension Laws Commission. Any reference in any law, rule, form, or other document to the Pension Laws Commission is deemed to be a reference to the Economic and Fiscal Commission. ~~The Illinois Economic and Fiscal Commission shall continue to perform the functions and duties that are being transferred from it to the Pension Laws Commission by this amendatory Act of 1995 until the Pension Laws Commission has been appointed and funded and is prepared to begin its operations.~~ (Source: P.A. 89-113, eff. 7-7-95; 90-14, eff. 7-1-97.)

(25 ILCS 130/4-1) (from Ch. 63, par. 1004-1)

Sec. 4-1. For purposes of the Successor Agency Act and Section 9b of the State Finance Act, the Legislative Research Unit is the successor to the Illinois Commission on Intergovernmental Cooperation. The Legislative Research Unit succeeds to and assumes all powers, duties, rights, responsibilities, personnel, assets, liabilities, and indebtedness of the Illinois Commission on Intergovernmental

Cooperation. Any reference in any law, rule, form, or other document to the Illinois Commission on Intergovernmental Cooperation is deemed to be a reference to the Legislative Research Unit. ~~The Illinois Commission on Intergovernmental Cooperation, hereinafter referred to as the "Commission", is hereby established as a legislative support services agency. The Commission shall perform the powers and duties delegated to it under this Act and such other functions as may be provided by law.~~ (Source: P.A. 83-1257.)

(25 ILCS 130/4-2) (from Ch. 63, par. 1004-2)

Sec. 4-2. Intergovernmental functions. It shall be the function of the Legislative Research Unit ~~this Commission~~:

(1) To carry forward the participation of this State as a member of the Council of State Governments.

(2) To encourage and assist the legislative, executive, administrative and judicial officials and employees of this State to develop and maintain friendly contact by correspondence, by conference, and otherwise, with officials and employees of the other States, of the Federal Government, and of local units of government.

(3) To endeavor to advance cooperation between this State and other units of government whenever it seems advisable to do so by formulating proposals for, and by facilitating:

(a) The adoption of compacts.

(b) The enactment of uniform or reciprocal statutes.

(c) The adoption of uniform or reciprocal administrative rules and regulations.

(d) The informal cooperation of governmental offices with one another.

(e) The personal cooperation of governmental officials and employees with one another individually.

(f) The interchange and clearance of research and information.

(g) Any other suitable process, and

(h) To do all such acts as will enable this State to do its part in forming a more perfect union among the various governments in the United States and in developing the Council of State Governments for that purpose.

(Source: P.A. 87-961; revised 8-23-03.)

(25 ILCS 130/4-2.1 new)

Sec. 4-2.1. Federal program functions. ~~(4)~~ The Legislative Research Unit ~~Commission~~ is established as the information center for the General Assembly in the field of federal-state relations and as State Central Information Reception Agency for the purpose of receiving information from federal agencies under the United States Office of Management and Budget circular A-98 and the United States Department of the Treasury Circular TC-1082 or any successor circulars promulgated under authority of the United States Inter-governmental Cooperation Act of 1968. Its powers and duties in this capacity include, but are not limited to:

(a) Compiling and maintaining current information on available and pending federal aid programs for the use of the General Assembly and legislative agencies;

(b) Analyzing the relationship of federal aid programs with state and locally financed programs, and assessing the impact of federal aid programs on the State generally;

(c) Reporting annually to the General Assembly on the adequacy of programs financed by federal aid in the State, the types and nature of federal aid programs in which State agencies or local governments did not participate, and to make recommendations on such matters;

(d) Cooperating with the Governor's Office of Management and Budget ~~Illinois Bureau of the Budget~~ and with any State of Illinois offices located in Washington, D.C., in obtaining information concerning federal grant-in-aid legislation and proposals having an impact on the State of Illinois;

(e) Cooperating with the Governor's Office of Management and Budget ~~Bureau of the Budget~~ in developing forms and identifying number systems for the documentation of applications, awards, receipts and expenditures of federal funds by State agencies;

(f) Receiving from every State agency, other than State colleges and universities, agencies of legislative and judicial branches of State government, and elected State executive officers not including the Governor, all applications for federal grants, contracts and agreements and notification of any awards of federal funds and any and all changes in the programs, in awards, in program duration, in schedule of fund receipts, and in estimated costs to the State of maintaining the program if and when federal assistance is terminated, or in direct and indirect costs, of any grant under which they are or expect to be receiving federal funds;

(g) Forwarding to the Governor's Office of Management and Budget ~~Bureau of the Budget~~ all documents received under paragraph (f) after assigning an appropriate, State application identifier number to all applications; and

(h) Reporting such information as is received under subparagraph (f) to the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives and their respective appropriation staffs and to any member of the General Assembly on a monthly basis at the request of the member.

The State colleges and universities, the agencies of the legislative and judicial branches of State government, and the elected State executive officers, not including the Governor, shall submit to the Legislative Research Unit ~~Commission~~, in a manner prescribed by the Legislative Research Unit ~~Commission~~, summaries of applications for federal funds filed and grants of federal funds awarded. (Source: P.A. 87-961; revised 8-23-03.)

(25 ILCS 130/4-3) (from Ch. 63, par. 1004-3)

Sec. 4-3. The Legislative Research Unit ~~Commission~~ shall establish such committees as it deems advisable, in order that they may confer and formulate proposals concerning effective means to secure intergovernmental harmony, and may perform other functions for the Unit ~~Commission~~ in obedience to its decision. Subject to the approval of the Unit ~~Commission~~, the member or members of each such committee shall be appointed by the co-chairmen ~~Chairman~~ of the Unit ~~Commission~~. State officials or employees who are not members of the Unit ~~Commission on Intergovernmental Cooperation~~ may be appointed as members of any such committee, but private citizens holding no governmental position in this State shall not be eligible. The Unit ~~Commission~~ may provide such other rules as it considers appropriate concerning the membership and the functioning of any such committee. The Unit ~~Commission~~ may provide for advisory boards for itself and for its various committees, and may authorize private citizens to serve on such boards. (Source: P.A. 83-1257.)

(25 ILCS 130/4-4) (from Ch. 63, par. 1004-4)

Sec. 4-4. The General Assembly finds that the most efficient and productive use of federal block grant funds can be achieved through the coordinated efforts of the Legislature, the Executive, State and local agencies and private citizens. Such coordination is possible through the creation of an Advisory Committee on Block Grants empowered to review, analyze and make recommendations through the Legislative Research Unit ~~Commission~~ to the General Assembly and the Governor on the use of federally funded block grants.

The Legislative Research Unit ~~Commission~~ shall establish an Advisory Committee on Block Grants. The primary purpose of the Advisory Committee shall be the oversight of the distribution and use of federal block grant funds.

The Advisory Committee shall consist of 4 public members appointed by the Joint Committee on Legislative Support Services and the members of the Legislative Research Unit ~~Commission~~. A chairperson shall be chosen by the members of the Advisory Committee. (Source: P.A. 83-1257.)

(25 ILCS 130/4-7) (from Ch. 63, par. 1004-7)

Sec. 4-7. The Legislative Research Unit ~~Commission~~ shall report to the Governor and to the Legislature within 15 ~~fifteen~~ days after the convening of each General Assembly, and at such other time as it deems appropriate. The members of all committees which it establishes shall serve without compensation for such service, but they shall be paid their necessary expenses in carrying out their obligations under this Act. The Unit ~~Commission~~ may by contributions to the Council of State Governments, participate with other states in maintaining the said Council's district and central secretariats, and its other governmental services.

The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader and the Clerk of the House of Representatives and the President, the Minority Leader and the Secretary of the Senate ~~and the Legislative Research Unit, as required by Section 3.1 of "An Act to revise the law in relation to the General Assembly", approved February 25, 1874, as amended~~, and filing such additional copies with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act. (Source: P.A. 83-1257.)

(25 ILCS 130/4-9) (from Ch. 63, par. 1004-9)

Sec. 4-9. Intergovernmental Cooperation Conference Fund.

(a) There is hereby created the Intergovernmental Cooperation Conference Fund, hereinafter called the "Fund". The Fund shall be outside the State treasury, but the State Treasurer shall act as ex-officio custodian of the Fund.

(b) The Legislative Research Unit ~~Commission~~ may charge and collect fees from participants at conferences held in connection with the Unit's ~~Commission's~~ exercise of its powers and duties. The fees shall be charged in an amount calculated to cover the cost of the conferences and shall be deposited in the Fund.

(c) Monies in the Fund shall be used to pay the costs of the conferences. As soon as may be

practicable after the close of business on June 30 of each year, the Unit ~~Commission~~ shall notify the Comptroller of the amount remaining in the Fund which is not necessary to pay the expenses of conferences held during the expiring fiscal year. Such amount shall be transferred by the Comptroller and the Treasurer from the Fund to the General Revenue Fund. If, during any fiscal year, the monies in the Fund are insufficient to pay the costs of conferences held during that fiscal year, the difference shall be paid from other monies which may be available to the Commission. (Source: P.A. 85-491.)

(25 ILCS 130/Art. 8A heading new) ARTICLE 8A

(25 ILCS 130/8A-5 new)

Sec. 8A-5. Architect of the Capitol.

(a) The Architect of the Capitol must be an architect licensed under the Illinois Architecture Practice Act of 1989 and must have at least 5 years of experience in the field of architecture, historic preservation, or both.

(b) The offices of the Architect of the Capitol and his or her staff shall be located in Springfield, Illinois, in a building or facility occupied in whole or in part by the legislative branch.

(c) The Architect of the Capitol shall have the powers and duties provided by law and by the Board of the Office of the Architect of the Capitol.

(25 ILCS 130/8A-10 new)

Sec. 8A-10. Capitol Historic Preservation Board.

(a) The Capitol Historic Preservation Board shall consist of 10 persons. One member shall be appointed by each of the following: the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Governor, the Secretary of State, the Attorney General, the Chief Justice of the Illinois Supreme Court, and the Mayor of the City of Springfield. Knowledge and experience in the areas of architecture and historic preservation may be considered, in addition to other appropriate qualifications, in appointing members of the Board. In addition, the Executive Director of the Capital Development Board, ex officio, shall serve as a member.

(b) Appointed members of the Board shall serve 4-year terms, except that the members initially appointed by the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, and the Governor shall serve 2-year terms. Members shall serve without compensation but shall be reimbursed for expenses incurred in the performance of their duties.

(c) The Capitol Historic Preservation Board shall serve as an advisory body to the Architect of the Capitol and shall perform such advisory functions as provided by law or requested by the Architect of the Capitol or the Board of the Office of the Architect of the Capitol.

(25 ILCS 130/8A-15 new)

Sec. 8A-15. Master plan.

(a) The term "legislative complex" means (i) the buildings and facilities located in Springfield, Illinois, and occupied in whole or in part by the General Assembly or any of its support service agencies, (ii) the grounds, walkways, and tunnels surrounding or connected to those buildings and facilities, and (iii) the off-street parking areas serving those buildings and facilities.

(b) The Architect of the Capitol shall prepare and implement a long-range master plan of development for the State Capitol Building and the remaining portions of the legislative complex that addresses the improvement, construction, historic preservation, restoration, maintenance, repair, and landscaping needs of the State Capitol Building and the remaining portions of the legislative complex. The Architect of the Capitol shall submit the master plan to the Capitol Historic Preservation Board for its review and comment. The Board must confine its review and comment to those portions of the master plan that relate to areas of the legislative complex other than the State Capitol Building. The Architect may incorporate suggestions of the Board into the master plan. The master plan must be submitted to and approved by the Board of the Office of the Architect of the Capitol before its implementation.

The Architect of the Capitol may change the master plan and shall submit changes in the master plan that relate to areas of the legislative complex other than the State Capitol Building to the Capitol Historic Preservation Board for its review and comment. All changes in the master plan must be submitted to and approved by the Board of the Office of the Architect of the Capitol before implementation.

(c) The Architect of the Capitol must review the master plan every 5 years or at the direction of the Board of the Office of the Architect of the Capitol. Changes in the master plan resulting from this review must be made in accordance with the procedure provided in subsection (b).

(d) Notwithstanding any other law to the contrary, the Architect of the Capitol has the sole authority to contract for all materials and services necessary for the implementation of the master plan. The Architect (i) may comply with the procedures established by the Joint Committee on Legislative Support Services under Section 1-4 or (ii) upon approval of the Board of the Office of the Architect of the Capitol, may, but is not required to, comply with a portion or all of the Illinois Procurement Code when

entering into contracts under this subsection. The Architect's compliance with the Illinois Procurement Code shall not be construed to subject the Architect or any other entity of the legislative branch to the Illinois Procurement Code with respect to any other contract.

The Architect may enter into agreements with other State agencies for the provision of materials or performance of services necessary for the implementation of the master plan.

State officers and agencies providing normal, day-to-day repair, maintenance, or landscaping or providing security, commissary, utility, parking, banking, tour guide, event scheduling, or other operational services for buildings and facilities within the legislative complex immediately prior to the effective date of this amendatory Act of the 93rd General Assembly shall continue to provide that normal, day-to-day repair, maintenance, or landscaping or those services on the same basis, whether by contract or employees, that the repair, maintenance, landscaping, or services were provided immediately prior to the effective date of this amendatory Act of the 93rd General Assembly, subject to the provisions of the master plan and as otherwise directed by the Architect of the Capitol.

(e) The Architect of the Capitol shall monitor construction, preservation, restoration, maintenance, repair, and landscaping work in the legislative complex and all other activities that alter the historic integrity of the legislative complex.

(25 ILCS 130/8A-20 new)

Sec. 8A-20. Space allocation. The Architect of the Capitol has the power and duty, subject to direction by the Board of the Office of the Architect of the Capitol, to make space allocations for the use of the General Assembly and its related agencies.

(25 ILCS 130/8A-25 new)

Sec. 8A-25. Historic items. In addition to any property control activities required by law, the Architect of the Capitol shall maintain an inventory and registry of all historic items in the legislative complex. The Architect may purchase or accept donations of historic items for use or display in the legislative complex.

(25 ILCS 130/8A-30 new)

Sec. 8A-30. Acquisition of land; contract review. The Architect of the Capitol, upon the approval of the Board of the Office of the Architect of the Capitol, may acquire land in Springfield, Illinois, within the area bounded by Washington, Third, Cook, and Pasfield Streets for the purpose of providing space for the operation and expansion of the legislative complex or other State facilities. The Architect of the Capitol must review and either approve or disapprove all contracts for the repair, rehabilitation, construction, or alteration of all State buildings within the bounded area, except the Supreme Court Building and the Fourth District Appellate Court Building.

(25 ILCS 130/8A-35 new)

Sec. 8A-35. Capitol Restoration Trust Fund; appropriations.

(a) The Capitol Restoration Trust Fund is created as a special fund within the State treasury. The Fund may accept deposits from any source, whether private or public, and may be appropriated only for the use of the Architect of the Capitol in the performance of his or her powers and duties. The Architect of the Capitol may seek private and public funds for deposit into the Capitol Restoration Trust Fund.

(b) The Architect of the Capitol shall submit all budget requests to implement the master plan that relate to areas of the legislative complex other than the State Capitol Building to the Capitol Historic Preservation Board for review and comment. The Architect of the Capitol shall submit all budget requests to the Board of the Office of the Architect of the Capitol for approval.

(25 ILCS 130/8A-40 new)

Sec. 8A-40. Annual report. The Architect of the Capitol annually shall report to the Board of the Office of the Architect of the Capitol, the Capitol Historic Preservation Board, and the appointing authorities of the Capitol Historic Preservation Board. The report shall summarize (i) the master plan, (ii) the master plan projects completed since the previous annual report, (iii) the projects, and their estimated costs, proposed or approved for the next 5 years under the master plan, and (iv) the amount and sources of moneys deposited into the Capitol Restoration Trust Fund from sources other than the State since the previous annual report.

(25 ILCS 130/8A-45 new)

Sec. 8A-45. State agency cooperation. The Architect of the Capitol may request and shall receive the cooperation of any State officer or agency in the performance of the Architect's powers and duties.

(25 ILCS 130/8A-50 new)

Sec. 8A-50. Rules. The Architect of the Capitol may promulgate rules necessary for the performance of his or her powers and duties, subject to approval by the Board of the Office of the Architect of the Capitol.

(25 ILCS 130/8A-55 new)

Sec. 8A-55. Successor agency. For purposes of the Successor Agency Act and Section 9b of the State Finance Act, the Office of the Architect of the Capitol is the successor to the Space Needs Commission. The Office of the Architect of the Capitol succeeds to and assumes all powers, duties, rights, responsibilities, personnel, assets, liabilities, and indebtedness of the Space Needs Commission. Any reference in any law, rule, form, or other document to the Space Needs Commission is deemed to be a reference to the Office of the Architect of the Capitol.

(25 ILCS 130/10-3) (from Ch. 63, par. 1010-3)

Sec. 10-3. The Legislative Research Unit may administer a legislative staff internship program in cooperation with a university in the State designated by the Legislative Research Unit. ~~For the purpose of advising in the administration of such a program, there is created a sponsoring committee for legislative staff internships consisting of the chairman of the Legislative Research Unit or a member designated by him, the President of the Senate or a Senator designated by him, the Speaker of the House of Representatives or a Representative designated by him, the Minority Leader of the Senate or a Senator designated by him, and the Minority Leader of the House of Representatives or a Representative designated by him, as plenary members, and as associate members, one person from the academic staff of each university designated by the Legislative Research Unit as a cooperating university and agreeing to cooperate, such person to be appointed by the ranking academic official of such university. Until the Legislative Research Unit, by resolution, determines otherwise, such cooperating universities are Northwestern University, Illinois Institute of Technology, University of Chicago, University of Illinois, Roosevelt University, Western Illinois University, Loyola University of Chicago, Southern Illinois University, DePaul University, Eastern Illinois University, Northern Illinois University, Sangamon State University, and Illinois State University. Associate members shall serve at the pleasure of their respective appointing authorities. Members of the sponsoring committee shall serve without compensation, but shall be reimbursed for necessary expenses in connection with the performance of their duties.~~ (Source: P.A. 83-1257; revised 11-6-02.)

(25 ILCS 130/10-6) (from Ch. 63, par. 1010-6)

Sec. 10-6. Each quarter of the calendar year ~~month~~ the Legislative Research Unit shall prepare and provide to each member of the General Assembly abstracts and indexes of reports filed with it as reports to the General Assembly. With such abstracts and indexes the Legislative Research Unit shall include a convenient form by which each member of the General Assembly may request, from the State Government Report Distribution Center in the State Library, copies of such reports as the member may wish to receive. For the purpose of receiving reports filed under this Section the Legislative Research Unit shall succeed to the powers and duties formerly exercised by the Legislative Council. (Source: P.A. 83-1257.)

(25 ILCS 130/Art. 8 rep.)

(25 ILCS 130/Art. 11A rep.)

Section 45. The Legislative Commission Reorganization Act of 1984 is amended by repealing Articles 8 and 11A.

Section 50.

The Legislative Reference Bureau Act is amended by changing Section 6 as follows:

(25 ILCS 135/6) (from Ch. 63, par. 30)

Sec. 6. The Architect of the Capitol ~~Secretary of State~~ shall provide the Legislative ~~said~~ Reference Bureau with suitable offices in the legislative complex, as defined in the Legislative Commission Reorganization Act of 1984 ~~State Capitol~~, convenient to the place of meeting of the General Assembly~~, and shall further provide said reference bureau with the necessary furniture, stationery and supplies~~. (Source: Laws 1913, p. 391.)

Section 55.

The Legislative Information System Act is amended by changing Sections 4, 5.07, and 8 as follows:

(25 ILCS 145/4) (from Ch. 63, par. 42.14)

Sec. 4. The Architect of the Capitol ~~Secretary of State~~ shall furnish the System with suitable office space in the legislative complex, as defined in the Legislative Commission Reorganization Act of 1984 ~~State Capitol~~, situated in a location convenient to the chambers of the Senate and the House of Representatives.

The Secretary of State shall, as State librarian, cooperate with the System by making accessible to the System the library collection and providing, on a loan basis, such books, periodicals and other materials as relate to the purposes of this Act. (Source: P.A. 80-683.)

(25 ILCS 145/5.07) (from Ch. 63, par. 42.15-7)

Sec. 5.07. To make a biennial report to the General Assembly, by April 1 of each odd-numbered year, summarizing its accomplishments in the preceding 2 years and its recommendations, including any

proposed legislation it considers necessary or desirable to effectuate the purposes of this Act.

The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader and the Clerk of the House of Representatives and the President, the Minority Leader and the Secretary of the Senate and the Legislative Research Unit, as required by Section 3.1 of the General Assembly Organization Act ~~"An Act to revise the law in relation to the General Assembly", approved February 25, 1874, as amended~~, and filing such additional copies with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act. (Source: P.A. 84-1438.)

(25 ILCS 145/8) (from Ch. 63, par. 42.18)

Sec. 8. The System may utilize the services of an advisory committee for conceptualization, design and implementation of applications considered or adopted by the System. The advisory committee shall be comprised of (a) 8 legislative staff assistants, 2 to be appointed by the Speaker of the House of Representatives, 2 by the Minority Leader thereof, 2 by the President of the Senate and 2 by the Minority Leader thereof, but at least one of the appointments by each legislative leader must be from the staff of legislative appropriation committees; (b) one professional staff member from the Legislative Reference Bureau, appointed by the Executive Director thereof; and one from the Legislative Research Unit, appointed by the Executive Director thereof; ~~and one from the Intergovernmental Cooperation Commission, appointed by the Executive Director thereof~~ and (c) the Executive Director of the Legislative Information System, who shall serve as temporary chairman of the advisory committee until a permanent chairman is chosen from among its members. Members of the advisory committee shall have no vote on the Joint Committee. (Source: P.A. 84-1438.)

Section 60.

The Legislative Audit Commission Act is amended by changing Section 5 as follows:

(25 ILCS 150/5) (from Ch. 63, par. 108)

Sec. 5. The permanent office of the Legislative Audit Commission shall be in the legislative complex, as defined in the Legislative Commission Reorganization Act of 1984 ~~State Capitol Complex~~, wherein the Architect of the Capitol ~~Secretary of State~~ shall provide suitable and sufficient offices. (Source: P.A. 78-884.)

Section 65.

The Illinois Economic and Fiscal Commission Act is amended by changing Sections 3, 4, and 6.2 as follows:

(25 ILCS 155/3) (from Ch. 63, par. 343)

Sec. 3. The Commission shall: (1) Study from time to time and report to the General Assembly on economic development and trends in the State.

(2) Make such special economic and fiscal studies as it deems appropriate or desirable or as the General Assembly may request.

(3) Based on its studies, recommend such State fiscal and economic policies as it deems appropriate or desirable to improve the functioning of State government and the economy of the various regions within the State.

(4) Prepare annually a State economic report.

(5) Provide information for all appropriate legislative organizations and personnel on economic trends in relation to long range planning and budgeting.

(6) Study and make such recommendations as it deems appropriate to the General Assembly on local and regional economic and fiscal policy and on federal fiscal policy as it may affect Illinois.

(7) Review capital expenditures, appropriations and authorizations for both the State's general obligation and revenue bonding authorities. At the direction of the Commission, specific reviews may include economic feasibility reviews of existing or proposed revenue bond projects to determine the accuracy of the original estimate of useful life of the projects, maintenance requirements and ability to meet debt service requirements through their operating expenses.

(8) Receive and review all executive agency and revenue bonding authority annual and 3 year plans. The Commission shall prepare a consolidated review of these plans, an updated assessment of current State agency capital plans, a report on the outstanding and unissued bond authorizations, an evaluation of the State's ability to market further bond issues and shall submit them as the "Legislative Capital Plan Analysis" to the House and Senate Appropriations Committees at least once a year. The Commission shall annually submit to the General Assembly on the first Wednesday of April a report on the State's long-term capital needs, with particular emphasis upon and detail of the 5-year period in the immediate future.

(9) Study and make recommendations it deems appropriate to the General Assembly on State bond financing, bondability guidelines, and debt management. At the direction of the Commission, specific

studies and reviews may take into consideration short and long-run implications of State bonding and debt management policy.

(10) Comply with the provisions of the "State Debt Impact Note Act" as now or hereafter amended.

(11) Comply with the provisions of the Pension Impact Note Act, as now or hereafter amended.

(12) By August 1st of each year, the Commission must prepare and cause to be published a summary report of State appropriations for the State fiscal year beginning the previous July 1st. The summary report must discuss major categories of appropriations, the issues the General Assembly faced in allocating appropriations, comparisons with appropriations for previous State fiscal years, and other matters helpful in providing the citizens of Illinois with an overall understanding of appropriations for that fiscal year. The summary report must be written in plain language and designed for readability. Publication must be in newspapers of general circulation in the various areas of the State to ensure distribution statewide. The summary report must also be published on the General Assembly's web site.

The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader and the Clerk of the House of Representatives and the President, the Minority Leader and the Secretary of the Senate and the Legislative Research Unit, as required by Section 3.1 of the General Assembly Organization Act ~~"An Act to revise the law in relation to the General Assembly", approved February 25, 1874, as amended~~ , and filing such additional copies with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act. (Source: P.A. 92-67, eff. 7-12-01.)

(25 ILCS 155/4) (from Ch. 63, par. 344)

Sec. 4. (a) The Commission shall publish, at the convening of each regular session of the General Assembly, a report on the estimated income of the State from all applicable revenue sources for the next ensuing fiscal year and of any other funds estimated to be available for such fiscal year. On the third Wednesday in March after the session convenes, the Commission shall issue a revised and updated set of revenue figures reflecting the latest available information. The House and Senate by joint resolution shall adopt or modify such estimates as may be appropriate. The joint resolution shall constitute the General Assembly's estimate, under paragraph (b) of Section 2 of Article VIII of the Constitution, of the funds estimated to be available during the next fiscal year.

(b) On the third Wednesday in March, the Commission shall issue estimated:

(1) pension funding requirements under P.A. 86-273; and

(2) liabilities of the State employee group health insurance program.

These estimated costs shall be for the fiscal year beginning the following July 1.

(c) The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader and the Clerk of the House of Representatives and the President, the Minority Leader and the Secretary of the Senate and the Legislative Research unit, as required by Section 3.1 of the General Assembly Organization Act ~~"An Act to revise the law in relation to the General Assembly", approved February 25, 1874, as amended~~, and filing such additional copies with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act. (Source: P.A. 87-1142.)

(25 ILCS 155/6.2) (from Ch. 63, par. 346.2)

Sec. 6.2. Short title. This Act ~~shall be known and~~ may be cited as the Illinois Economic and Fiscal Commission Act. (Source: P.A. 83-1257.)

Section 70.

The State Finance Act is amended by adding Sections 5.620 and 9b-5 as follows:

(30 ILCS 105/5.620 new)

Sec. 5.620. The Capitol Restoration Trust Fund.

(30 ILCS 105/9b-5 new)

Sec. 9b-5. Appropriations for capital projects.

(a) Notwithstanding any other law to the contrary, a construction agency, as defined in the Illinois Procurement Code, that has unobligated funds appropriated for capital projects relating to the legislative complex that it will not expend during the fiscal year may enter into an agreement with the Architect of the Capitol for the expenditure of the funds by the Architect of the Capitol on the improvement, construction, historic preservation, restoration, maintenance, repair, and landscaping of buildings and facilities within the legislative complex, as defined in Article 8A of the Legislative Commission Reorganization Act of 1984, during the fiscal year, including any lapse period, in which the funds were appropriated to the construction agency. The Architect of the Capitol shall file copies of the agreement with the State Comptroller and the State Treasurer.

(b) Funds subject to an agreement authorized by subsection (a) are deemed to have been appropriated to the Architect of the Capitol for the improvement, construction, historic preservation, restoration,

maintenance, repair, and landscaping of buildings and facilities within the legislative complex, as defined in Article 8A of the Legislative Commission Reorganization Act of 1984, to the same extent as if the Architect of the Capitol and that purpose were specifically named in the appropriation law.

(30 ILCS 500/30-43 rep.)

Sec. 80. The Illinois Procurement Code is amended by repealing Section 30-43.

Section 85.

The State Mandates Act is amended by changing Section 4 as follows:

(30 ILCS 805/4) (from Ch. 85, par. 2204)

Sec. 4. Collection and maintenance of information concerning state mandates.

(a) The Department of Commerce and Economic Opportunity ~~Community Affairs~~, hereafter referred to as the Department, shall be responsible for:

(1) Collecting and maintaining information on State mandates, including information required for effective implementation of the provisions of this Act.

(2) Reviewing local government applications for reimbursement submitted under this Act in cases in which the General Assembly has appropriated funds to reimburse local governments for costs associated with the implementation of a State mandate. In cases in which there is no appropriation for reimbursement, upon a request for determination of a mandate by a unit of local government, or more than one unit of local government filing a single request, other than a school district or a community college district, the Department shall determine whether a Public Act constitutes a mandate and, if so, the Statewide cost of implementation.

(3) Hearing complaints or suggestions from local governments and other affected organizations as to existing or proposed State mandates.

(4) Reporting each year to the Governor and the General Assembly regarding the administration of provisions of this Act and changes proposed to this Act.

The Legislative Research Unit ~~Illinois Commission on Intergovernmental Cooperation~~ shall conduct ~~an annual~~ public hearings as needed ~~hearing~~ to review the information collected and the recommendations made by the Department under this subsection (a). The Department shall cooperate fully with the Legislative Research Unit ~~Commission~~, providing any information, supporting documentation and other assistance required by the Legislative Research Unit ~~Commission~~ to facilitate the conduct of the hearing.

(b) Within 2 years following the effective date of this Act, the Department shall collect and tabulate relevant information as to the nature and scope of each existing State mandate, including but not necessarily limited to (i) identity of type of local government and local government agency or official to whom the mandate is directed; (ii) whether or not an identifiable local direct cost is necessitated by the mandate and the estimated annual amount; (iii) extent of State financial participation, if any, in meeting identifiable costs; (iv) State agency, if any, charged with supervising the implementation of the mandate; and (v) a brief description of the mandate and a citation of its origin in statute or regulation.

(c) The resulting information from subsection (b) shall be published in a catalog available to members of the General Assembly, State and local officials, and interested citizens. As new mandates are enacted they shall be added to the catalog, and each January 31 the Department shall list each new mandate enacted at the preceding session of the General Assembly, and the estimated additional identifiable direct costs, if any imposed upon local governments. A revised version of the catalog shall be published every 2 years beginning with the publication date of the first catalog.

(d) Failure of the General Assembly to appropriate adequate funds for reimbursement as required by this Act shall not relieve the Department of Commerce and Economic Opportunity ~~Community Affairs~~ from its obligations under this Section. (Source: P.A. 89-304, eff. 8-11-95; 90-372, eff. 7-1-98.)

Section 90.

The Illinois Pension Code is amended by changing Sections 3-109.3, 14-108.3, 15-158.3, 16-133.3, 22-803, 22-1001, 22-1002, and 22-1003 as follows:

(40 ILCS 5/3-109.3)

Sec. 3-109.3. Self-managed plan. (a) Purpose. The General Assembly finds that it is important for municipalities to be able to attract and retain the most qualified police officers and that in order to attract and retain these police officers, municipalities should have the flexibility to provide a defined contribution plan as an alternative for eligible employees who elect not to participate in a defined benefit retirement program provided under this Article. Accordingly, a self-managed plan shall be provided, which shall offer participating employees the opportunity to accumulate assets for retirement through a combination of employee and employer contributions that may be invested in mutual funds, collective investment funds, or other investment products and used to purchase annuity contracts, either fixed or variable, or a combination thereof. The plan must be qualified under the Internal Revenue Code of 1986.

(b) Study by Commission; Adoption of plan. The Illinois Pension Laws Commission (or its successor, the Economic and Fiscal Commission) shall study and evaluate the creation of a statewide self-managed plan for eligible employees under this Article. The Commission shall report its findings and recommendations to the General Assembly no later than January 1, 2002.

In accordance with the recommendations of the Commission and any action taken by the General Assembly in response to those recommendations, a statewide self-managed plan shall be adopted for eligible employees under this Article. The self-managed plan shall take effect as specified in the plan, but in no event earlier than July 1, 2002 or the date of its approval by the U.S. Internal Revenue Service, whichever occurs later.

The self-managed plan shall include a plan document and shall provide for the adoption of such rules and procedures as are necessary or desirable for the administration of the self-managed plan. Consistent with fiduciary duty to the participants and beneficiaries of the self-managed plan, it may provide for delegation of suitable aspects of plan administration to companies authorized to do business in this State.

(c) Selection of service providers and funding vehicles. The principal administrator of the self-managed plan shall solicit proposals to provide administrative services and funding vehicles for the self-managed plan from insurance and annuity companies and mutual fund companies, banks, trust companies, or other financial institutions authorized to do business in this State. In reviewing the proposals received and approving and contracting with no fewer than 2 and no more than 7 companies, the principal administrator shall consider, among other things, the following criteria:

(1) the nature and extent of the benefits that would be provided to the participants;

(2) the reasonableness of the benefits in relation to the premium charged;

(3) the suitability of the benefits to the needs and interests of the participating employees and the employer;

(4) the ability of the company to provide benefits under the contract and the financial stability of the company; and

(5) the efficacy of the contract in the recruitment and retention of employees.

The principal administrator shall periodically review each approved company. A company may continue to provide administrative services and funding vehicles for the self-managed plan only so long as it continues to be an approved company under contract with the principal administrator.

(d) Employee Direction. Employees who are participating in the program must be allowed to direct the transfer of their account balances among the various investment options offered, subject to applicable contractual provisions. The participant shall not be deemed a fiduciary by reason of providing such investment direction. A person who is a fiduciary shall not be liable for any loss resulting from such investment direction and shall not be deemed to have breached any fiduciary duty by acting in accordance with that direction. The self-managed plan does not guarantee any of the investments in the employee's account balances.

(e) Participation. An eligible employee must make a written election in accordance with the provisions of Section 3-109.2 and the procedures established under the self-managed plan. Participation in the self-managed plan by an eligible employee who elects to participate in the self-managed plan shall begin on the first day of the first pay period following the later of the date the employee's election is filed with the fund or the employer, but in no event sooner than the effective date of the self-managed plan.

A police officer who has elected to participate in the self-managed plan under this Section must continue participation while employed in an eligible position, and may not participate in any other retirement program administered by the municipality while employed as a police officer by that municipality. Participation in the self-managed plan under this Section shall constitute membership in an Article 3 pension fund.

(f) No Duplication of Service Credit. Notwithstanding any other provision of this Article, a police officer may not purchase or receive service or service credit applicable to any other retirement program administered by a fund under this Article for any period during which the police officer was a participant in the self-managed plan established under this Section.

(g) Contributions. The self-managed plan shall be funded by contributions from participants in the self-managed plan and employer contributions as provided in this Section.

The contribution rate for a participant in the self-managed plan under this Section shall be a minimum of 10% of his or her salary. This required contribution shall be made as an "employer pick-up" under Section 414(h) of the Internal Revenue Code of 1986 or any successor Section thereof. An employee may make additional contributions to the self-managed plan in accordance with the terms of the plan.

The self-managed plan shall provide for employer contributions to be credited to each self-managed plan participant at a rate of 10% of the participating employee's salary, less the amount of the employer contribution used to provide disability benefits for the employee. The amounts so credited shall be paid

into the participant's self-managed plan accounts in the manner prescribed by the plan.

An amount of employer contribution, not exceeding 1.5% of the participating employee's salary, shall be used for the purpose of providing disability benefits to the participating employee. Prior to the beginning of each plan year under the self-managed plan, the principal administrator shall determine, as a percentage of salary, the amount of employer contributions to be allocated during that plan year for providing disability benefits for employees in the self-managed plan.

(h) Vesting; Withdrawal; Return to Service. A participant in the self-managed plan becomes fully vested in the employer contributions credited to his or her account in the self-managed plan on the earliest to occur of the following:

(1) completion of 6 years of service with the municipality; or

(2) the death of the participating employee while employed by the municipality, if the participant has completed at least 1.5 years of service.

A participant in the self-managed plan who receives a distribution of his or her vested amounts from the self-managed plan upon or after termination of employment shall forfeit all service credit and accrued rights in the fund of his or her employer; if subsequently re-employed, the participant shall be considered a new employee. If a former participant again becomes a participating employee and continues as such for at least 2 years, all such rights, service credit, and previous status as a participant shall be restored upon repayment of the amount of the distribution without interest.

(i) Benefit amounts. If a participating employee who is fully vested in employer contributions terminates employment, the participating employee shall be entitled to a benefit which is based on the account values attributable to both employer and employee contributions and any investment return thereon.

If a participating employee who is not fully vested in employer contributions terminates employment, the employee shall be entitled to a benefit based on the account values attributable to the employee's contributions and any investment return thereon, plus the following percentage of employer contributions and any investment return thereon: 20% after the second year; 40% after the third year; 60% after the fourth year; 80% after the fifth year; and 100% after the sixth year. The remainder of employer contributions and investment return thereon shall be forfeited. Any employer contributions that are forfeited shall be held in escrow by the company investing those contributions and shall be used as directed by the municipality for future allocations of employer contributions or for the restoration of amounts previously forfeited by former participants who again become participating employees. (Source: P.A. 91-939, eff. 2-1-01.)

(40 ILCS 5/14-108.3)

Sec. 14-108.3. Early retirement incentives. (a) To be eligible for the benefits provided in this Section, a person must:

(1) be a member of this System who, on any day during June, 2002, is (i) in active payroll status in a position of employment with a department and an active contributor to this System with respect to that employment, and terminates that employment before the retirement annuity under this Article begins, or (ii) on layoff status from such a position with a right of re-employment or recall to service, or (iii) receiving benefits under Section 14-123, 14-123.1 or 14-124, but only if the member has not been receiving those benefits for a continuous period of more than 2 years as of the date of application;

(2) not have received any retirement annuity under this Article beginning earlier than August 1, 2002;

(3) file with the Board on or before December 31, 2002 a written application requesting the benefits provided in this Section;

(4) terminate employment under this Article no later than December 31, 2002 (or the date established under subsection (d), if applicable);

(5) by the date of termination of service, have at least 8 years of creditable service under this Article, without the use of any creditable service established under this Section;

(6) by the date of termination of service, have at least 5 years of membership service earned while an employee under this Article, which may include military service for which credit is established under Section 14-105(b), service during the qualifying period for which credit is established under Section 14-104(a), and service for which credit has been established by repaying a refund under Section 14-130, but shall not include service for which any other optional service credit has been established; and

(7) not receive any early retirement benefit under Section 16-133.3 of this Code.

(b) An eligible person may establish up to 5 years of creditable service under this Article, in increments of one month, by making the contributions specified in subsection (c). In addition, for each

month of creditable service established under this Section, a person's age at retirement shall be deemed to be one month older than it actually is.

The creditable service established under this Section may be used for all purposes under this Article and the Retirement Systems Reciprocal Act, except for the computation of final average compensation under Section 14-103.12 or the determination of compensation under this or any other Article of this Code.

The age enhancement established under this Section may not be used to enable any person to begin receiving a retirement annuity calculated under Section 14-110 before actually attaining age 50 (without any age enhancement under this Section). The age enhancement established under this Section may be used for all other purposes under this Article (including calculation of a proportionate annuity payable by this System under the Retirement Systems Reciprocal Act), except for purposes of the level income option in Section 14-112, the reversionary annuity under Section 14-113, and the required distributions under Section 14-121.1.

The age enhancement established under this Section may be used in determining benefits payable under Article 16 of this Code under the Retirement Systems Reciprocal Act, if the person has at least 5 years of service credit in the Article 16 system that was earned while participating in that system as a teacher (as defined in Section 16-106) employed by a department (as defined in Section 14-103.04). Age enhancement established under this Section shall not otherwise be used in determining benefits payable under other Articles of this Code under the Retirement Systems Reciprocal Act.

(c) For all creditable service established under this Section, a person must pay to the System an employee contribution to be determined by the System, based on the member's rate of compensation on June 1, 2002 (or the last date before June 1, 2002 for which a rate can be determined) and the retirement contribution rate in effect on June 1, 2002 for the member (or for members with the same social security and alternative formula status as the member).

If the member receives a lump sum payment for accumulated vacation, sick leave and personal leave upon withdrawal from service, and the net amount of that lump sum payment is at least as great as the amount of the contribution required under this Section, the entire contribution must be paid by the employee by payroll deduction. If there is no such lump sum payment, or if it is less than the contribution required under this Section, the member shall make an initial payment by payroll deduction, equal to the net amount of the lump sum payment for accumulated vacation, sick leave, and personal leave, and have the remaining amount due treated as a reduction from the retirement annuity in 24 equal monthly installments beginning in the month in which the retirement annuity takes effect. The required contribution may be paid as a pre-tax deduction from earnings. For federal and Illinois tax purposes, 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.

(c-5) The reduction in retirement annuity provided in subsection (c) of Section 14-108 does not apply to the annuity of a person who retires under this Section. A person who has received any age enhancement or creditable service under this Section may begin to receive an unreduced retirement annuity upon attainment of age 55 with at least 25 years of creditable service (including any age enhancement and creditable service established under this Section).

(d) In order to ensure that the efficient operation of State government is not jeopardized by the simultaneous retirement of large numbers of key personnel, the director or other head of a department may, for key employees of that department, extend the December 31, 2002 deadline for terminating employment under this Article established in subdivision (a)(4) of this Section to a date not later than April 30, 2003 by so notifying the System in writing by December 31, 2002.

(e) Notwithstanding Section 14-111, a person who has received any age enhancement or creditable service under this Section and who reenters service under this Article (or as an employee of a department under Article 16) other than as a temporary employee thereby forfeits that age enhancement and creditable service and is entitled to a refund of the contributions made pursuant to this Section.

(f) The System shall determine the amount of the increase in unfunded accrued liability resulting from the granting of early retirement incentives under this Section and shall report that amount to the Governor and the Pension Laws Commission (or its successor, the Economic and Fiscal Commission) on or before November 15, 2003. The increase in liability reported under this subsection (f) shall not be included in the calculation of the required State contribution under Section 14-131.

(g) The System shall determine the amount of the annual State contribution necessary to amortize on a level dollar-payment basis, over a period of 10 years at 8.5% interest, compounded annually, an amount equal to the increase in unfunded accrued liability determined under subsection (f) minus $70,000,000. The System shall certify the amount of this annual State contribution to the Governor, the State Comptroller, the Governor's Office of Management and Budget (formerly Bureau of the Budget),

and the Pension Laws Commission (or its successor, the Economic and Fiscal Commission) on or before November 15, 2003.

In addition to the contributions otherwise required under this Article, the State shall appropriate and pay to the System (1) an amount equal to $70,000,000 in State fiscal year 2004 and (2) in each of State fiscal years 2005 through 2013, an amount equal to the annual State contribution certified by the System under this subsection (g).

(h) The Pension Laws Commission (or its successor, the Economic and Fiscal Commission) shall determine and report to the General Assembly, on or before January 1, 2004 and annually thereafter through the year 2013, its estimate of (1) the annual amount of payroll savings likely to be realized by the State as a result of the early retirement of persons receiving early retirement incentives under this Section and (2) the net annual savings or cost to the State from the program of early retirement incentives created under this Section.

The System, the Department of Central Management Services, the Governor's Office of Management and Budget (formerly Bureau of the Budget), and all other departments shall provide to the Commission any assistance that the Commission may request with respect to its reports under this Section. The Commission may require departments to provide it with any information that it deems necessary or useful with respect to its reports under this Section, including without limitation information about (1) the final earnings of former department employees who elected to receive benefits under this Section, (2) the earnings of current department employees holding the positions vacated by persons who elected to receive benefits under this Section, and (3) positions vacated by persons who elected to receive benefits under this Section that have not yet been refilled.

(i) The changes made to this Section by this amendatory Act of the 92nd General Assembly do not apply to persons who retired under this Section on or before May 1, 1992. (Source: P.A. 92-566, eff. 6-25-02; revised 8-23-03.)

(40 ILCS 5/15-158.3)

Sec. 15-158.3. Reports on cost reduction; effect on retirement at any age with 30 years of service.

(a) On or before November 15, 2001 and on or before November 15th of each year thereafter, the Board shall have the System's actuary prepare a report showing, on a fiscal year by fiscal year basis, the actual rate of participation in the self-managed plan authorized by Section 15-158.2, (i) by employees of the System's covered higher educational institutions who were hired on or after the implementation date of the self-managed plan and (ii) by other System participants.

The actuary's report must also quantify the extent to which employee optional retirement plan participation has reduced the State's required contributions to the System, expressed both in dollars and as a percentage of covered payroll, in relation to what the State's contributions to the System would have been (1) if the self-managed plan had not been implemented, and (2) if 45% of employees of the System's covered higher educational institutions who were hired on or after the implementation date of the self-managed plan had elected to participate in the self-managed plan and 10% of other System participants had transferred to the self-managed plan following its implementation.

(b) On or before November 15th of 2001 and on or before November 15th of each year thereafter, the Illinois Board of Higher Education, in conjunction with the Bureau of the Budget (now Governor's Office of Management and Budget) shall prepare a report showing, on a fiscal year by fiscal year basis, the amount by which the costs associated with compensable sick leave have been reduced as a result of the termination of compensable sick leave accrual on and after January 1, 1998 by employees of higher education institutions who are participants in the System.

(c) On or before November 15 of 2001 and on or before November 15th of each year thereafter, the Department of Central Management Services shall prepare a report showing, on a fiscal year by fiscal year basis, the amount by which the State's cost for health insurance coverage under the State Employees Group Insurance Act of 1971 for retirees of the State's universities and their survivors has declined as a result of requiring some of those retirees and survivors to contribute to the cost of their basic health insurance. These year-by-year reductions in cost must be quantified both in dollars and as a level percentage of payroll covered by the System.

(d) The reports required under subsections (a), (b), and (c) shall be disseminated to the Board, the Pension Laws Commission (until it ceases to exist), the Illinois Economic and Fiscal Commission, the Illinois Board of Higher Education, and the Governor.

(e) The reports required under subsections (a), (b), and (c) shall be taken into account by the Pension Laws Commission (or its successor, the Economic and Fiscal Commission) in making any recommendation to extend by legislation beyond December 31, 2002 the provision that allows a System participant to retire at any age with 30 or more years of service as authorized in Section 15-135. If that provision is extended beyond December 31, 2002, and if the most recent report under subsection (a)

indicates that actual State contributions to the System for the period during which the self-managed plan has been in operation have exceeded the projected State contributions under the assumptions in clause (2) of subsection (a), then any extension of the provision beyond December 31, 2002 must require that the System's higher educational institutions and agencies cover any funding deficiency through an annual payment to the System out of appropriate resources of their own. (Source: P.A. 90-9, eff. 7-1-97; 90-766, eff. 8-14-98; revised 8-23-03.)

(40 ILCS 5/16-133.3) (from Ch. 108 1/2, par. 16-133.3)

Sec. 16-133.3. Early retirement incentives for State employees. (a) To be eligible for the benefits provided in this Section, a person must:

(1) be a member of this System who, on any day during June, 2002, is (i) in active payroll status as a full-time teacher employed by a department and an active contributor to this System with respect to that employment, or (ii) on layoff status from such a position with a right of re-employment or recall to service, or (iii) receiving a disability benefit under Section 16-149 or 16-149.1, but only if the member has not been receiving that benefit for a continuous period of more than 2 years as of the date of application;

(2) not have received any retirement annuity under this Article beginning earlier than August 1, 2002;

(3) file with the Board on or before December 31, 2002 a written application requesting the benefits provided in this Section;

(4) terminate employment under this Article no later than December 31, 2002 (or the date established under subsection (d), if applicable);

(5) by the date of termination of service, have at least 8 years of creditable service under this Article, without the use of any creditable service established under this Section;

(6) by the date of termination of service, have at least 5 years of service credit earned while participating in the System as a teacher employed by a department; and

(7) not receive any early retirement benefit under Section 14-108.3 of this Code.

For the purposes of this Section, "department" means a department as defined in Section 14-103.04 that employs a teacher as defined in this Article.

(b) An eligible person may establish up to 5 years of creditable service under this Article by making the contributions specified in subsection (c). In addition, for each period of creditable service established under this Section, a person's age at retirement shall be deemed to be enhanced by an equivalent period.

The creditable service established under this Section may be used for all purposes under this Article and the Retirement Systems Reciprocal Act, except for the computation of final average salary, the determination of salary or compensation under this Article or any other Article of this Code, or the determination of eligibility for or the computation of benefits under Section 16-133.2.

The age enhancement established under this Section may be used for all purposes under this Article (including calculation of a proportionate annuity payable by this System under the Retirement Systems Reciprocal Act), except for purposes of a retirement annuity under Section 16-133(a)(A), a reversionary annuity under Section 16-136, the required distributions under Section 16-142.3, and the determination of eligibility for or the computation of benefits under Section 16-133.2. Age enhancement established under this Section may be used in determining benefits payable under Article 14 of this Code under the Retirement Systems Reciprocal Act (subject to the limitations on the use of age enhancement provided in Section 14-108.3); age enhancement established under this Section shall not be used in determining benefits payable under other Articles of this Code under the Retirement Systems Reciprocal Act.

(c) For all creditable service established under this Section, a person must pay to the System an employee contribution to be determined by the System, equal to 9.0% of the member's highest annual salary rate that would be used in the determination of the average salary for retirement annuity purposes if the member retired immediately after withdrawal, for each year of creditable service established under this Section.

If the member receives a lump sum payment for accumulated vacation, sick leave, and personal leave upon withdrawal from service, and the net amount of that lump sum payment is at least as great as the amount of the contribution required under this Section, the entire contribution must be paid by the employee by payroll deduction. If there is no such lump sum payment, or if it is less than the contribution required under this Section, the member shall make an initial payment by payroll deduction, equal to the net amount of the lump sum payment for accumulated vacation, sick leave, and personal leave, and have the remaining amount due treated as a reduction from the retirement annuity in 24 equal monthly installments beginning in the month in which the retirement annuity takes effect. The required contribution may be paid as a pre-tax deduction from earnings.

(d) In order to ensure that the efficient operation of State government is not jeopardized by the

simultaneous retirement of large numbers of key personnel, the director or other head of a department may, for key employees of that department, extend the December 31, 2002 deadline for terminating employment under this Article established in subdivision (a)(4) of this Section to a date not later than April 30, 2003 by so notifying the System in writing by December 31, 2002.

(e) A person who has received any age enhancement or creditable service under this Section and who reenters contributing service under this Article or Article 14 shall thereby forfeit that age enhancement and creditable service, and become entitled to a refund of the contributions made pursuant to this Section.

(f) The System shall determine the amount of the increase in unfunded accrued liability resulting from the granting of early retirement incentives under this Section and shall report that amount to the Governor and the Pension Laws Commission (or its successor, the Economic and Fiscal Commission) on or before November 15, 2003. The increase in liability reported under this subsection (f) shall not be included in the calculation of the required State contribution under Section 16-158.

(g) The System shall determine the amount of the annual State contribution necessary to amortize on a level dollar-payment basis, over a period of 10 years at 8.5% interest, compounded annually, an amount equal to the increase in unfunded accrued liability determined under subsection (f) minus $1,000,000. The System shall certify the amount of this annual State contribution to the Governor, the State Comptroller, the Governor's Office of Management and Budget (formerly Bureau of the Budget), and the Pension Laws Commission (or its successor, the Economic and Fiscal Commission) on or before November 15, 2003.

In addition to the contributions otherwise required under this Article, the State shall appropriate and pay to the System (1) an amount equal to $1,000,000 in State fiscal year 2004 and (2) in each of State fiscal years 2005 through 2013, an amount equal to the annual State contribution certified by the System under this subsection (g).

(h) The Pension Laws Commission (or its successor, the Economic and Fiscal Commission) shall determine and report to the General Assembly, on or before January 1, 2004 and annually thereafter through the year 2013, its estimate of (1) the annual amount of payroll savings likely to be realized by the State as a result of the early retirement of persons receiving early retirement incentives under this Section and (2) the net annual savings or cost to the State from the program of early retirement incentives created under this Section.

The System, the Department of Central Management Services, the Governor's Office of Management and Budget (formerly Bureau of the Budget), and all other departments shall provide to the Commission any assistance that the Commission may request with respect to its reports under this Section. The Commission may require departments to provide it with any information that it deems necessary or useful with respect to its reports under this Section, including without limitation information about (1) the final earnings of former department employees who elected to receive benefits under this Section, (2) the earnings of current department employees holding the positions vacated by persons who elected to receive benefits under this Section, and (3) positions vacated by persons who elected to receive benefits under this Section that have not yet been refilled.

(i) The changes made to this Section by this amendatory Act of the 92nd General Assembly do not apply to persons who retired under this Section on or before May 1, 1992. (Source: P.A. 92-566, eff. 6-25-02; revised 8-23-03.)

(40 ILCS 5/22-803)

Sec. 22-803. Economic and Fiscal ~~Pension Laws~~ Commission. The Illinois State Board of Investment and all pension funds and retirement systems subject to this Code shall cooperate with the Economic and Fiscal ~~Pension Laws~~ Commission and shall upon request provide the Commission with such information and other assistance as it may find necessary or useful for the performance of its duties. (Source: P.A. 89-113, eff. 7-7-95.)

(40 ILCS 5/22-1001) (from Ch. 108 1/2, par. 22-1001)

Sec. 22-1001. Submission of information. By March 1 of each year, the retirement systems created under Articles 2, 14, 15, 16 and 18 of this Code shall each submit the following information to the Economic and Fiscal ~~Pension Laws~~ Commission:

(1) the most recent actuarial valuation computed using the projected unit credit actuarial cost method for retirement and ancillary benefits.

(2) a full disclosure of the provisions of the plan; economic, mortality, termination, and demographic assumptions used for the valuation; methods used to determine the actuarial values; the impact of significant changes in the actuarial assumptions and methods; the most recent experience review; and other information affecting the plan's actuarial status.

(3) the State's share of the amount necessary to fund the normal cost plus interest on the unfunded

accrued liability for the next fiscal year as determined by the projected unit credit computations.

(4) a five-year history of the system's liabilities, assets (valued at cost), and unfunded liabilities.

(5) the July 1 market value of system assets and a five-year history of annual and annualized investment returns of the system's total portfolio and each segment of the portfolio; and

(6) measures of financial status, including ten-year trends of: unfunded liabilities, funded ratios, quick liability ratios, current reserves, and other solvency tests requested by the Commission.

For plan years ending prior to December 31, 1984, the historical data submitted by the retirement systems pursuant to items (4) and (6) above may be based on a cost method other than the projected unit credit actuarial cost method. In submitting the data, the retirement systems shall specify the method used. (Source: P.A. 89-113, eff. 7-7-95.)

(40 ILCS 5/22-1002) (from Ch. 108 1/2, par. 22-1002)

Sec. 22-1002. Within 3 days of the Governor's submission of the State Budget, the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~ shall provide the Illinois Economic and Fiscal Commission ~~and the Pension Laws Commission~~ with the recommendations for budgeted annual appropriations for each system as specified in the Governor's budget recommendations. (Source: P.A. 89-113, eff. 7-7-95; revised 8-23-03.)

(40 ILCS 5/22-1003) (from Ch. 108 1/2, par. 22-1003)

Sec. 22-1003. The Economic and Fiscal ~~Pension Laws~~ Commission shall receive the information specified in Section 22-1001 and Section 22-1002 of this Act. Commission staff shall examine the information and submit a report of the analysis thereof to the General Assembly. The report shall also include either an analysis of the effect of the different economic assumptions used by the 5 systems, or supplemental valuations using the same economic assumptions for all 5 systems. The Commission shall compare (1) each system's required actuarial funding computed using the projected unit credit actuarial cost method, and (2) the required State contribution levels established by Public Act 88-593. The report shall also identify the amount of the required funding for each system expected to come from (i) budgeted annual appropriations and (ii) continuing appropriations under the State Pension Funds Continuing Appropriation Act.

The Commission shall also compute multiple year projections showing the effect on system liabilities and the State's annual cost (1) if the systems were to be funded according to actuarial recommendations that the Commission deems reasonable, (2) if each system were to be funded according to recommendations made by the system's actuary, and (3) if the systems were to be funded according to the required State contribution levels established by Public Act 88-593; including (i) comparisons of State costs with projected benefit payments, payroll, and the general funds budget, and (ii) comparisons of unfunded liabilities, funded ratios, solvency tests, and projected reserves. The Commission may conduct additional analyses and projections as it deems useful. (Source: P.A. 89-113, eff. 7-7-95.)

Section 95.

The Midwestern Higher Education Compact Act is amended by changing Section 2a as follows:

(45 ILCS 155/2a) (from Ch. 144, par. 2803)

Sec. 2a. The Legislative Research Unit ~~Illinois Commission on Intergovernmental Cooperation~~ in order to ensure the purposes of this Act as determined by Section 1, shall in January of 1993 and each January thereafter report to the Governor and General Assembly. This report shall contain a program evaluation and recommendations as to the advisability of the continued participation of Illinois in the Midwestern Higher Education Compact. (Source: P.A. 87-147.)

Section 100.

The Quad Cities Regional Economic Development Authority Act, approved September 22, 1987, is amended by changing Section 6 as follows:

(70 ILCS 510/6) (from Ch. 85, par. 6206)

Sec. 6. Records and Reports of the Authority. The secretary shall keep a record of the proceedings of the Authority. The treasurer of the Authority shall be custodian of all Authority funds, and shall be bonded in such amount as the other members of the Authority may designate. The accounts and bonds of the Authority shall be set up and maintained in a manner approved by the Auditor General, and the Authority shall file with the Auditor General a certified annual report within 120 days after the close of its fiscal year. The Authority shall also file with the Governor, the Secretary of the Senate, the Clerk of the House of Representatives, and the Legislative Research Unit ~~Illinois Commission on Intergovernmental Cooperation~~ , by March 1 of each year, a written report covering its activities and any activities of any instrumentality corporation established pursuant to this Act for the previous fiscal year. In its report to be filed by March 1, 1988, the Authority shall present an economic development strategy for the Quad Cities region for the year beginning July 1, 1988 and for the 4 years next ensuing. In each annual report thereafter, the Authority shall make modifications in such economic development strategy

for the 4 years beginning on the next ensuing July 1, to reflect changes in economic conditions or other factors, including the policies of the Authority and the State of Illinois. It also shall present an economic development strategy for the fifth year beginning after the next ensuing July 1. The strategy shall recommend specific legislative and administrative action by the State, the Authority, units of local government or other governmental agencies. Such recommendations may include, but are not limited to, new programs, modifications to existing programs, credit enhancements for bonds issued by the Authority, and amendments to this Act. When filed, such report shall be a public record and open for inspection at the offices of the Authority during normal business hours. (Source: P.A. 85-713.)

Section 105.

The Quad Cities Regional Economic Development Authority Act, certified December 30, 1987, is amended by changing Section 6 as follows:

(70 ILCS 515/6) (from Ch. 85, par. 6506)

Sec. 6. Records and Reports of the Authority. The secretary shall keep a record of the proceedings of the Authority. The treasurer of the Authority shall be custodian of all Authority funds, and shall be bonded in such amount as the other members of the Authority may designate. The accounts and bonds of the Authority shall be set up and maintained in a manner approved by the Auditor General, and the Authority shall file with the Auditor General a certified annual report within 120 days after the close of its fiscal year. The Authority shall also file with the Governor, the Secretary of the Senate, the Clerk of the House of Representatives, and the Legislative Research Unit ~~Illinois Commission on Intergovernmental Cooperation~~, by March 1 of each year, a written report covering its activities and any activities of any instrumentality corporation established pursuant to this Act for the previous fiscal year. In its report to be filed by March 1, 1988, the Authority shall present an economic development strategy for the Quad Cities region for the year beginning July 1, 1988 and for the 4 years next ensuing. In each annual report thereafter, the Authority shall make modifications in such economic development strategy for the 4 years beginning on the next ensuing July 1, to reflect changes in economic conditions or other factors, including the policies of the Authority and the State of Illinois. It also shall present an economic development strategy for the fifth year beginning after the next ensuing July 1. The strategy shall recommend specific legislative and administrative action by the State, the Authority, units of local government or other governmental agencies. Such recommendations may include, but are not limited to, new programs, modifications to existing programs, credit enhancements for bonds issued by the Authority, and amendments to this Act. When filed, such report shall be a public record and open for inspection at the offices of the Authority during normal business hours. (Source: P.A. 85-988.)

Section 110.

The Illinois Public Aid Code is amended by changing Sections 3-13, 5-5, 5-5.5, 5-15, 9-6.1, 9-8, 11-5, 12-4.30, 12-5, and 12-8 as follows:

(305 ILCS 5/3-13) (from Ch. 23, par. 3-13)

Sec. 3-13. Federal program - Declaration of responsibilities: It is the position of this State that the Federal Government should meet its obligation to provide financial aid to those aged, blind or disabled persons eligible under Article III hereof so as to assure those persons a standard of living compatible with health and well-being, including any supplementary aid program provided to meet special or emergency needs, and it is the position of this State that the Federal Government should meet its obligation to provide continuing supplemental nutritional aid for such persons through the Federal Food Stamp Program or through full reimbursement for expenditures made in lieu of such Food Stamp Program.

(a) The Illinois Department may, from federal reimbursements received under this Section, make disbursements to any attorney, or advocate working under the supervision of an attorney, who represents a recipient of assistance under Article VI of this Code in a program administered by the Illinois Department, in an appeal of any claim for federal Supplemental Security Income benefits before an administrative law judge which is decided in favor of such recipient. The amount of such disbursement shall be equal to 25% of the maximum federal Supplemental Security Income grant payable to an individual for a period of one year. No such disbursement shall be made unless a petition and a copy of the favorable decision is submitted by such attorney or advocate to the Illinois Department within 60 days of the date of such decision. The disbursement shall be made within 30 days after the petition is received. The Illinois Department shall promulgate rules and regulations necessary to implement this subsection.

(b) The Illinois Department shall institute a State program to fully supplement the federal Supplemental Security Income grants of all persons in the aged, blind, or disabled categories who meet the eligibility and need requirements of this Code~~, after having given prior notice to and having consulted with the Citizens Assembly/Council on Public Aid under the procedures established by~~

~~Section 12-4.11 hereof~~. The amount or amounts of such supplementary payments shall be established by the Director of the Illinois Department in a manner consistent with the other provisions of this Article III.

(c) The Illinois Department, the Comptroller and the Treasurer, are authorized to disburse to the Federal Government amounts appropriated to the Illinois Department for use in furnishing aid to persons eligible under Article III of this Code, to receive reimbursements from the Federal Government therefor, and to establish administrative procedures necessary for the accomplishment of such a payment system. (Source: P.A. 89-21, eff. 7-1-95.)

(305 ILCS 5/5-5) (from Ch. 23, par. 5-5)

Sec. 5-5. Medical services. The Illinois Department, by rule, shall determine the quantity and quality of and the rate of reimbursement for the medical assistance for which payment will be authorized, and the medical services to be provided, which may include all or part of the following: (1) inpatient hospital services; (2) outpatient hospital services; (3) other laboratory and X-ray services; (4) skilled nursing home services; (5) physicians' services whether furnished in the office, the patient's home, a hospital, a skilled nursing home, or elsewhere; (6) medical care, or any other type of remedial care furnished by licensed practitioners; (7) home health care services; (8) private duty nursing service; (9) clinic services; (10) dental services; (11) physical therapy and related services; (12) prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in the diseases of the eye, or by an optometrist, whichever the person may select; (13) other diagnostic, screening, preventive, and rehabilitative services; (14) transportation and such other expenses as may be necessary; (15) medical treatment of sexual assault survivors, as defined in Section 1a of the Sexual Assault Survivors Emergency Treatment Act, for injuries sustained as a result of the sexual assault, including examinations and laboratory tests to discover evidence which may be used in criminal proceedings arising from the sexual assault; (16) the diagnosis and treatment of sickle cell anemia; and (17) any other medical care, and any other type of remedial care recognized under the laws of this State, but not including abortions, or induced miscarriages or premature births, unless, in the opinion of a physician, such procedures are necessary for the preservation of the life of the woman seeking such treatment, or except an induced premature birth intended to produce a live viable child and such procedure is necessary for the health of the mother or her unborn child. The Illinois Department, by rule, shall prohibit any physician from providing medical assistance to anyone eligible therefor under this Code where such physician has been found guilty of performing an abortion procedure in a wilful and wanton manner upon a woman who was not pregnant at the time such abortion procedure was performed. The term "any other type of remedial care" shall include nursing care and nursing home service for persons who rely on treatment by spiritual means alone through prayer for healing.

Notwithstanding any other provision of this Section, a comprehensive tobacco use cessation program that includes purchasing prescription drugs or prescription medical devices approved by the Food and Drug administration shall be covered under the medical assistance program under this Article for persons who are otherwise eligible for assistance under this Article.

Notwithstanding any other provision of this Code, the Illinois Department may not require, as a condition of payment for any laboratory test authorized under this Article, that a physician's handwritten signature appear on the laboratory test order form. The Illinois Department may, however, impose other appropriate requirements regarding laboratory test order documentation.

The Illinois Department of Public Aid shall provide the following services to persons eligible for assistance under this Article who are participating in education, training or employment programs operated by the Department of Human Services as successor to the Department of Public Aid:

(1) dental services, which shall include but not be limited to prosthodontics; and

(2) eyeglasses prescribed by a physician skilled in the diseases of the eye, or by an optometrist, whichever the person may select.

The Illinois Department, by rule, may distinguish and classify the medical services to be provided only in accordance with the classes of persons designated in Section 5-2.

The Illinois Department shall authorize the provision of, and shall authorize payment for, screening by low-dose mammography for the presence of occult breast cancer for women 35 years of age or older who are eligible for medical assistance under this Article, as follows: a baseline mammogram for women 35 to 39 years of age and an annual mammogram for women 40 years of age or older. All screenings shall include a physical breast exam, instruction on self-examination and information regarding the frequency of self-examination and its value as a preventative tool. As used in this Section, "low-dose mammography" means the x-ray examination of the breast using equipment dedicated specifically for mammography, including the x-ray tube, filter, compression device, image receptor, and cassettes, with an average radiation exposure delivery of less than one rad mid-breast, with 2 views for each breast.

Any medical or health care provider shall immediately recommend, to any pregnant woman who is being provided prenatal services and is suspected of drug abuse or is addicted as defined in the Alcoholism and Other Drug Abuse and Dependency Act, referral to a local substance abuse treatment provider licensed by the Department of Human Services or to a licensed hospital which provides substance abuse treatment services. The Department of Public Aid shall assure coverage for the cost of treatment of the drug abuse or addiction for pregnant recipients in accordance with the Illinois Medicaid Program in conjunction with the Department of Human Services.

All medical providers providing medical assistance to pregnant women under this Code shall receive information from the Department on the availability of services under the Drug Free Families with a Future or any comparable program providing case management services for addicted women, including information on appropriate referrals for other social services that may be needed by addicted women in addition to treatment for addiction.

The Illinois Department, in cooperation with the Departments of Human Services (as successor to the Department of Alcoholism and Substance Abuse) and Public Health, through a public awareness campaign, may provide information concerning treatment for alcoholism and drug abuse and addiction, prenatal health care, and other pertinent programs directed at reducing the number of drug-affected infants born to recipients of medical assistance.

Neither the Illinois Department of Public Aid nor the Department of Human Services shall sanction the recipient solely on the basis of her substance abuse.

The Illinois Department shall establish such regulations governing the dispensing of health services under this Article as it shall deem appropriate. ~~In formulating these regulations the Illinois Department shall consult with and give substantial weight to the recommendations offered by the Citizens Assembly/Council on Public Aid.~~ The Department should seek the advice of formal professional advisory committees appointed by the Director of the Illinois Department for the purpose of providing regular advice on policy and administrative matters, information dissemination and educational activities for medical and health care providers, and consistency in procedures to the Illinois Department.

The Illinois Department may develop and contract with Partnerships of medical providers to arrange medical services for persons eligible under Section 5-2 of this Code. Implementation of this Section may be by demonstration projects in certain geographic areas. The Partnership shall be represented by a sponsor organization. The Department, by rule, shall develop qualifications for sponsors of Partnerships. Nothing in this Section shall be construed to require that the sponsor organization be a medical organization.

The sponsor must negotiate formal written contracts with medical providers for physician services, inpatient and outpatient hospital care, home health services, treatment for alcoholism and substance abuse, and other services determined necessary by the Illinois Department by rule for delivery by Partnerships. Physician services must include prenatal and obstetrical care. The Illinois Department shall reimburse medical services delivered by Partnership providers to clients in target areas according to provisions of this Article and the Illinois Health Finance Reform Act, except that:

(1) Physicians participating in a Partnership and providing certain services, which shall be determined by the Illinois Department, to persons in areas covered by the Partnership may receive an additional surcharge for such services.

(2) The Department may elect to consider and negotiate financial incentives to encourage the development of Partnerships and the efficient delivery of medical care.

(3) Persons receiving medical services through Partnerships may receive medical and case management services above the level usually offered through the medical assistance program.

Medical providers shall be required to meet certain qualifications to participate in Partnerships to ensure the delivery of high quality medical services. These qualifications shall be determined by rule of the Illinois Department and may be higher than qualifications for participation in the medical assistance program. Partnership sponsors may prescribe reasonable additional qualifications for participation by medical providers, only with the prior written approval of the Illinois Department.

Nothing in this Section shall limit the free choice of practitioners, hospitals, and other providers of medical services by clients. In order to ensure patient freedom of choice, the Illinois Department shall immediately promulgate all rules and take all other necessary actions so that provided services may be accessed from therapeutically certified optometrists to the full extent of the Illinois Optometric Practice Act of 1987 without discriminating between service providers.

The Department shall apply for a waiver from the United States Health Care Financing Administration to allow for the implementation of Partnerships under this Section.

The Illinois Department shall require health care providers to maintain records that document the medical care and services provided to recipients of Medical Assistance under this Article. The Illinois

Department shall require health care providers to make available, when authorized by the patient, in writing, the medical records in a timely fashion to other health care providers who are treating or serving persons eligible for Medical Assistance under this Article. All dispensers of medical services shall be required to maintain and retain business and professional records sufficient to fully and accurately document the nature, scope, details and receipt of the health care provided to persons eligible for medical assistance under this Code, in accordance with regulations promulgated by the Illinois Department. The rules and regulations shall require that proof of the receipt of prescription drugs, dentures, prosthetic devices and eyeglasses by eligible persons under this Section accompany each claim for reimbursement submitted by the dispenser of such medical services. No such claims for reimbursement shall be approved for payment by the Illinois Department without such proof of receipt, unless the Illinois Department shall have put into effect and shall be operating a system of post-payment audit and review which shall, on a sampling basis, be deemed adequate by the Illinois Department to assure that such drugs, dentures, prosthetic devices and eyeglasses for which payment is being made are actually being received by eligible recipients. Within 90 days after the effective date of this amendatory Act of 1984, the Illinois Department shall establish a current list of acquisition costs for all prosthetic devices and any other items recognized as medical equipment and supplies reimbursable under this Article and shall update such list on a quarterly basis, except that the acquisition costs of all prescription drugs shall be updated no less frequently than every 30 days as required by Section 5-5.12.

The rules and regulations of the Illinois Department shall require that a written statement including the required opinion of a physician shall accompany any claim for reimbursement for abortions, or induced miscarriages or premature births. This statement shall indicate what procedures were used in providing such medical services.

The Illinois Department shall require all dispensers of medical services, other than an individual practitioner or group of practitioners, desiring to participate in the Medical Assistance program established under this Article to disclose all financial, beneficial, ownership, equity, surety or other interests in any and all firms, corporations, partnerships, associations, business enterprises, joint ventures, agencies, institutions or other legal entities providing any form of health care services in this State under this Article.

The Illinois Department may require that all dispensers of medical services desiring to participate in the medical assistance program established under this Article disclose, under such terms and conditions as the Illinois Department may by rule establish, all inquiries from clients and attorneys regarding medical bills paid by the Illinois Department, which inquiries could indicate potential existence of claims or liens for the Illinois Department.

Enrollment of a vendor that provides non-emergency medical transportation, defined by the Department by rule, shall be conditional for 180 days. During that time, the Department of Public Aid may terminate the vendor's eligibility to participate in the medical assistance program without cause. That termination of eligibility is not subject to the Department's hearing process.

The Illinois Department shall establish policies, procedures, standards and criteria by rule for the acquisition, repair and replacement of orthotic and prosthetic devices and durable medical equipment. Such rules shall provide, but not be limited to, the following services: (1) immediate repair or replacement of such devices by recipients without medical authorization; and (2) rental, lease, purchase or lease-purchase of durable medical equipment in a cost-effective manner, taking into consideration the recipient's medical prognosis, the extent of the recipient's needs, and the requirements and costs for maintaining such equipment. Such rules shall enable a recipient to temporarily acquire and use alternative or substitute devices or equipment pending repairs or replacements of any device or equipment previously authorized for such recipient by the Department. Rules under clause (2) above shall not provide for purchase or lease-purchase of durable medical equipment or supplies used for the purpose of oxygen delivery and respiratory care.

The Department shall execute, relative to the nursing home prescreening project, written inter-agency agreements with the Department of Human Services and the Department on Aging, to effect the following: (i) intake procedures and common eligibility criteria for those persons who are receiving non-institutional services; and (ii) the establishment and development of non-institutional services in areas of the State where they are not currently available or are undeveloped.

The Illinois Department shall develop and operate, in cooperation with other State Departments and agencies and in compliance with applicable federal laws and regulations, appropriate and effective systems of health care evaluation and programs for monitoring of utilization of health care services and facilities, as it affects persons eligible for medical assistance under this Code. ~~The Illinois Department shall report regularly the results of the operation of such systems and programs to the Citizens Assembly/Council on Public Aid to enable the Committee to ensure, from time to time, that these~~

~~programs are effective and meaningful.~~

The Illinois Department shall report annually to the General Assembly, no later than the second Friday in April of 1979 and each year thereafter, in regard to:

(a) actual statistics and trends in utilization of medical services by public aid recipients;

(b) actual statistics and trends in the provision of the various medical services by medical vendors;

(c) current rate structures and proposed changes in those rate structures for the various medical vendors; and

(d) efforts at utilization review and control by the Illinois Department.

The period covered by each report shall be the 3 years ending on the June 30 prior to the report. The report shall include suggested legislation for consideration by the General Assembly. The filing of one copy of the report with the Speaker, one copy with the Minority Leader and one copy with the Clerk of the House of Representatives, one copy with the President, one copy with the Minority Leader and one copy with the Secretary of the Senate, one copy with the Legislative Research Unit, and such additional copies with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act ~~and one copy with the Citizens Assembly/Council on Public Aid or its successor~~ shall be deemed sufficient to comply with this Section. (Source: P.A. 91-344, eff. 1-1-00; 91-462, eff. 8-6-99; 91-666, eff. 12-22-99; 92-16, eff. 6-28-01; 92-651, eff. 7-11-02; 92-789, eff. 8-6-02.)

(305 ILCS 5/5-5.5) (from Ch. 23, par. 5-5.5)

Sec. 5-5.5. Elements of Payment Rate. (a) The Department of Public Aid shall develop a prospective method for determining payment rates for skilled nursing and intermediate care services in nursing facilities composed of the following cost elements:

(1) Standard Services, with the cost of this component being determined by taking into account the actual costs to the facilities of these services subject to cost ceilings to be defined in the Department's rules.

(2) Resident Services, with the cost of this component being determined by taking into account the actual costs, needs and utilization of these services, as derived from an assessment of the resident needs in the nursing facilities. The Department shall adopt rules governing reimbursement for resident services as listed in Section 5-1.1. Surveys or assessments of resident needs under this Section shall include a review by the facility of the results of such assessments and a discussion of issues in dispute with authorized survey staff, unless the facility elects not to participate in such a review process. Surveys or assessments of resident needs under this Section may be conducted semi-annually and payment rates relating to resident services may be changed on a semi-annual basis. The Illinois Department shall initiate a project, either on a pilot basis or Statewide, to reimburse the cost of resident services based on a methodology which utilizes an assessment of resident needs to determine the level of reimbursement. This methodology shall be different from the payment criteria for resident services utilized by the Illinois Department on July 1, 1981. On March 1, 1982, and each year thereafter, until such time when the Illinois Department adopts the methodology used in such project for use statewide ~~or the Illinois Department reports to the Citizens Assembly/Council on Public Aid that the methodology did not meet the Department's goals and objectives and therefore is ceasing such project~~, the Illinois Department shall report to the General Assembly on the implementation and progress of such project. The report shall include:

(A) A statement of the Illinois Department's goals and objectives for such project;

(B) A description of such project, including the number and type of nursing facilities involved in the project;

(C) A description of the methodology used in such project;

(D) A description of the Illinois Department's application of the methodology;

(E) A statement on the methodology's effect on the quality of care given to residents in the sample nursing facilities; and

(F) A statement on the cost of the methodology used in such project and a comparison of this cost with the cost of the current payment criteria.

(3) Ancillary Services, with the payment rate being developed for each individual type of service. Payment shall be made only when authorized under procedures developed by the Department of Public Aid.

(4) Nurse's Aide Training, with the cost of this component being determined by taking into account the actual cost to the facilities of such training.

(5) Real Estate Taxes, with the cost of this component being determined by taking into account the figures contained in the most currently available cost reports (with no imposition of maximums) updated to the midpoint of the current rate year for long term care services rendered between July 1,

1984 and June 30, 1985, and with the cost of this component being determined by taking into account the actual 1983 taxes for which the nursing homes were assessed (with no imposition of maximums) updated to the midpoint of the current rate year for long term care services rendered between July 1, 1985 and June 30, 1986.

(b) In developing a prospective method for determining payment rates for skilled nursing and intermediate care services in nursing facilities, the Department of Public Aid shall consider the following cost elements:

(1) Reasonable capital cost determined by utilizing incurred interest rate and the current value of the investment, including land, utilizing composite rates, or by utilizing such other reasonable cost related methods determined by the Department. However, beginning with the rate reimbursement period effective July 1, 1987, the Department shall be prohibited from establishing, including, and implementing any depreciation factor in calculating the capital cost element.

(2) Profit, with the actual amount being produced and accruing to the providers in the form of a return on their total investment, on the basis of their ability to economically and efficiently deliver a type of service. The method of payment may assure the opportunity for a profit, but shall not guarantee or establish a specific amount as a cost.

(c) The Illinois Department may implement the amendatory changes to this Section made by this amendatory Act of 1991 through the use of emergency rules in accordance with the provisions of Section 5.02 of the Illinois Administrative Procedure Act. For purposes of the Illinois Administrative Procedure Act, the adoption of rules to implement the amendatory changes to this Section made by this amendatory Act of 1991 shall be deemed an emergency and necessary for the public interest, safety and welfare.

(d) No later than January 1, 2001, the Department of Public Aid shall file with the Joint Committee on Administrative Rules, pursuant to the Illinois Administrative Procedure Act, a proposed rule, or a proposed amendment to an existing rule, regarding payment for appropriate services, including assessment, care planning, discharge planning, and treatment provided by nursing facilities to residents who have a serious mental illness. (Source: P.A. 91-799, eff. 6-13-00.)

(305 ILCS 5/5-15) (from Ch. 23, par. 5-15)

Sec. 5-15. (a) The Illinois Department is authorized to contract with community based organizations serving low income communities for a three year period to demonstrate how and the extent to which preventive health programs can decrease utilization of medical care services and/or improve health status.

(b) As used in this Section (1) a community based organization is an organization established as a not-for-profit corporation under laws of the State of Illinois which serves a defined geographic community and is governed by members of that community; and (2) a preventive health program is any program, service or intervention the purpose of which is to identify, resolve, or ameliorate problems which contribute to the utilization of medical services.

(c) The Illinois Department is authorized, for evaluation purposes, to release names of recipients and other pertinent identification and medical utilization information to the community organizations under contract.

(d) Contractors shall maintain strict confidentiality of information released by the Illinois Department by following guidelines established by the Illinois Department, which shall require that recipients sign a release for any further use or disclosure of such information.

~~(e) The Illinois Department shall report to the Citizens Assembly/Council on Public Aid annually on the costs and benefits of preventive health care projects.~~ (Source: P.A. 86-651.)

(305 ILCS 5/9-6.1) (from Ch. 23, par. 9-6.1)

Sec. 9-6.1. Housing Education Program. The Illinois Department~~, upon consultation with and advice of the Citizens Assembly/Council on Public Aid,~~ shall establish, either directly or by contract, a pilot project for a housing education program that will provide persons receiving aid under Articles III, IV, V, and VI with instructions in the care and maintenance of dwelling units, in the essentials of adequate housekeeping, and the problems of urban living. If in accord with Federal law and regulations governing grants to this State for public aid purposes, the Department may require recipients to attend a housing education program. Non-recipients to whom services have been extended under the provisions of Section 9-8 may also attend and participate in a housing education program established hereunder. (Source: P.A. 92-111, eff. 1-1-02.)

(305 ILCS 5/9-8) (from Ch. 23, par. 9-8)

Sec. 9-8. Extension of Coverage.) If appropriate and sufficient facilities are not available through other agencies, ~~and upon consultation with and advice of the Citizens Assembly/Council on Public Aid,~~ the Illinois Department may extend those services provided in this Article which relate to work adjustment, education, training, and counseling and guidance on problems of child care, family

relationships, home and money management, transportation, and health, to one or both of the following:

(1) persons and families who have been recipients of aid within 1 year preceding their request for the services, and who are likely to become recipients of aid again unless needed services are provided;

(2) other persons and families who request the services and whose economic, personal or social situation is such as to make it likely that without counseling, training or other services financial aid could reasonably be expected to be required within 6 months.

The services may be continued for such time as may be necessary to overcome the conditions which may result in dependency upon financial aid but each case shall be reviewed at least quarterly to assure that the services are not continued beyond a reasonable period of time.

Any extension of services under the foregoing provisions shall be limited to a pilot county or counties, or other test area, until the cost and effectiveness of the services provided are determined to be in the public interest. ~~The initiation in any county or the extension in any county, of the services specified in the first paragraph of this Section shall require prior consultation with and advice of the Citizens Assembly/Council on Public Aid.~~

~~Upon consultation with and advice of the Citizens Assembly/Council on Public Aid,~~ The Illinois Department may also extend the educational and vocational training programs provided under Section 9-5 or Section 9-7 to persons whose income does not exceed the standard established to determine eligibility for aid as a medically indigent person under Article V, subject to the minimum quarterly review requirement established in this Section for persons designated in subparagraphs (1) and (2). (Source: P.A. 86-651.)

(305 ILCS 5/11-5) (from Ch. 23, par. 11-5)

Sec. 11-5. Investigation of applications. The County Department or local governmental unit shall promptly, upon receipt of an application, make the necessary investigation, as prescribed by rule of the Illinois Department, for determining the eligibility of the applicant for aid.

A report of every investigation shall be made in writing and become a part of the record in each case.

The Illinois Department~~, upon consultation with and advice of the Citizens Assembly/Council on Public Aid,~~ may by rule prescribe the circumstances under which information furnished by applicants in respect to their eligibility may be presumed prima facie correct, subject to all civil and criminal penalties and recoveries provided in this Code if the additional investigation establishes that the applicant made false statements or was otherwise ineligible for aid. (Source: P.A. 86-651.)

(305 ILCS 5/12-4.30) (from Ch. 23, par. 12-4.30)

Sec. 12-4.30. Demonstration programs. Establish demonstration programs, authorized by federal law and pursuant to State regulations. Such demonstration programs ~~shall be subject to the prior review of the Citizens Assembly/Citizens Council on Public Aid and~~ may include, but shall not be limited to: cashing out welfare benefits such as, but not limited to, food stamps, energy assistance payments and medical benefits; providing medical benefits through the purchase of health insurance; and capping grant amounts at certain levels regardless of the number of persons in the case. Such demonstration programs may be limited to particular geographic areas. (Source: P.A. 85-1209.)

(305 ILCS 5/12-5) (from Ch. 23, par. 12-5)

Sec. 12-5. Appropriations; uses; federal grants; report to General Assembly. From the sums appropriated by the General Assembly, the Illinois Department shall order for payment by warrant from the State Treasury grants for public aid under Articles III, IV, and V, including grants for funeral and burial expenses, and all costs of administration of the Illinois Department and the County Departments relating thereto. Moneys appropriated to the Illinois Department for public aid under Article VI may be used, with the consent of the Governor, to co-operate with federal, State, and local agencies in the development of work projects designed to provide suitable employment for persons receiving public aid under Article VI. The Illinois Department, with the consent of the Governor, may be the agent of the State for the receipt and disbursement of federal funds or commodities for public aid purposes under Article VI and for related purposes in which the co-operation of the Illinois Department is sought by the federal government, and, in connection therewith, may make necessary expenditures from moneys appropriated for public aid under any Article of this Code and for administration. The Illinois Department, with the consent of the Governor, may be the agent of the State for the receipt and disbursement of federal funds pursuant to the Immigration Reform and Control Act of 1986 and may make necessary expenditures from monies appropriated to it for operations, administration, and grants, including payment to the Health Insurance Reserve Fund for group insurance costs at the rate certified by the Department of Central Management Services. All amounts received by the Illinois Department pursuant to the Immigration Reform and Control Act of 1986 shall be deposited in the Immigration Reform and Control Fund. All amounts received into the Immigration Reform and Control Fund as reimbursement for expenditures from the General Revenue Fund shall be transferred to the General

Revenue Fund.

All grants received by the Illinois Department for programs funded by the Federal Social Services Block Grant shall be deposited in the Social Services Block Grant Fund. All funds received into the Social Services Block Grant Fund as reimbursement for expenditures from the General Revenue Fund shall be transferred to the General Revenue Fund. All funds received into the Social Services Block Grant fund for reimbursement for expenditure out of the Local Initiative Fund shall be transferred into the Local Initiative Fund. Any other federal funds received into the Social Services Block Grant Fund shall be transferred to the Special Purposes Trust Fund. All federal funds received by the Illinois Department as reimbursement for Employment and Training Programs for expenditures made by the Illinois Department from grants, gifts, or legacies as provided in Section 12-4.18 or made by an entity other than the Illinois Department shall be deposited into the Employment and Training Fund, except that federal funds received as reimbursement as a result of the appropriation made for the costs of providing adult education to public assistance recipients under the "Adult Education, Public Assistance Fund" shall be deposited into the General Revenue Fund; provided, however, that all funds, except those that are specified in an interagency agreement between the Illinois Community College Board and the Illinois Department, that are received by the Illinois Department as reimbursement under Title IV-A of the Social Security Act for expenditures that are made by the Illinois Community College Board or any public community college of this State shall be credited to a special account that the State Treasurer shall establish and maintain within the Employment and Training Fund for the purpose of segregating the reimbursements received for expenditures made by those entities. As reimbursements are deposited into the Employment and Training Fund, the Illinois Department shall certify to the State Comptroller and State Treasurer the amount that is to be credited to the special account established within that Fund as a reimbursement for expenditures under Title IV-A of the Social Security Act made by the Illinois Community College Board or any of the public community colleges. All amounts credited to the special account established and maintained within the Employment and Training Fund as provided in this Section shall be held for transfer to the TANF Opportunities Fund as provided in subsection (d) of Section 12-10.3, and shall not be transferred to any other fund or used for any other purpose.

Any or all federal funds received as reimbursement for food and shelter assistance under the Emergency Food and Shelter Program authorized by Section 12-4.5 may be deposited, with the consent of the Governor, into the Homelessness Prevention Fund.

Eighty percent of the federal financial participation funds received by the Illinois Department under the Title IV-A Emergency Assistance program as reimbursement for expenditures made from the Illinois Department of Children and Family Services appropriations for the costs of providing services in behalf of Department of Children and Family Services clients shall be deposited into the DCFS Children's Services Fund.

All federal funds, except those covered by the foregoing 3 paragraphs, received as reimbursement for expenditures from the General Revenue Fund shall be deposited in the General Revenue Fund for administrative and distributive expenditures properly chargeable by federal law or regulation to aid programs established under Articles III through XII and Titles IV, XVI, XIX and XX of the Federal Social Security Act. Any other federal funds received by the Illinois Department under Sections 12-4.6, 12-4.18 and 12-4.19 that are required by Section 12-10 of this Code to be paid into the Special Purposes Trust Fund shall be deposited into the Special Purposes Trust Fund. Any other federal funds received by the Illinois Department pursuant to the Child Support Enforcement Program established by Title IV-D of the Social Security Act shall be deposited in the Child Support Enforcement Trust Fund as required under Section 12-10.2 of this Code. Any other federal funds received by the Illinois Department for medical assistance program expenditures made under Title XIX of the Social Security Act and Article V of this Code that are required by Section 5-4.21 of this Code to be paid into the Medicaid Developmentally Disabled Provider Participation Fee Trust Fund shall be deposited into the Medicaid Developmentally Disabled Provider Participation Fee Trust Fund. Any other federal funds received by the Illinois Department for medical assistance program expenditures made under Title XIX of the Social Security Act and Article V of this Code that are required by Section 5-4.31 of this Code to be paid into the Medicaid Long Term Care Provider Participation Fee Trust Fund shall be deposited into the Medicaid Long Term Care Provider Participation Fee Trust Fund. Any other federal funds received by the Illinois Department for hospital inpatient, hospital ambulatory care, and disproportionate share hospital expenditures made under Title XIX of the Social Security Act and Article V of this Code that are required by Section 14-2 of this Code to be paid into the Hospital Services Trust Fund shall be deposited into the Hospital Services Trust Fund. Any other federal funds received by the Illinois Department for expenditures made under Title XIX of the Social Security Act and Articles V and VI of this Code that are required by Section 15-2 of this Code to be paid into the County Provider Trust Fund

shall be deposited into the County Provider Trust Fund. Any other federal funds received by the Illinois Department for hospital inpatient, hospital ambulatory care, and disproportionate share hospital expenditures made under Title XIX of the Social Security Act and Article V of this Code that are required by Section 5A-8 of this Code to be paid into the Hospital Provider Fund shall be deposited into the Hospital Provider Fund. Any other federal funds received by the Illinois Department for medical assistance program expenditures made under Title XIX of the Social Security Act and Article V of this Code that are required by Section 5B-8 of this Code to be paid into the Long-Term Care Provider Fund shall be deposited into the Long-Term Care Provider Fund. Any other federal funds received by the Illinois Department for medical assistance program expenditures made under Title XIX of the Social Security Act and Article V of this Code that are required by Section 5C-7 of this Code to be paid into the Developmentally Disabled Care Provider Fund shall be deposited into the Developmentally Disabled Care Provider Fund. Any other federal funds received by the Illinois Department for trauma center adjustment payments that are required by Section 5-5.03 of this Code and made under Title XIX of the Social Security Act and Article V of this Code shall be deposited into the Trauma Center Fund. Any other federal funds received by the Illinois Department as reimbursement for expenses for early intervention services paid from the Early Intervention Services Revolving Fund shall be deposited into that Fund.

The Illinois Department ~~shall consult with the Citizens Assembly/Council on Public Aid in respect to the expenditure of federal funds from the Special Purposes Trust Fund under Section 12-10 and the Local Initiative Fund under Section 12-10.1. It~~ shall report to the General Assembly at the end of each fiscal quarter the amount of all funds received and paid into the Social Service Block Grant Fund and the Local Initiative Fund and the expenditures and transfers of such funds for services, programs and other purposes authorized by law. Such report shall be filed with the Speaker, Minority Leader and Clerk of the House, with the President, Minority Leader and Secretary of the Senate, with the Chairmen of the House and Senate Appropriations Committees, the House Human Resources Committee and the Senate Public Health, Welfare and Corrections Committee, or the successor standing Committees of each as provided by the rules of the House and Senate, respectively, with the Legislative Research Unit and with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act ~~and one copy with the Citizens Assembly/Council on Public Aid or its successor~~ shall be deemed sufficient to comply with this Section. (Source: P.A. 92-111, eff. 1-1-02.)

(305 ILCS 5/12-8) (from Ch. 23, par. 12-8)

Sec. 12-8. Public Assistance Emergency Revolving Fund - Uses. The Public Assistance Emergency Revolving Fund, established by Act approved July 8, 1955 shall be held by the Illinois Department and shall be used for the following purposes:

1. To provide immediate financial aid to applicants in acute need who have been determined eligible for aid under Articles III, IV, or V.

2. To provide emergency aid to recipients under said Articles who have failed to receive their grants because of mail box or other thefts, or who are victims of a burnout, eviction, or other circumstances causing privation, in which cases the delays incident to the issuance of grants from appropriations would cause hardship and suffering.

3. To provide emergency aid for transportation, meals and lodging to applicants who are referred to cities other than where they reside for physical examinations to establish blindness or disability, or to determine the incapacity of the parent of a dependent child.

4. To provide emergency transportation expense allowances to recipients engaged in vocational training and rehabilitation projects.

5. To assist public aid applicants in obtaining copies of birth certificates, death certificates, marriage licenses or other similar legal documents which may facilitate the verification of eligibility for public aid under this Code.

6. To provide immediate payments to current or former recipients of child support enforcement services, or refunds to responsible relatives, for child support made to the Illinois Department under Title IV-D of the Social Security Act when such recipients of services or responsible relatives are legally entitled to all or part of such child support payments under applicable State or federal law.

7. To provide payments to individuals or providers of transportation to and from medical care for the benefit of recipients under Articles III, IV, V, and VI.

Disbursements from the Public Assistance Emergency Revolving Fund shall be made by the Illinois Department.

Expenditures from the Public Assistance Emergency Revolving Fund shall be for purposes which are properly chargeable to appropriations made to the Illinois Department, or, in the case of payments under

subparagraph 6, to the Child Support Enforcement Trust Fund, except that no expenditure shall be made for purposes which are properly chargeable to appropriations for the following objects: personal services; extra help; state contributions to retirement system; state contributions to Social Security; state contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of auto equipment; telecommunications services; library books; and refunds. The Illinois Department shall reimburse the Public Assistance Emergency Revolving Fund by warrants drawn by the State Comptroller on the appropriation or appropriations which are so chargeable, or, in the case of payments under subparagraph 6, by warrants drawn on the Child Support Enforcement Trust Fund, payable to the Revolving Fund.

~~The Illinois Department shall consult, in writing, with the Citizens Assembly/Council on Public Aid with respect to the investment of funds from the Public Assistance Emergency Revolving Fund outside the State Treasury in certificates of deposit or other interest bearing accounts.~~ (Source: P.A. 92-111, eff. 1-1-02; 92-590, eff. 7-1-02.)

Section 115.

The Supreme Court Act is amended by changing Section 17 as follows:

(705 ILCS 5/17) (from Ch. 37, par. 22)

Sec. 17. The judges of the Supreme Court shall appoint a librarian for the Supreme Court Library, located at the Supreme Court Building ~~State Capitol~~, and prescribe his duties and fix his compensation to be paid as other expenses of the Supreme Court are paid. Such librarian, before entering upon the duties of his office, shall give bond payable to the People of the State of Illinois in the penal sum of $5,000 with security to be approved by 2 judges of said court conditioned for the due preservation of the books belonging to the library, in his charge, and for the faithful performance of his duties as such librarian. (Source: Laws 1965, p. 766.)

Section 999. Effective date. This Act takes effect on February 1, 2004.".

Under the rules, the foregoing **Senate Bill No. 1656**, with House Amendment No. 1 was referred to the Secretary's Desk.

A message from the House by

Mr. Bolin, Assistant 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. 1704

A bill for AN ACT in relation to public employee benefits.

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. 1704

Passed the House, as amended, November 19, 2003.

BRADLEY S. BOLIN, Assistant Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1704

AMENDMENT NO. 1____. Amend Senate Bill 1704 by replacing everything after the enacting clause with the following:

"Section 5.

The Illinois Pension Code is amended by changing Sections 5-129.1, 5-132, 5-167.2, 5-167.4, 5-168, 6-111, 6-128, 6-128.2, 6-128.4, 6-142, 6-143, 6-151.1, 6-160, 6-164, 6-165, 6-210.1, 6-211, 6-222, 8-137, 8-150.1, 8-167, 8-172, 8-174, 8-174.1, 8-192, 11-134.1, 11-145.1, 11-163, 11-167, 11-170.1, 11-178, 11-181, 12-133, and 12-149 and adding Sections 6-124.1, 6-141.2, 6-210.2, 6-210.3, 8-138.4, 8-138.5, 8-172.1, 11-133.3, 11-133.4, 12-133.6, and 12-133.7 as follows:

(40 ILCS 5/5-129.1)

Sec. 5-129.1. Withdrawal at mandatory retirement age - amount of annuity. (a) In lieu of any annuity provided in the other provisions of this Article, a policeman who is required to withdraw from service on or after January 1, 2000 due to attainment of mandatory retirement age and has at least 10 but less than 20 years of service credit may elect to receive an annuity equal to 30% of average salary for the first 10 years of service plus 2% of average salary for each completed year of service or fraction thereof in excess of 10, but not to exceed a maximum of 48% of average salary.

(b) For the purpose of this Section, "average salary" means the average of the highest 4 consecutive

years of salary within the last 10 years of service, or such shorter period as may be used to calculate a minimum retirement annuity under Section 5-132.

(c) For the purpose of qualifying for the annual increases provided in Section 5-167.1, a policeman whose retirement annuity is calculated under this Section shall be deemed to qualify for a minimum annuity.

(d) A policeman with less than 20 years of service credit who was required to withdraw from service on or after January 1, 2000 but before June 28, 2002 due to attainment of mandatory retirement age is also entitled to have his or her retirement annuity calculated in accordance with this Section. If payment of the annuity has already begun, the annuity shall be recalculated. The resulting increase, if any, shall accrue from the starting date of the annuity; the amount of the increase relating to the period before the annuity is recalculated shall be paid to the annuitant in a lump sum, without interest. (Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/5-132) (from Ch. 108 1/2, par. 5-132)

Sec. 5-132. Minimum annuity. Any policeman who withdraws on or after July 8, 1957, or any policeman transferred to the police service of the city under the Exchange of Functions Act of 1957 who withdraws on or after July 17, 1959, after completing at least 20 years of service, for whom the annuity otherwise provided in this Article is less than that stated in this Section has a right to receive annuity as follows:

(a) If he is age 55 or more on withdrawal, his annuity after such withdrawal, shall be equal to 2% of the average salary for 4 consecutive years of highest salaries within the last 10 years of service before withdrawal, for each year of service, together with 1/6 of 1% of such average salary for each complete month of service of each fractional year, but not in excess of 75% of the average annual salary.

(b) If he is age 50 or more but less than age 55 on withdrawal, his annuity shall be equal to 2% of the average salary for the 4 highest consecutive years of the last 10 years of service for each year of service, together with 1/16 of 1% of such average salary for each month of each fractional year of service, reduced by 1/2 of 1% for each month that he is less than age 55.

(c) If he is less than age 50 on withdrawal, he may, upon attainment of age 50 or over, become entitled to the annuity provided in this Section or, he may, upon application before age 50, receive a refund of the deductions from salary, plus interest at 1 1/2% per annum if he is entitled to refund under Section 5-163.

(d) In lieu of the annuity provided in the foregoing provisions of this Section 5-132 any policeman who withdraws from the service after December 31, 1973, after having attained age 53 in the service with 23 or more years of service credit shall be entitled to an annuity computed as follows if such annuity is greater than that provided in the foregoing paragraphs of this Section 5-132: An annuity equal to 50% of the average salary for the 4 highest consecutive years of the last 10 years of service plus additional annuity equal to 2% of such average salary for each completed year of service or fraction thereof rendered after his attainment of age 53 and the completion of 23 years of service.

Any policeman who has completed 23 years of service prior to his attainment of age 53 in the service and continues in the service until his attainment of age 53 shall have added to his annuity, computed as provided in the immediately preceding paragraph, an additional annuity equal to 1% of such average salary for each completed year of service or fraction thereof in excess of 23 years up to age 53.

(e) In lieu of the annuity provided in the foregoing provisions of this Section any policeman who withdraws from the service either (i) after December 31, 1983 with at least 22 years of service credit and having attained age 52 in the service, or (ii) after December 31, 1984 with at least 21 years of service credit and having attained age 51 in the service, or (iii) after December 31, 1985 with at least 20 years of service credit and having attained age 50 in the service, or (iv) after December 31, 1990, with at least 20 years of service credit regardless of age, shall be entitled to an annuity to begin not earlier than upon attainment of age 50 if under such age at withdrawal, computed as follows: an annuity equal to 50% of the average salary for the 4 highest consecutive years of the last 10 years of service, plus additional annuity equal to 2% of such average salary for each completed year of service or fraction thereof rendered after his completion of the minimum number of years of service required for him to be eligible under this subsection (e). In lieu of any annuity provided in the foregoing provisions of this Section, any policeman who withdraws from the service after December 31, 2003, with at least 20 years of service credit regardless of age, shall be entitled to an annuity to begin not earlier than upon attainment of age 50, if under that age at withdrawal, equal to 2.5% of the average salary for the 4 highest consecutive years of the last 10 years of service for each completed year of service or fraction thereof. However, the annuity provided under this subsection (e) may not exceed 75% of such average salary.

(f) A policeman withdrawing after September 1, 1969, may, in addition, be entitled to the benefits provided by Section 5-167.1 of this Article if he so qualifies under that Section.

If, on withdrawal, total service is less than 20 years, the policeman shall not be entitled to an annuity under this Section but may receive an annuity under the other provisions of this Article or, if entitled thereto under Section 5--163, a refund of the deductions from salary, including, in the case of policemen transferred to the police service of the city under the Exchange of Functions Act of 1957, the additional contribution paid on salary received from August 1, 1957, to July 17, 1959, as provided in the Park Policemen's Annuity Act, together with interest at 1 1/2% per annum.

Moneys voluntarily contributed under the Policemen's Annuity and Benefit Fund Act of the Illinois Municipal Code, or the Park Policemen's Annuity Act, shall be refunded to the contributing policemen who were in service on January 1, 1954, or in the case of policemen transferred to the police service of the city under the Exchange of Functions Act of 1957, who were in service on July 17, 1959.

The age and service annuity formula in this Section shall not apply to any policeman who, having retired before July 8, 1957, or before July 17, 1959, in the case of a policeman transferred under the provisions of the Exchange of Functions Act of 1957, re-enters the police service after such dates, whichever are applicable. (Source: P.A. 86-1488.)

(40 ILCS 5/5-167.2) (from Ch. 108 1/2, par. 5-167.2)

Sec. 5-167.2. Retirement before September 1, 1967. A retired policeman, qualifying for minimum annuity or who retired from service with 20 or more years of service, before September 1, 1967, shall, in January of the year following the year he attains the age of 65, or in January of the year 1970, if then more than 65 years of age, have his then fixed and payable monthly annuity increased by an amount equal to 2% of the original grant of annuity, for each year the policeman was in receipt of annuity payments after the year in which he attains, or did attain the age of 63. An additional 2% increase in such then fixed and payable original granted annuity shall accrue in each January thereafter. Beginning January 1, 1986, the rate of such increase shall be 3% instead of 2%.

The provisions of the preceding paragraph of this Section apply only to a retired policeman eligible for such increases in his annuity who contributes to the Fund a sum equal to $5 for each full year of credited service upon which his annuity was computed. All such sums contributed shall be placed in a Supplementary Payment Reserve and shall be used for the purposes of such Fund account.

Beginning with the monthly annuity payment due in July, 1982, the fixed and granted monthly annuity payment for any policeman who retired from the service, before September 1, 1976, at age 50 or over with 20 or more years of service and entitled to an annuity on January 1, 1974, shall be not less than $400. It is the intent of the General Assembly that the change made in this Section by this amendatory Act of 1982 shall apply retroactively to July 1, 1982.

Beginning with the monthly annuity payment due on January 1, 1986, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 1986, at age 50 or over with 20 or more years of service, or any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 1986, shall be not less than $475.

Beginning with the monthly annuity payment due on January 1, 1992, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 1992, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 1992, shall be not less than $650.

Beginning with the monthly annuity payment due on January 1, 1993, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 1993, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 1993, shall be not less than $750.

Beginning with the monthly annuity payment due on January 1, 1994, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 1994, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 1994, shall be not less than $850.

Beginning with the monthly annuity payment due on January 1, 2004, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 2004, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to termination of disability and who is entitled to an annuity on January 1, 2004, shall be not less than $950.

Beginning with the monthly annuity payment due on January 1, 2005, the fixed and granted monthly annuity payment for any policeman who retired from the service before January 1, 2005, at age 50 or over with 20 or more years of service, and for any policeman who retired from service due to

termination of disability and who is entitled to an annuity on January 1, 2005, shall be not less than $1,050.

The difference in amount between the original fixed and granted monthly annuity of any such policeman on the date of his retirement from the service and the monthly annuity provided for in the immediately preceding paragraph shall be paid as a supplement in the manner set forth in the immediately following paragraph.

To defray the annual cost of the increases indicated in the preceding part of this Section, the annual interest income accruing from investments held by this Fund, exclusive of gains or losses on sales or exchanges of assets during the year, over and above 4% a year shall be used to the extent necessary and available to finance the cost of such increases for the following year and such amount shall be transferred as of the end of each year beginning with the year 1969 to a Fund account designated as the Supplementary Payment Reserve from the Interest and Investment Reserve set forth in Section 5-207.

In the event the funds in the Supplementary Payment Reserve in any year arising from: (1) the interest income accruing in the preceding year above 4% a year and (2) the contributions by retired persons are insufficient to make the total payments to all persons entitled to the annuity specified in this Section and (3) any interest earnings over 4% a year beginning with the year 1969 which were not previously used to finance such increases and which were transferred to the Prior Service Annuity Reserve, may be used to the extent necessary and available to provide sufficient funds to finance such increases for the current year and such sums shall be transferred from the Prior Service Annuity Reserve. In the event the total money available in the Supplementary Payment Reserve from such sources are insufficient to make the total payments to all persons entitled to such increases for the year, a proportionate amount computed as the ratio of the money available to the total of the total payments specified for that year shall be paid to each person for that year.

The Fund shall be obligated for the payment of the increases in annuity as provided for in this Section only to the extent that the assets for such purpose are available. (Source: P.A. 91-357, eff. 7-29-99.)

(40 ILCS 5/5-167.4) (from Ch. 108 1/2, par. 5-167.4)

Sec. 5-167.4. Widow annuitant minimum annuity. (a) Notwithstanding any other provision of this Article, beginning January 1, 1996, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is $700 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of 1995.

Notwithstanding any other provision of this Article, beginning January 1, 1999, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is $800 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of 1998.

Notwithstanding any other provision of this Article, beginning January 1, 2004, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is $900 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly.

Notwithstanding any other provision of this Article, beginning January 1, 2005, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is $1,000 per month, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly.

(b) Effective January 1, 1994, the minimum amount of widow's annuity shall be $700 per month for the following classes of widows, without regard to whether the deceased policeman is in service on or after the effective date of this amendatory Act of 1993: (1) the widow of a policeman who dies in service with at least 10 years of service credit, or who dies in service after June 30, 1981; and (2) the widow of a policeman who withdraws from service with 20 or more years of service credit and does not withdraw a refund, provided that the widow is married to the policeman before he withdraws from service.

(c) The city, in addition to the contributions otherwise made by it under the other provisions of this Article, shall make such contributions as are necessary for the minimum widow's annuities provided under this Section in the manner prescribed in Section 5-175. (Source: P.A. 89-12, eff. 4-20-95; 90-766, eff. 8-14-98.)

(40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)

Sec. 5-168. Financing. (a) Except as expressly provided in this Section, the city shall levy a tax annually upon all taxable property therein for the purpose of providing revenue for the fund.

The tax shall be at a rate that will produce a sum which, when added to the amounts deducted from the policemen's salaries and the amounts deposited in accordance with subsection (g), is sufficient for the purposes of the fund.

For the years 1968 and 1969, the city council shall levy a tax annually at a rate on the dollar of the assessed valuation of all taxable property that will produce, when extended, not to exceed $9,700,000. Beginning with the year 1970 and each year thereafter the city council shall levy a tax annually at a rate on the dollar of the assessed valuation of all taxable property that will produce when extended an amount not to exceed the total amount of contributions by the policemen to the Fund made in the calendar year 2 years before the year for which the applicable annual tax is levied, multiplied by 1.40 for the tax levy year 1970; by 1.50 for the year 1971; by 1.65 for 1972; by 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975 through 1981; by 2.00 for 1982 and for each year thereafter.

(b) The tax shall be levied and collected in like manner with the general taxes of the city, and is in addition to all other taxes which the city is now or may hereafter be authorized to levy upon all taxable property therein, and is exclusive of and in addition to the amount of tax the city is now or may hereafter be authorized to levy for general purposes under any law which may limit the amount of tax which the city may levy for general purposes. The county clerk of the county in which the city is located, in reducing tax levies under Section 8-3-1 of the Illinois Municipal Code, shall not consider the tax herein authorized as a part of the general tax levy for city purposes, and shall not include the tax in any limitation of the percent of the assessed valuation upon which taxes are required to be extended for the city.

(c) On or before January 10 of each year, the board shall notify the city council of the requirement that the tax herein authorized be levied by the city council for that current year. The board shall compute the amounts necessary for the purposes of this fund to be credited to the reserves established and maintained within the fund; shall make an annual determination of the amount of the required city contributions; and shall certify the results thereof to the city council.

As soon as any revenue derived from the tax is collected it shall be paid to the city treasurer of the city and shall be held by him for the benefit of the fund in accordance with this Article.

(d) If the funds available are insufficient during any year to meet the requirements of this Article, the city may issue tax anticipation warrants against the tax levy for the current fiscal year.

(e) The various sums, including interest, to be contributed by the city, shall be taken from the revenue derived from such tax or otherwise as expressly provided in this Section. Any moneys of the city derived from any source other than the tax herein authorized shall not be used for any purpose of the fund nor the cost of administration thereof, unless applied to make the deposit expressly authorized in this Section or the additional city contributions required under subsection (h).

(f) If it is not possible or practicable for the city to make its contributions at the time that salary deductions are made, the city shall make such contributions as soon as possible thereafter, with interest thereon to the time it is made.

(g) In lieu of levying all or a portion of the tax required under this Section in any year, the city may deposit with the city treasurer no later than March 1 of that year for the benefit of the fund, to be held in accordance with this Article, an amount that, together with the taxes levied under this Section for that year, is not less than the amount of the city contributions for that year as certified by the board to the city council. The deposit may be derived from any source legally available for that purpose, including, but not limited to, the proceeds of city borrowings. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the fund for any of the purposes for which the proceeds of the tax levied under this Section may be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of that tax.

(h) In addition to the contributions required under the other provisions of this Article, by November 1 of the following specified years, the city shall deposit with the city treasurer for the benefit of the fund, to be held and used in accordance with this Article, the following specified amounts: $6,300,000 in 1999; $5,880,000 in 2000; $5,460,000 in 2001; $5,040,000 in 2002; $4,620,000 in 2003; and ~~$4,200,000 in 2004; $3,780,000 in 2005; $3,360,000 in 2006; $2,940,000 in 2007; $2,520,000 in 2008; $2,100,000 in 2009; $1,680,000 in 2010; $1,260,000 in 2011; $840,000 in 2012; and $420,000 in 2013~~.

The additional city contributions required under this subsection are intended to decrease the unfunded liability of the fund and shall not decrease the amount of the city contributions required under the other provisions of this Article. The additional city contributions made under this subsection may be used by the fund for any of its lawful purposes. (Source: P.A. 89-12, eff. 4-20-95; 90-766, eff. 8-14-98.)

(40 ILCS 5/6-111) (from Ch. 108 1/2, par. 6-111)

Sec. 6-111. Salary. "Salary": Subject to Section 6-211, the annual salary of a fireman, as follows:

(a) For age and service annuity, minimum annuity, and disability benefits, the actual amount of the annual salary, except as otherwise provided in this Article.~~;~~

(b) For prior service annuity, widow's annuity, widow's prior service annuity and child's annuity to

and including August 31, 1957, the amount of the annual salary up to a maximum of $3,000.~~;~~

(c) Except as otherwise provided in Section 6-141.1, for widow's annuity, beginning September 1, 1957, the amount of annual salary up to a maximum of $6,000.

(d) "Salary" means the actual amount of the annual salary attached to the permanent career service rank held by the fireman, except as provided in subsection (e).

(e) In the case of a fireman who holds an exempt position above career service rank:

(1) For the purpose of computing employee and city contributions, "salary" means the actual salary attached to the exempt rank position held by the fireman.

(2) For the purpose of computing benefits: "salary" means the actual salary attached to the exempt rank position held by the fireman, if (i) the contributions specified in Section 6-211 have been made, (ii) the fireman has held one or more exempt positions for at least 5 consecutive years and has held the rank of battalion chief or field officer for at least 5 years during the exempt period, and (iii) the fireman was born before 1955; otherwise, "salary" means the salary attached to the permanent career service rank held by the fireman, as provided in subsection (d).

(f) Beginning on the effective date of this amendatory Act of the 93rd General Assembly, and for any prior periods for which contributions have been paid under subsection (g) of this Section, all salary payments made to any active or former fireman who holds or previously held the permanent assigned position or classified career service rank, grade, or position of ambulance commander shall be included as salary for all purposes under this Article.

(g) Any active or former fireman who held the permanent assigned position or classified career service rank, grade, or position of ambulance commander may elect to have the full amount of the salary attached to that permanent assigned position or classified career service rank, grade, or position included in the calculation of his or her salary for any period during which the fireman held the permanent assigned position or classified career service rank, grade, or position of ambulance commander by applying in writing and making all employee and employer contributions, without interest, related to the actual salary payments corresponding to the permanent assigned position or classified career service rank, grade, or position of ambulance commander for all periods beginning on or after January 1, 1995. All applicable contributions must be paid in full to the Fund before January 1, 2006 before the payment of any benefit under this subsection (g) will made made.

Any former fireman or widow of a fireman who (i) held the permanent assigned position or classified career service rank, grade, or position of ambulance commander, (ii) is in receipt of annuity on the effective date of this amendatory Act of the 93rd General Assembly, and (iii) pays to the Fund contributions under this subsection (g) for salary payments at the permanent assigned position or classified career service rank, grade, or position of ambulance commander shall have his or her annuity recalculated to reflect the ambulance commander salary and the resulting increase shall become payable on the next annuity payment date following the date the contribution is received by the Fund.

In the case of an active or former fireman who (i) dies before January 1, 2006 without making an election under this subsection and (ii) was eligible to make an election under this subsection at the time of death (or would have been eligible had the death occurred after the effective date of this amendatory Act), any surviving spouse, child, or parent of the fireman who is eligible to receive a benefit under this Article based on the fireman's salary may make that election and pay the required contributions on behalf of the deceased fireman. If the death occurs within the 30 days immediately preceding January 1, 2006, the deadline for application and payment is extended to January 31, 2006.

Any portion of the compensation received for service as an ambulance commander for which the corresponding contributions have not been paid shall not be included in the calculation of salary.

(h) Beginning January 1, 1999, with respect to a fireman who is licensed by the State as an Emergency Medical Technician, references in this Article to the fireman's salary or the salary attached to or appropriated for the permanent assigned position or classified career service rank, grade, or position of the fireman shall be deemed to include any additional compensation payable to the fireman by virtue of being licensed as an Emergency Medical Technician, as provided under a collective bargaining agreement with the city.

(i) Beginning on the effective date of this amendatory Act of the 93rd General Assembly (and for any period prior to that date for which contributions have been paid under subsection (j) of this Section), the salary of a fireman, as calculated for any purpose under this Article, shall include any duty availability pay received by the fireman (i) pursuant to a collective bargaining agreement or (ii) pursuant to an appropriation ordinance in an amount equivalent to the amount of duty availability pay received by other firemen pursuant to a collective bargaining agreement, and references in this Article to the salary attached to or appropriated for the permanent assigned position or classified career service rank, grade, or position of the fireman shall be deemed to include that duty availability pay.

(j) An active or former fireman who received duty availability pay at any time after December 31, 1994 and before the effective date of this amendatory Act of the 93rd General Assembly and who either (1) retired during that period or (2) had attained age 46 and at least 16 years of service by the effective date of this amendatory Act may elect to have that duty availability pay included in the calculation of his or her salary for any portion of that period for which the pay was received, by applying in writing and paying to the Fund, before January 1, 2006, the corresponding employee contribution, without interest.

In the case of an applicant who is receiving an annuity at the time the application and contribution are received by the Fund, the annuity shall be recalculated and the resulting increase shall become payable on the next annuity payment date following the date the contribution is received by the Fund.

In the case of an active or former fireman who (i) dies before January 1, 2006 without making an election under this subsection and (ii) was eligible to make an election under this subsection at the time of death (or would have been eligible had the death occurred after the effective date of this amendatory Act), any surviving spouse, child, or parent of the fireman who is eligible to receive a benefit under this Article based on the fireman's salary may make that election and pay the required contribution on behalf of the deceased fireman. If the death occurs within the 30 days immediately preceding January 1, 2006, the deadline for application and payment is extended to January 31, 2006.

Any duty availability pay for which the corresponding employee contribution has not been paid shall not be included in the calculation of salary.

(k) The changes to this Section made by this amendatory Act of the 93rd General Assembly are not limited to firemen in service on or after the effective date of this amendatory Act. (Source: P.A. 83-1362.)

(40 ILCS 5/6-124.1 new)

Sec. 6-124.1. Withdrawal at compulsory retirement age - amount of annuity.

(a) In lieu of any annuity provided in the other provisions of this Article, a fireman who is required to withdraw from service due to attainment of compulsory retirement age and has at least 10 but less than 20 years of service credit may elect to receive an annuity equal to 30% of average salary for the first 10 years of service plus 2% of average salary for each completed year of service or remaining fraction thereof in excess of 10, but not to exceed a maximum of 50% of average salary.

(b) For the purpose of this Section, "average salary" means the average of the fireman's highest 4 consecutive years of salary within the last 10 years of service.

(c) For the purpose of qualifying for the annual increases provided in Section 6-164, a fireman whose retirement annuity is calculated under this Section shall be deemed to qualify for a minimum annuity.

(40 ILCS 5/6-128) (from Ch. 108 1/2, par. 6-128)

Sec. 6-128. (a) A future entrant who withdraws on or after July 21, 1959, after completing at least 23 years of service, and for whom the annuity otherwise provided in this Article is less than that stated in this Section, has a right to receive annuity as follows:

If he is age 53 or more on withdrawal, his annuity after withdrawal, shall be equal to 50% of his average salary ~~determined by striking an average of 4 consecutive highest years of salary within the last 10 years of service immediately preceding the date of withdrawal~~.

An employee who reaches compulsory retirement age and who has less than 23 years of service shall be entitled to a minimum annuity equal to an amount determined by the product of (1) his years of service and (2) 2% of his average salary ~~for the 4 consecutive highest years of salary within the last 10 years of service immediately prior to his reaching compulsory retirement age~~.

An employee who remains in service after qualifying for annuity under this Section shall have added to this annuity an additional 1% of average salary for each completed year of service or fraction thereof rendered until July 21, 1959, and an additional 1% for a total of 2% of average salary from July 21, 1959. Each future entrant who has completed 23 years of service before reaching age 53 shall have added to this annuity 1% of average salary for each completed year of service or fraction thereof in excess of 23 years up to age 53. ~~"Salary" as referred to in this paragraph shall be determined by striking an average of the 4 consecutive highest years of salary within the last 10 years of service immediately preceding withdrawal.~~

(b) In lieu of the annuity provided in the foregoing provisions of this Section any future entrant who withdraws from the service either (i) after December 31, 1983 with at least 22 years of service credit and having attained age 52 in the service, or (ii) after December 31, 1984 with at least 21 years of service credit and having attained age 51 in the service, or (iii) after December 31, 1985 with at least 20 years of service credit and having attained age 50 in the service, or (iv) after December 31, 1990 with at least 20 years of service regardless of age, may elect to receive an annuity, to begin not earlier than upon attainment of age 50 if under that age at withdrawal, computed as follows: an annuity equal to 50% of ~~the~~ average salary ~~for the 4 highest consecutive years of the last 10 years of service~~, plus additional

annuity equal to 2% of ~~such~~ average salary for each completed year of service or fraction thereof rendered after his completion of the minimum number of years of service required for him to be eligible under this subsection (b). However, the annuity provided under this subsection (b) may not exceed 75% of ~~such~~ average salary.

(c) In lieu of the annuity provided in any other provision of this Section, a future entrant who withdraws from service after the effective date of this amendatory Act of the 93rd General Assembly with at least 20 years of service may elect to receive an annuity, to begin no earlier than upon attainment of age 50 if under that age at withdrawal, equal to 50% of average salary plus 2.5% of average salary for each completed year of service or fraction thereof over 20, but not to exceed 75% of average salary.

(d) For the purpose of this Section, "average salary" means the average of the highest 4 consecutive years of salary within the last 10 years of service. (Source: P.A. 86-1488.)

(40 ILCS 5/6-128.2) (from Ch. 108 1/2, par. 6-128.2)

Sec. 6-128.2. Minimum retirement annuities. (a) Beginning with the monthly payment due in January, 1988, the monthly annuity payment for any person who is entitled to receive a retirement annuity under this Article in January, 1990 and has retired from service at age 50 or over with 20 or more years of service, and for any person who retires from service on or after January 24, 1990 at age 50 or over with 20 or more years of service, shall not be less than $475 per month. The $475 minimum annuity is exclusive of any automatic annual increases provided by Sections 6-164 and 6-164.1, but not exclusive of previous raises in the minimum annuity as provided by any Section of this Article.

Beginning January 1, 1992, the minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be $650 per month.

Beginning January 1, 1993, the minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be $750 per month.

Beginning January 1, 1994, the minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be $850 per month.

Beginning January 1, 2004, the minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be $950 per month.

Beginning January 1, 2005, the minimum retirement annuity payable to any person who has retired from service at age 50 or over with 20 or more years of service and is entitled to receive a retirement annuity under this Article on that date, or who retires from service at age 50 or over with 20 or more years of service after that date, shall be $1,050 per month.

The minimum annuities established by this subsection (a) do include previous raises in the minimum annuity as provided by any Section of this Article, but do not include any sums which have been added or will be added to annuity payments by the automatic annual increases provided by Sections 6-164 and 6-164.1. Such annual increases shall be paid in addition to the minimum amounts specified in this subsection.

(b) Notwithstanding any other provision of this Article, beginning January 1, 1990, the minimum retirement annuity payable to any person who is entitled to receive a retirement annuity under this Article on that date shall be $475 per month.

(c) The changes made to this Section by this amendatory Act of the 93rd General Assembly ~~shall~~ apply to all persons receiving a retirement annuity under this Article, without regard to whether the retirement of the fireman occurred prior to the effective date of this amendatory Act ~~of 1993~~. (Source: P.A. 86-273; 86-1027; 86-1028; 86-1475; 87-849; 87-1265.)

(40 ILCS 5/6-128.4) (from Ch. 108 1/2, par. 6-128.4)

Sec. 6-128.4. Minimum widow's annuities. (a) Notwithstanding any other provision of this Article, beginning January 1, 1996, the minimum amount of widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is $700 per month, without regard to whether the deceased fireman is in service on or after the effective date of this amendatory Act of 1995.

(b) Notwithstanding Section 6-128.3, beginning January 1, 1994, the minimum widow's annuity under this Article shall be $700 per month for (1) all persons receiving widow's annuities on that date who are survivors of employees who retired at age 50 or over with at least 20 years of service, and (2)

persons who become eligible for widow's annuities and are survivors of employees who retired at age 50 or over with at least 20 years of service.

(c) Notwithstanding Section 6-128.3, beginning January 1, 1999, the minimum widow's annuity under this Article shall be $800 per month for (1) all persons receiving widow's annuities on that date who are survivors of employees who retired at age 50 or over with at least 20 years of service, and (2) persons who become eligible for widow's annuities and are survivors of employees who retired at age 50 or over with at least 20 years of service.

(d) Notwithstanding Section 6-128.3, beginning January 1, 2004, the minimum widow's annuity under this Article shall be $900 per month for all persons receiving widow's annuities on or after that date, without regard to whether the deceased fireman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly.

(e) Notwithstanding Section 6-128.3, beginning January 1, 2005, the minimum widow's annuity under this Article shall be $1,000 per month for all persons receiving widow's annuities on or after that date, without regard to whether the deceased fireman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly. (Source: P.A. 89-136, eff. 7-14-95; 90-766, eff. 8-14-98.)

(40 ILCS 5/6-141.2 new)

Sec. 6-141.2. Minimum annuity for certain widows. Notwithstanding the other provisions of this Article, the widow's annuity payable to the widow of a fireman who dies on or after July 1, 1997 while an active fireman with at least 10 years of creditable service shall be no less than 50% of the retirement annuity that the deceased fireman would have been eligible to receive if he had attained age 50 and 20 years of service on the day before his death and retired on that day. In the case of a widow's annuity that is payable on the effective date of this amendatory Act of the 93rd General Assembly, the increase provided by this Section, if any, shall begin to accrue on the first annuity payment date following that effective date.

(40 ILCS 5/6-142) (from Ch. 108 1/2, par. 6-142)

Sec. 6-142. Wives and widows not entitled to annuities. (A) Except as provided in subsection (B), the following wives or widows have no right to annuity from the fund:

(a) A wife or widow married subsequent to the effective date of a fireman who dies in service if she was not married to him before he attained age 63;

(b) A wife or widow of a fireman who withdraws, whether or not he enters upon annuity, and dies while out of service, if the marriage occurred after the effective date and she was not his wife while he was in service and before he attained age 63;

(c) A wife or widow of a fireman who (1) has served 10 or more years, (2) dies out of service after he has withdrawn from service, and (3) has withdrawn or applied for refund of the sums to his credit for annuity to which he had a right to refund;

(d) A wife or widow of a fireman who dies out of service after he has withdrawn before age 63, and who has not served at least 10 years;

(e) A wife whose marriage was dissolved or widow of a fireman whose judgment of dissolution of marriage from her fireman husband is annulled, vacated or set aside by proceedings in court subsequent to the death of the fireman, unless (1) such proceedings are filed within 5 years after the date of the dissolution of marriage and within one year after the death of the fireman and (2) the board is made a party to the proceedings;

(f) A wife or widow who married the fireman while he was in receipt of disability benefit or disability pension from this fund, unless he returned to the service subsequent to the marriage and remained therein for a period or periods aggregating one year, or died while in service.

(B) Beginning on the effective date of this amendatory Act of the 93rd General Assembly, the limitation on marriage after withdrawal under subdivision (A)(b) and the limitation on marriage during disability under subdivision (A)(f) no longer apply to a widow who was married to the deceased fireman before the fireman begins to receive a retirement annuity and for at least one year immediately preceding the date of death, regardless of whether the deceased fireman is in service on or after the effective date of this amendatory Act of the 93rd General Assembly; except that this subsection (B) does not apply to the widow of a fireman who received a refund of contributions for widow's annuity under Section 6-160, unless the refund is repaid to the Fund, with interest at the rate of 4% per year, compounded annually, from the date of the refund to the date of repayment. If the widow of a fireman who died before the effective date of this amendatory Act becomes eligible for a widow's annuity because of this amendatory Act, the annuity shall begin to accrue on the date of application for the annuity, but in no event sooner than the effective date of this amendatory Act. (Source: P.A. 81-230.)

(40 ILCS 5/6-143) (from Ch. 108 1/2, par. 6-143)

Sec. 6-143. Widow's remarriage. (a) Beginning on the effective date of this amendatory Act of the 93rd General Assembly, a widow's annuity shall no longer be subject to termination or suspension under this Section due to remarriage. Any widow's annuity that was previously terminated or suspended under this Section by reason of remarriage shall, upon application, be resumed as of the date of the application, but in no event sooner than the effective date of this amendatory Act. The resumption shall not be retroactive. This subsection (a) applies regardless of whether or not the deceased fireman was in service on or after the effective date of this amendatory Act.

(b) This subsection (b) does not apply on or after the effective date of this amendatory Act of the 93rd General Assembly.

Any annuity granted to a widow who remarries on or after December 31, 1989 shall be suspended when she remarries, unless (i) she remarries after attaining the age of 60 regardless of whether or not the deceased fireman was in service on or after the effective date of this amendatory Act of 1995 or (ii) she has been granted a Section 6-140 annuity as the widow of a fireman killed in performance of duty. An annuity suspended under this Section shall, upon application, be resumed if the subsequent marriage ends by dissolution of marriage, declaration of invalidity of marriage, or the death of the husband; this resumption shall not be retroactive.

If a widow remarries after attaining age 60 or after she has been granted an annuity under Section 6-140 and the remarriage takes place after December 31, 1989, regardless of whether or not the deceased fireman was in service on or after the effective date of this amendatory Act of 1995, the widow's annuity shall continue without interruption.

Any widow's annuity that was previously terminated by reason of remarriage prior to December 31, 1989 or suspended shall, upon application, be resumed, as of the date of the application, if the subsequent marriage ended by dissolution of marriage, declaration of invalidity of marriage, or the death of the husband, regardless of whether or not the deceased fireman was in service on the effective date of this amendatory Act of 1995; this resumption shall not be retroactive.

When a widow dies, if she has not received, in the form of an annuity, an amount equal to the accumulated employee contributions for widow's annuity, the difference between such accumulated contributions and the sum received by her, along with any part of the accumulated contributions for age and service annuity remaining in the fund at her death, shall be refunded to the fireman's children, in equal parts to each; except that if a child is less than age 18, the part of any such amount that is required to pay an annuity to the child shall be transferred to the child's annuity reserve. If no children or descendants thereof survive the fireman, the refund shall be paid to the estate of the fireman. In making refunds under this Section, no interest shall be considered upon either the total of annuity payments made or the amounts subject to refund. (Source: P.A. 89-136, eff. 7-14-95.)

(40 ILCS 5/6-151.1) (from Ch. 108 1/2, par. 6-151.1)

Sec. 6-151.1. The General Assembly finds and declares that service in the Fire Department requires that firemen, in times of stress and danger, must perform unusual tasks; that by reason of their occupation, firemen are subject to exposure to great heat and to extreme cold in certain seasons while in performance of their duties; that by reason of their employment firemen are required to work in the midst of and are subject to heavy smoke fumes~~,~~ and carcinogenic, poisonous, toxic or chemical gases from fires; and that in the course of their rescue and paramedic duties firemen are exposed to disabling infectious diseases, including AIDS, hepatitis C, and stroke. The General Assembly further finds and declares that all the aforementioned conditions exist and arise out of or in the course of such employment.

Any active fireman who has completed 7 ~~ten~~ or more years of service and is unable to perform his duties in the Fire Department by reason of heart disease, tuberculosis, ~~or~~ any disease of the lungs or respiratory tract, AIDS, hepatitis C, or stroke resulting ~~solely~~ from his service as a fireman, shall be entitled to receive an occupational disease disability benefit during any period of such disability for which he does not have a right to receive salary.

Any active fireman who has completed 7 ~~ten~~ or more years of service and is unable to perform his duties in the fire department by reason of a disabling cancer, which develops or manifests itself during a period while the fireman is in the service of the department, shall be entitled to receive an occupational disease disability benefit during any period of such disability for which he does not have a right to receive salary. In order to receive this occupational disease disability benefit, the type of cancer involved must be a type which may be caused by exposure to heat, radiation or a known carcinogen as defined by the International Agency for Research on Cancer.

Any fireman who shall enter the service after the effective date of this amendatory Act shall be examined by one or more practicing physicians appointed by the Board, and if that ~~said~~ examination discloses impairment of the heart, lungs, or respiratory tract, or the existence of AIDS, hepatitis C,

stroke, or ~~any~~ cancer, then the ~~such~~ fireman shall not be entitled to receive an occupational disease disability benefit unless and until a subsequent examination reveals no such impairment, AIDS, hepatitis C, stroke, or cancer.

The occupational disease disability benefit shall be 65% of the fireman's salary at the time of his removal from the Department payroll. However, beginning January 1, 1994, no occupational disease disability benefit that has been payable under this Section for at least 10 years shall be less than 50% of the current salary attached from time to time to the rank and grade held by the fireman at the time of his removal from the Department payroll, regardless of whether that removal occurred before the effective date of this amendatory Act of 1993.

Such fireman also shall have a right to receive child's disability benefit of $30 per month on account of each unmarried child who is less than 18 years of age or handicapped, dependent upon the fireman for support, and either the issue of the fireman or legally adopted by him. The total amount of child's disability benefit payable to the fireman, when added to his occupational disease disability benefit, shall not exceed 75% of the amount of salary which he was receiving at the time of the grant of occupational disease disability benefit.

The first payment of occupational disease disability benefit or child's disability benefit shall be made not later than one month after the benefit is granted. Each subsequent payment shall be made not later than one month after the date of the latest payment.

Occupational disease disability benefit shall be payable during the period of the disability until the fireman reaches the age of compulsory retirement. Child's disability benefit shall be paid to such a fireman during the period of disability until such child or children attain age 18 or marry, whichever event occurs first; except that attainment of age 18 by a child who is so physically or mentally handicapped as to be dependent upon the fireman for support, shall not render the child ineligible for child's disability benefit. The fireman thereafter shall receive such annuity or annuities as are provided for him in accordance with other provisions of this Article. (Source: P.A. 88-528.)

(40 ILCS 5/6-160) (from Ch. 108 1/2, par. 6-160)

Sec. 6-160. Refund - Widow's annuity contributions. When a fireman attains age 63 in service and is not then married, or when an unmarried fireman withdraws before age 63 and enters upon annuity, his contributions for widow's annuity shall then be refunded to him, upon request. A refund under this Section may be repaid as provided in Section 6-142(B). (Source: P.A. 81-1536.)

(40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

Sec. 6-164. Automatic annual increase; retirement after September 1, 1959. (a) A fireman qualifying for a minimum annuity who retires from service after September 1, 1959 shall, upon either the first of the month following the first anniversary of his date of retirement if he is age 60 (age 55 if born before January 1, 1955 ~~1945~~) or over on that anniversary date, or upon the first of the month following his attainment of age 60 (age 55 if born before January 1, 1955 ~~1945~~) if that occurs after the first anniversary of his retirement date, have his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by an additional 1 1/2% in January of each year thereafter up to a maximum increase of 30%. Beginning July 1, 1982 for firemen born before January 1, 1930, and beginning January 1, 1990 for firemen born after December 31, 1929 and before January 1, 1940, and beginning January 1, 1996 for firemen born after December 31, 1939 but before January 1, 1945, and beginning January 1, 2004, for firemen born after December 31, 1944 but before January 1, 1955, such increases shall be 3% and such firemen shall not be subject to the 30% maximum increase.

Any fireman born before January 1, 1945 who qualifies for a minimum annuity and retires after September 1, 1967 but has not received the initial increase under this subsection before January 1, 1996 is entitled to receive the initial increase under this subsection on (1) January 1, 1996, (2) the first anniversary of the date of retirement, or (3) attainment of age 55, whichever occurs last. The changes to this Section made by this amendatory Act of 1995 apply beginning January 1, 1996 and apply without regard to whether the fireman or annuitant terminated service before the effective date of this amendatory Act of 1995.

Any fireman born before January 1, 1955 who qualifies for a minimum annuity and retires after September 1, 1967 but has not received the initial increase under this subsection before January 1, 2004 is entitled to receive the initial increase under this subsection on (1) January 1, 2004, (2) the first anniversary of the date of retirement, or (3) attainment of age 55, whichever occurs last. The changes to this Section made by this amendatory Act of the 93rd General Assembly apply without regard to whether the fireman or annuitant terminated service before the effective date of this amendatory Act.

(b) Subsection (a) of this Section is not applicable to an employee receiving a term annuity.

(c) To help defray the cost of such increases in annuity, there shall be deducted, beginning September

1, 1959, from each payment of salary to a fireman, 1/8 of 1% of each such salary payment and an additional 1/8 of 1% beginning on September 1, 1961, and September 1, 1963, respectively, concurrently with and in addition to the salary deductions otherwise made for annuity purposes.

Each such additional 1/8 of 1% deduction from salary which shall, on September 1, 1963, result in a total increase of 3/8 of 1% of salary, shall be credited to the Automatic Increase Reserve, to be used, together with city contributions as provided in this Article, to defray the cost of the 1 1/2% annuity increments herein specified. Any balance in such reserve as of the beginning of each calendar year shall be credited with interest at the rate of 3% per annum.

The salary deductions provided in this Section are not subject to refund, except to the fireman himself, in any case in which a fireman withdraws prior to qualification for minimum annuity and applies for refund, or applies for annuity, and also where a term annuity becomes payable. In such cases, the total of such salary deductions shall be refunded to the fireman, without interest, and charged to the aforementioned reserve. (Source: P.A. 89-136, eff. 7-14-95.)

(40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)

Sec. 6-165. Financing; tax. (a) Except as expressly provided in this Section, each city shall levy a tax annually upon all taxable property therein for the purpose of providing revenue for the fund. For the years prior to the year 1960, the tax rate shall be as provided for in the "Firemen's Annuity and Benefit Fund of the Illinois Municipal Code". The tax, from and after January 1, 1968 to and including the year 1971, shall not exceed .0863% of the value, as equalized or assessed by the Department of Revenue, of all taxable property in the city. Beginning with the year 1972 and each year thereafter the city shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue of all taxable property within such city that will produce, when extended, not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 2.23 through the calendar year 1981, and by 2.26 for the year 1982 and for each year thereafter.

To provide revenue for the ordinary death benefit established by Section 6-150 of this Article, in addition to the contributions by the firemen for this purpose, the city council shall for the year 1962 and each year thereafter annually levy a tax, which shall be in addition to and exclusive of the taxes authorized to be levied under the foregoing provisions of this Section, upon all taxable property in the city, as equalized or assessed by the Department of Revenue, at such rate per cent of the value of such property as shall be sufficient to produce for each year the sum of $142,000.

The amounts produced by the taxes levied annually, together with the deposit expressly authorized in this Section, shall be sufficient, when added to the amounts deducted from the salaries of firemen and applied to the fund, to provide for the purposes of the fund.

(b) The taxes shall be levied and collected in like manner with the general taxes of the city, and shall be in addition to all other taxes which the city may levy upon all taxable property therein and shall be exclusive of and in addition to the amount of tax the city may levy for general purposes under Section 8-3-1 of the Illinois Municipal Code, approved May 29, 1961, as amended, or under any other law or laws which may limit the amount of tax which the city may levy for general purposes.

(c) The amounts of the taxes to be levied in each year shall be certified to the city council by the board.

(d) As soon as any revenue derived from such taxes is collected, it shall be paid to the city treasurer and held for the benefit of the fund, and all such revenue shall be paid into the fund in accordance with the provisions of this Article.

(e) If the funds available are insufficient during any year to meet the requirements of this Article, the city may issue tax anticipation warrants, against the tax levies herein authorized for the current fiscal year.

(f) The various sums, hereinafter stated, including interest, to be contributed by the city, shall be taken from the revenue derived from the taxes or otherwise as expressly provided in this Section. Except for defraying the cost of administration of the fund during the calendar year in which a city first attains a population of 500,000 and comes under the provisions of this Article and the first calendar year thereafter, any money of the city derived from any source other than these taxes or the sale of tax anticipation warrants shall not be used to provide revenue for the fund, nor to pay any part of the cost of administration thereof, unless applied to make the deposit expressly authorized in this Section or the additional city contributions required under subsection (h).

(g) In lieu of levying all or a portion of the tax required under this Section in any year, the city may deposit with the city treasurer no later than March 1 of that year for the benefit of the fund, to be held in accordance with this Article, an amount that, together with the taxes levied under this Section for that year, is not less than the amount of the city contributions for that year as certified by the board to the city

council. The deposit may be derived from any source legally available for that purpose, including, but not limited to, the proceeds of city borrowings. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the fund for any of the purposes for which the proceeds of the taxes levied under this Section may be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of those taxes.

(h) In addition to the contributions required under the other provisions of this Article, by November 1 of the following specified years, the city shall deposit with the city treasurer for the benefit of the fund, to be held and used in accordance with this Article, the following specified amounts: $6,300,000 in 1999; $5,880,000 in 2000; $5,460,000 in 2001; $5,040,000 in 2002; and $4,620,000 in 2003~~; $4,200,000 in 2004; $3,780,000 in 2005; $3,360,000 in 2006; $2,940,000 in 2007; $2,520,000 in 2008; $2,100,000 in 2009; $1,680,000 in 2010; $1,260,000 in 2011; $840,000 in 2012; and $420,000 in 2013~~.

The additional city contributions required under this subsection are intended to decrease the unfunded liability of the fund and shall not decrease the amount of the city contributions required under the other provisions of this Article. The additional city contributions made under this subsection may be used by the fund for any of its lawful purposes. (Source: P.A. 89-136, eff. 7-14-95; 90-766, eff. 8-14-98.)

(40 ILCS 5/6-210.1) (from Ch. 108 1/2, par. 6-210.1)

Sec. 6-210.1. Credit for former employment with the fire department. (a) Any fireman who (1) accumulated service credit in the Article 8 fund for service as an employee of the Chicago Fire Department and (2) has terminated that Article 8 service credit and received a refund of contributions therefor, may establish service credit in this Fund for all or any part of that period of service under the Article 8 fund by making written application to the Board by January 1, 2000 and paying to this Fund (i) employee contributions based upon the actual salary received and the rates in effect for members of this Fund at the time of such service, plus (ii) interest thereon calculated as follows:

(1) For applications received by the Board before July 14, ~~the effective date of this amendatory Act of~~ 1995, interest shall be calculated on the amount of employee contributions determined under item (i) above, at the rate of 4% per annum, compounded annually, from the date of termination of such service to the date of payment.

(2) For applications received by the Board on or after July 14, ~~the effective date of this amendatory Act of~~ 1995, interest shall be calculated on the amount of employee contributions determined under item (i) above, at the rate of 4% per annum, compounded annually, from the first date of the period for which credit is being established under this subsection (a) to the date of payment.

(b) A fireman who, at any time during the period 1970 through 1983, was an employee of the Chicago Fire Department but did not participate in any pension fund subject to this Code with respect to that employment may establish service credit in this Fund for all or any part of that employment by making written application to the Board by January 1, 2005 ~~2000~~ and paying to this Fund (i) employee contributions based upon the actual salary received and the rates in effect for members of this Fund at the time of that employment, plus (ii) interest thereon calculated at the rate of 4% per annum, compounded annually, from the first date of the employment for which credit is being established under this subsection (b) to the date of payment.

(c) A fireman may pay the contributions required for service credit under this Section established on or after July 14, ~~the effective date of this amendatory Act of~~ 1995 in the form of payroll deductions, in accordance with such procedures and limitations as may be established by Board rule and any applicable rules or ordinances of the employer.

(d) Employer contributions shall be transferred as provided in Sections 6-210.2 and 8-172.1. The employer shall not be responsible for making any additional employer contributions for any credit established under this Section. (Source: P.A. 89-136, eff. 7-14-95.)

(40 ILCS 5/6-210.2 new)

Sec. 6-210.2. City contributions for paramedics. Municipality credits computed and credited under Article 8 for all firemen who (1) accumulated service credit in the Article 8 fund for service as a paramedic, (2) have terminated that Article 8 service credit and received a refund of contributions, and (3) are participants in this Article 6 fund on the effective date of this amendatory Act of the 93rd General Assembly shall be transferred by the Article 8 fund to this Fund, together with interest at the rate of 11% per annum, compounded annually, to the date of the transfer, as provided in Section 8-172.1 of this Code. These city contributions shall be credited to the individual fireman only if he or she pays for prior service as a paramedic in full to this Fund.

(40 ILCS 5/6-210.3 new)

Sec. 6-210.3. Payments and rollovers.

(a) The Board may adopt rules prescribing the manner of repaying refunds and purchasing any other credits permitted under this Article. The rules may prescribe the manner of calculating interest when payments or repayments are made in installments.

(b) Rollover contributions from other retirement plans qualified under the Internal Revenue Code of 1986 may be used to purchase any optional credit or repay any refund permitted under this Article.

(40 ILCS 5/6-211) (from Ch. 108 1/2, par. 6-211)

Sec. 6-211. Permanent and temporary positions; exempt positions above career service rank.

(a) Except as specified in subsection (b), no annuity, pension or other benefit shall be paid to a fireman or widow, under this Article, based upon any salary paid by virtue of a temporary appointment, and~~,~~ all contributions, annuities and benefits shall be related to the salary which attaches to the permanent position of the fireman.

Any fireman temporarily serving in a position or rank other than that to which he has received permanent appointment shall be considered, while so serving, as though he were in his permanent position or rank, except that no increase in any pension, annuity or other benefit hereunder shall accrue to him by virtue of any service performed by him subsequent to attaining the compulsory retirement age provided by law or ordinance.

This Section does ~~shall~~ not apply to any person certified to the fire department by the civil service commission of the city, during the period of probationary service.

A fireman who holds a position at the will of the Fire Commissioner or other appointing authority, whether or not such position is an "exempt" position, shall be deemed to hold a temporary position~~, and such employee's contributions and benefits shall be based upon the employee's permanent career service salary. The provisions of this paragraph shall be retroactive to January 1, 1976~~.

(b) Beginning on the effective date of this amendatory Act of the 93rd General Assembly, for service in an exempt position above career service rank, employee contributions shall be based on the actual full salary attached to the exempt rank position held by the fireman.

For service in an exempt position above career service rank, benefit computations under this Article shall be based on the actual full salary attached to the exempt rank position held by the fireman if and only if:

(1) employee contributions have been paid on the actual full salary attached to the exempt rank position held by the fireman for all service on or after January 1, 1994 in an exempt position above career service rank;

(2) the fireman has held one or more exempt positions for at least 5 consecutive years (or, in the case of a fireman who retired due to attainment of compulsory retirement age before December 1, 2003, held one or more exempt positions for a consecutive period of at least 3 years and 9 months and made the payment required under subsection (c) for a period of at least 5 years) and has held the rank of battalion chief or field officer for at least 5 years (at least 3 years and 9 months in the case of a fireman who retired due to attainment of compulsory retirement age before December 1, 2003) during the exempt period; and

(3) the fireman was born before 1955.

(c) For service prior to the effective date of this amendatory Act of the 93rd General Assembly in an exempt position above career service rank for which contributions have been paid only on the salary attached to the fireman's permanent career service rank, a fireman may make the contributions required under subsection (b) by paying to the Fund before the later of the date of retirement or 6 months after the effective date of this amendatory Act, but in no event later than July 1, 2005, an amount equal to the difference between the employee contributions actually made for that service and the employee contributions that would have been made based on the actual full salary attached to the exempt rank position held by the fireman on or after January 1, 1994, plus interest thereon at the rate of 4% per year, compounded annually, from the date of the service to the date of payment (or to the date of retirement if retirement is before the effective date of this amendatory Act). In the case of a fireman who retired in an exempt rank position after January 1, 1994 and before January 1, 1999 and in the case of a fireman who retired due to attaining compulsory retirement age before December 1, 2003, the payment under this subsection (c) shall be for a period of at least 5 years.

If a fireman dies while eligible to make the contributions required under subsection (b) but before the contributions are paid, the fireman's widow may elect to make the contributions.

(d) Subsection (e) of Section 6-111 and the changes made to this Section by this amendatory Act of the 93rd General Assembly apply to a fireman who retires (or becomes disabled) on or after January 1, 1994. In the case of a benefit payable on the effective date of this amendatory Act, the resulting increase in benefit shall begin to accrue with the first benefit payment period commencing after the required contributions are paid.

(e) If a fireman or his survivors do not qualify to have benefits computed on the full amount of salary received for service in an exempt position as provided in subsection (b), benefits shall be computed on the basis of the salary attached to the permanent career service rank, and a refund of any employee contributions paid on the difference between the actual salary and the salary attached to the permanent career service rank shall be payable to the fireman upon termination of service, or to the fireman's widow or estate upon the fireman's death.

(f) The tax levy computed under Section 6-165 shall be based on employee contributions, including the payments of employee contributions under subsections (a), (b), and (c) of this Section 6-211.

(g) The city shall pay to the Fund on an annual basis, in addition to the usual city contributions, an amount at least equal to the sum of (1) the increase in normal cost resulting from subsection (e) of Section 6-111 and the changes made to this Section by this amendatory Act of the 93rd General Assembly, plus (2) amortization (over a period of 30 years from the effective date of this amendatory Act) of the initial unfunded liability resulting from subsection (e) of Section 6-111 and the changes made to this Section by this amendatory Act of the 93rd General Assembly. The payment required under this subsection shall be no less than $400,000 per year. Payment shall begin with the first calendar year commencing after the effective date of this amendatory Act and shall be in addition to the tax levy otherwise calculated under Section 6-165. The city may increase that tax levy by the amount of the payment required under this subsection, or it may utilize any funds appropriated for this purpose. (Source: P.A. 83-16.)

(40 ILCS 5/6-222) (from Ch. 108 1/2, par. 6-222)

Sec. 6-222. Administrative review. (a) The provisions of the Administrative Review Law, and all amendments and modifications thereof and the rules adopted pursuant thereto shall apply to and govern all proceedings for the judicial review of final administrative decisions of the retirement board hereunder. The term "administrative decision" is as defined in Section 3-101 of the Code of Civil Procedure.

(b) If any fireman whose application for either a duty disability benefit under Section 6-151 or for an occupational disease disability benefit under Section 6-151.1 has been denied by the Retirement Board brings an action for administrative review challenging the denial of disability benefits and the fireman prevails in the action in administrative review, then the prevailing fireman shall be entitled to recover from the Fund court costs and litigation expenses, including reasonable attorney's fees, as part of the costs of the action. (Source: P.A. 82-783.)

(40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

Sec. 8-137. Automatic increase in annuity. (a) An employee who retired or retires from service after December 31, 1959 and before January 1, 1987, having attained age 60 or more, shall, in January of the year after the year in which the first anniversary of retirement occurs, have the amount of his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by a further 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%, and beginning with January of the year 1984 such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article. An employee who retires on annuity after December 31, 1959 and before January 1, 1987, but before age 60, shall receive such increases beginning in January of the year after the year in which he attains age 60.

An employee who retires from service on or after January 1, 1987 shall, upon the first annuity payment date following the first anniversary of the date of retirement, or upon the first annuity payment date following attainment of age 60, whichever occurs later, have his then fixed and payable monthly annuity increased by 3%, and such annuity shall be increased by an additional 3% of the original fixed annuity on the same date each year thereafter. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

(a-5) Notwithstanding the provisions of subsection (a), upon the first annuity payment date following (1) the third anniversary of retirement, (2) the attainment of age 53, or (3) January 1, 2002, ~~the date 60 days after the effective date of this amendatory Act of the 92nd General Assembly,~~ whichever occurs latest, the monthly annuity of an employee who retires on annuity prior to the attainment of age 60 and ~~who~~ has not received an increase under subsection (a) shall be increased by 3%, and the ~~such~~ annuity shall be increased by an additional 3% of the current payable monthly annuity, including any ~~such~~ increases previously granted under this Article, on the same date each year thereafter. The increases provided under this subsection are in lieu of the increases provided in subsection (a).

(a-6) Notwithstanding the provisions of subsections (a) and (a-5), for all calendar years following the

year in which this amendatory Act of the 93rd General Assembly takes effect, an increase in annuity under this Section that would otherwise take effect at any time during the year shall instead take effect in January of that year.

(b) Subsections (a), ~~and~~ (a-5), and (a-6) are not applicable to an employee retiring and receiving a term annuity, as herein defined, nor to any otherwise qualified employee who retires before he makes employee contributions (at the 1/2 of 1% rate as provided in this Act) for this additional annuity for not less than the equivalent of one full year. Such employee, however, shall make arrangement to pay to the fund a balance of such 1/2 of 1% contributions, based on his final salary, as will bring such 1/2 of 1% contributions, computed without interest, to the equivalent of or completion of one year's contributions.

Beginning with January, 1960, each employee shall contribute by means of salary deductions 1/2 of 1% of each salary payment, concurrently with and in addition to the employee contributions otherwise made for annuity purposes.

Each such additional contribution shall be credited to an account in the prior service annuity reserve, to be used, together with city contributions, to defray the cost of the specified annuity increments. Any balance in such account at the beginning of each calendar year shall be credited with interest at the rate of 3% per annum.

Such additional employee contributions are not refundable, except to an employee who withdraws and applies for refund under this Article, and in cases where a term annuity becomes payable. In such cases his contributions shall be refunded, without interest, and charged to such account in the prior service annuity reserve. (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02; revised 8-26-02.)

(40 ILCS 5/8-138.4 new)

Sec. 8-138.4. Early retirement incentive.

(a) To be eligible for the benefits provided in this Section, an employee must:

(1) be a current contributor to the Fund who (i) on October 15, 2003, is in active payroll status as an employee; (ii) returns to active payroll status from an approved leave of absence prior to December 15, 2003; or (iii) on October 15, 2003, is receiving ordinary or duty disability benefits under Section 8-160 or 8-161;

(2) have not previously retired under this Article;

(3) file with the Board before December 15, 2003, a written election requesting the benefits provided in this Section;

(4) withdraw from service on or after December 31, 2003 and on or before January 31, 2004 (or the date established under subsection (a-5), if applicable); and

(5) by the date of withdrawal or by January 31, 2004, whichever is earlier, have attained age 50 with at least 10 years of creditable service in this Fund, without including any creditable service established under this Section, and a total of at least 70 combined years of age and creditable service, without including any creditable service established under this Section, in one or more of the participating systems under the Retirement Systems Reciprocal Act.

A person is not eligible for the benefits provided in this Section if the person (i) elects to receive the alternative annuity for city officers under Section 8-243.2, or (ii) elects to receive a retirement annuity calculated under the alternative formula formerly set forth in Section 20-122.

(a-5) To ensure that the efficient operation of employers under this Article is not jeopardized by the simultaneous retirement of large numbers of critical personnel, each employer may, for its critical employees, extend the January 31, 2004 deadline for terminating employment under this Article established in subdivision (a)(4) of this Section to a date not later than April 30, 2004 by so notifying the Fund by December 31, 2003.

(b) An eligible employee may establish up to 5 years of creditable service under this Section, in increments of one month, by making the contributions specified in subsection (d). In addition, for each month of creditable service established under this Section, a person's age at retirement shall be deemed to be one month older than it actually is, except for determination of eligibility for automatic annual increases under Sections 8-137 and 8-137.1. Furthermore, an eligible employee must establish at least the amount of age and creditable service necessary to bring his or her age and total creditable service, including service in this Fund, service established under this Section, and service in any of the other participating systems under the Retirement Systems Reciprocal Act, to a minimum that will satisfy the requirements of Section 8-138.

The creditable service under this Section may be used for all purposes under this Article and the Retirement Systems Reciprocal Act, except for the computation of average annual salary and the determination of salary, earnings, or compensation under this or any other Article of this Code.

(c) An eligible employee shall be entitled to have his or her retirement annuity calculated in accordance with the formula provided in Section 8-138, except that the annuity shall not be subject to

reduction because of withdrawal or commencement of the annuity before attainment of age 60.

(d) For each month of creditable service established under this Section, the employee must pay to the Fund an employee contribution, to be calculated by the Fund, equal to 4.25% of the member's monthly salary rate on October 15, 2003. The employee may elect to pay the entire contribution before the retirement annuity commences, or to have it deducted from the annuity over a period not longer than 24 months. If the retired employee dies before the contribution has been paid in full, the unpaid installments may be deducted from any annuity or other benefit payable to the employee's survivors.

All employee contributions paid under this Section shall not be deemed contributions made by employees for annuity purposes under Section 8-173, and shall be made and credited to a special reserve, without interest. Employee contributions paid under this Section may be refunded under the same terms and conditions as are applicable to other employee contributions for retirement annuity.

(e) Notwithstanding Section 8-165, an annuitant who reenters service under this Article after receiving a retirement annuity based on benefits provided under this Section thereby forfeits the right to continue to receive those benefits, and shall have his or her retirement annuity recalculated at the appropriate time without the benefits provided in this Section.

(40 ILCS 5/8-138.5 new)

Sec. 8-138.5. Early retirement incentive for employees who have earned maximum pension benefits.

(a) A person who is eligible for the benefits provided under Section 8-138.4 and who, if he or she had retired on or before January 31, 2004, would have been entitled to a pension equal to 80% of his or her highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding January 31, 2004 without receiving the benefits provided in Section 8-138.4, may elect, by filing written election with the Fund by December 15, 2003, to receive a lump sum from the Fund equal to 100% of his or her salary on January 31, 2004 or the date of withdrawal, whichever is earlier. To be eligible to receive the benefit provided under this Section, the person must withdraw from service on or after December 31, 2003 and on or before January 31, 2004 (or the date established under subsection (b), if applicable). If a person elects to receive the benefit provided under this Section, his or her retirement annuity otherwise payable under Section 8-138 shall be reduced by an amount equal to the actuarial equivalent of the lump sum.

(b) To ensure that the efficient operation of employers under this Article is not jeopardized by the simultaneous retirement of large numbers of critical personnel, each employer may, for its critical employees, extend the January 31, 2004 deadline for terminating employment under this Article established in subdivision (a) of this Section to a date not later than April 30, 2004 by so notifying the Fund by December 31, 2003.

(40 ILCS 5/8-150.1) (from Ch. 108 1/2, par. 8-150.1)

Sec. 8-150.1. Minimum annuities for widows. The widow (otherwise eligible for widow's annuity under other Sections of this Article 8) of an employee hereinafter described, who retires from service or dies while in the service subsequent to the effective date of this amendatory provision, and for which widow the amount of widow's annuity and widow's prior service annuity combined, fixed or provided for such widow under other provisions of this Article is less than the amount provided in this Section, shall, from and after the date her otherwise provided annuity would begin, in lieu of such otherwise provided widow's and widow's prior service annuity, be entitled to the following indicated amount of annuity:

(a) The widow of any employee who dies while in service on or after the date on which he attains age 60 if the death occurs before July 1, 1990, or on or after the date on which he attains age 55 if the death occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attains age 50 if the death occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband would have been entitled to receive had he withdrawn from the service on the day immediately preceding the date of his death, conditional upon such widow having attained the age of 60 or more years on such date if the death occurs before July 1, 1990, or age 55 or more if the death occurs on or after July 1, 1990, or age 50 or more if the death occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (k), this widow's annuity shall not, however, exceed the sum of $500 a month if the employee's death in service occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death in service occurs on or after January 23, 1987.

If the employee dies in service before July 1, 1990, and if such widow of such described employee shall not be 60 or more years of age on such date of death, the amount provided in the immediately

preceding paragraph for a widow 60 or more years of age, shall, in the case of such younger widow, be reduced by 0.25% for each month that her then attained age is less than 60 years if the employee was born before January 1, 1936 or dies in service on or after January 1, 1988, or by 0.5% for each month that her then attained age is less than 60 years if the employee was born on or after July 1, 1936 and dies in service before January 1, 1988.

If the employee dies in service on or after July 1, 1990, and if the widow of the employee has not attained age 55 on or before the employee's date of death, the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee dies in service on or after January 1, 1998 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(b) The widow of any employee who dies subsequent to the date of his retirement on annuity, and who so retired on or after the date on which he attained the age of 60 or more years if retirement occurs before July 1, 1990, or on or after the date on which he attained age 55 if retirement occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attained age 50 if the retirement occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband received as of the date of his retirement on annuity, conditional upon such widow having attained the age of 60 or more years on the date of her husband's retirement on annuity if retirement occurs before July 1, 1990, or age 55 or more if retirement occurs on or after July 1, 1990, or age 50 or more if the retirement on annuity occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (k), this widow's annuity shall not, however, exceed the sum of $500 a month if the employee's death occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death occurs on or after January 23, 1987, regardless of the date of retirement; provided that, if retirement was before January 23, 1987, the employee or eligible spouse repays the excess spouse refund with interest at the effective rate from the date of refund to the date of repayment.

If the date of the employee's retirement on annuity is before July 1, 1990, and if such widow of such described employee shall not have attained such age of 60 or more years on such date of her husband's retirement on annuity, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age on the date of her husband's retirement on annuity, shall, in the case of such then younger widow, be reduced by 0.25% for each month that her then attained age was less than 60 years if the employee was born before January 1, 1936 or withdraws from service on or after January 1, 1988, or by 0.5% for each month that her then attained age is less than 60 years if the employee was born on or after January 1, 1936 and withdraws from service before January 1, 1988.

If the date of the employee's retirement on annuity is on or after July 1, 1990, and if the widow of the employee has not attained age 55 by the date of the employee's retirement on annuity, the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee retires on annuity on or after January 1, 1998 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(c) The foregoing provisions relating to minimum annuities for widows shall not apply to the widow of any former municipal employee receiving an annuity from the fund on August 9, 1965 or on the effective date of this amendatory provision, who re-enters service as a municipal employee, unless such employee renders at least 3 years of additional service after the date of re-entry.

(d) In computing the amount of annuity which the husband specified in the foregoing paragraphs (a) and (b) of this Section would have been entitled to receive, or received, such amount shall be the annuity to which such husband would have been, or was entitled, before reduction in the amount of his annuity for the purposes of the voluntary optional reversionary annuity provided for in Section 8-139 of this Article, if such option was elected.

(e) (Blank).

(f) (Blank).

(g) The amendatory provisions of this amendatory Act of 1985 relating to annuity discount because of

age for widows of employees born before January 1, 1936, shall apply only to qualifying widows of employees withdrawing or dying in service on or after July 18, 1985.

(h) Beginning on January 1, 1999, the minimum amount of widow's annuity shall be $800 per month for life for the following classes of widows, without regard to the fact that the death of the employee occurred prior to the effective date of this amendatory Act of 1998:

(1) any widow annuitant alive and receiving a life annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(2) any widow annuitant alive and receiving a term annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(3) any widow annuitant alive and receiving a reciprocal annuity on the effective date of this amendatory Act of 1998, whose employee spouse's service in this fund was at least 5 years;

(4) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if the retirement occurred prior to the effective date of this amendatory Act of 1998;

(5) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if withdrawal occurs on or after the effective date of this amendatory Act of 1998;

(6) the widow of an employee who dies in service with at least 5 years of service in this fund, if the death in service occurs on or after the effective date of this amendatory Act of 1998.

The increases granted under items (1), (2), (3) and (4) of this subsection (h) shall not be limited by any other Section of this Act.

(i) The widow of an employee who retired or died in service on or after January 1, 1985 and before July 1, 1990, at age 55 or older, and with at least 35 years of service credit, shall be entitled to have her widow's annuity increased, effective January 1, 1991, to an amount equal to 50% of the retirement annuity that the deceased employee received on the date of retirement, or would have been eligible to receive if he had retired on the day preceding the date of his death in service, provided that if the widow had not attained age 60 by the date of the employee's retirement or death in service, the amount of the annuity shall be reduced by 0.25% for each month that her then attained age was less than age 60 if the employee's retirement or death in service occurred on or after January 1, 1988, or by 0.5% for each month that her attained age is less than age 60 if the employee's retirement or death in service occurred prior to January 1, 1988. However, in cases where a refund of excess contributions for widow's annuity has been paid by the Fund, the increase in benefit provided by this subsection (i) shall be contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(j) If a deceased employee is receiving a retirement annuity at the time of death and that death occurs on or after June 27, 1997, the widow may elect to receive, in lieu of any other annuity provided under this Article, 50% of the deceased employee's retirement annuity at the time of death reduced by 0.25% for each month that the widow's age on the date of death is less than 55; except that if the employee dies on or after January 1, 1998 and withdrew from service on or after June 27, 1997 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (j) shall be reduced by 0.25% for each month that her age on the date of death is less than 50 years. However, in cases where a refund of excess contributions for widow's annuity has been paid by the Fund, the benefit provided by this subsection (j) is contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(k) For widows of employees who died before January 23, 1987 after retirement on annuity or in service, the maximum dollar amount limitation on widow's annuity shall cease to apply, beginning with the first annuity payment after the effective date of this amendatory Act of 1997; except that if a refund of excess contributions for widow's annuity has been paid by the Fund, the increase resulting from this subsection (k) shall not begin before the refund has been repaid to the Fund, together with interest at the effective rate from the date of the refund to the date of repayment.

(l) In lieu of any other annuity provided in this Article, an eligible spouse of an employee who dies in service on or after January 1, 2002 (regardless of whether that death in service occurs prior to ~~at least 60 days after~~ the effective date of this amendatory Act of the 93rd ~~92nd~~ General Assembly) with at least 10 years of service shall be entitled to an annuity of 50% of the minimum formula annuity earned and accrued to the credit of the employee at the date of death. For the purposes of this subsection, the minimum formula annuity earned and accrued to the credit of the employee is equal to 2.40% for each year of service of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of death, up to a maximum of 80% of the highest average annual salary. This annuity shall not be reduced due to the age of the employee or spouse. In addition to

any other eligibility requirements under this Article, the spouse is eligible for this annuity only if the marriage was in effect for 10 full years or more. (Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/8-167) (from Ch. 108 1/2, par. 8-167)

Sec. 8-167. Restoration of rights. An employee who has withdrawn as a refund the amounts credited for annuity purposes, and who (i) re-enters service of the employer and serves for periods comprising at least 90 days ~~2 years~~ after the date of the last refund paid to him or (ii) has completed at least 2 years of service under a participating system (as defined in the Retirement Systems Reciprocal Act) other than this Fund after the date of the last refund, shall have his annuity rights restored by compliance with the following provisions:

(a) After that 90 day or ~~such~~ 2 year period, whichever applies, he shall repay in full to the fund, while in service, ~~in full~~ all refunds received, together with interest at the effective rate from the dates of refund to the date of repayment.~~; or~~

(b) If payment is not made in a single sum, the repayment may be made in installments by deductions from salary or otherwise in such manner and amounts and manner as the board, by rule, may prescribe, with interest at the effective rate accruing on unpaid balances.~~; or~~

(c) If the employee withdraws from service or dies in service before full repayment is made, service credit shall be restored in accordance with Section 8-230.3(b).

(d) If the employee repays the refund while participating in a participating system (as defined in the Retirement Systems Reciprocal Act) other than this Fund, the service credit restored must be used for a proportional annuity calculated in accordance with the Retirement Systems Reciprocal Act. If not so used, the restored service credit shall be forfeited and the amount of the repayment shall be refunded, without interest. ~~, such rights shall not be restored, but the amount, including interest, repaid by him, but without any further interest otherwise normally credited, shall be refunded to him or to his widow, or in the manner provided by the refund provisions of this Article if no widow survives.~~

This Section applies also to any person who received a refund from any annuity and benefit fund or pension fund which was merged into and superseded by the annuity and benefit fund provided for in this Article on or after December 31, 1959. Upon repayment such person shall receive credit for all annuity purposes in the annuity and benefit fund provided for in this Article for the period of service covered by the repayment ~~such refund~~.

The amount of refund repayment is considered as salary deductions for age and service annuity and widow's annuity purposes in the case of a male person. In the latter case the amount of refund repayment is allocated in the applicable proportion for age and service and widow's annuity purposes. Such person shall also be credited with city contributions for age and service annuity, and widow's annuity if a male employee, in the amount which would have been credited and accrued if such person had been a participant in and contributor to the annuity and benefit fund provided for in this Article during the period of such service on the basis of his salary during such period. (Source: P.A. 81-1536.)

(40 ILCS 5/8-172) (from Ch. 108 1/2, par. 8-172)

Sec. 8-172. Refunds - Transfer of city contributions. Whenever any amount is refunded as provided in Sections 8-168 and 8-169, except in the case of a male employee who becomes a widower while in service after he becomes age 65, the amounts to the credit of the male employee from contributions by the city~~,~~ shall be transferred to the prior service annuity reserve. Thereafter, except as otherwise provided in Section 8-172.1, any such amounts shall become a credit to the city and, with interest thereon at the effective rate, be used to reduce the amount which the city would otherwise pay during a succeeding year. (Source: Laws 1963, p. 161.)

(40 ILCS 5/8-172.1 new)

Sec. 8-172.1. Transfer of city contributions for paramedics.

(a) Municipality credits computed and credited under this Article 8 for all persons who (1) accumulated service credit in this Article 8 fund for service as a paramedic, (2) have terminated that Article 8 service credit and received a refund of contributions, and (3) are participants in the Article 6 fund on the effective date of this amendatory Act of the 93rd General Assembly shall be transferred by this Article 8 fund to the Article 6 fund together with interest at the rate of 11% per annum, compounded annually, to the date of transfer. The city shall not be responsible for making any additional employer contributions to the Fund to replace the amounts transferred under this Section.

(b) Municipality credits computed and credited under this Article 8 for all persons who (1) accumulated service credit in this Article 8 fund for service as a paramedic, (2) have terminated that Article 8 service credit and received a refund of contributions, and (3) are not participants in the Article 6 fund on the effective date of this amendatory Act of the 93rd General Assembly shall be used as provided in Section 8-172.

(40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

Sec. 8-174. Contributions for age and service annuities for present employees and future entrants. (a) Beginning on the effective date and prior to July 1, 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 5%; and beginning July 1, 1953, and prior to January 1, 1972, 6%; and beginning January 1, 1972, 6-1/2% of each payment of the salary of each present employee and future entrant shall be contributed to the fund as a deduction from salary for age and service annuity.

Such deductions beginning on the effective date and prior to July 1, 1947 shall be made for a future entrant while he is in the service until he attains age 65 and for a present employee while he is in the service until the amount so deducted from his salary with the amount deducted from his salary or paid by him according to law to any municipal pension fund in force on the effective date with interest on both such amounts at 4% per annum equals the sum that would have been to his credit from sums deducted from his salary if deductions at the rate herein stated had been made during his entire service until he attained age 65 with interest at 4% per annum for the period subsequent to his attainment of age 65. Such deductions beginning July 1, 1947 shall be made and continued for employees while in the service.

(b) Concurrently with each employee contribution beginning on the effective date and prior to July 1, 1947 the city shall contribute 5 3/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 7%; and beginning July 1, 1953, 6% of each payment of such salary until the employee attains age 65. Notwithstanding any provision of this subsection (b) to the contrary, the city shall not make a contribution for any credit established by an employee under subsection (b) of Section 8-138.4.

(c) Each employee contribution made prior to the date the age and service annuity for an employee is fixed and each corresponding city contribution shall be credited to the employee and allocated to the account of the employee for whose benefit it is made. (Source: P.A. 81-1536.)

(40 ILCS 5/8-174.1) (from Ch. 108 1/2, par. 8-174.1)

Sec. 8-174.1. Employer contributions on behalf of employees.

(a) The employer may make and may incur an obligation to make contributions on behalf of its employees in an amount not to exceed the employee contributions required by Sections 8-137, 8-161, 8-174, 8-182 and 8-182.1 for all salary earned after December 31, 1981. If such employee contributions are not made or an obligation to make such contributions is not incurred by the employer on behalf of its employees, the amount that could have been contributed shall continue to be deducted from salary. If employee contributions are made by the employer on behalf of its employees, they shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code; however, each city shall continue to withhold Federal and State income taxes based upon these contributions until the Internal Revenue Service or the Federal courts rule that pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The employer may make these contributions on behalf of its employees by a reduction in the cash salary of the employee or by an offset against a future salary increase or by a combination of a reduction in salary and offset against a future salary increase. The employer shall pay these employee contributions from the same source of funds used in paying salary to the employee or, if the employer is a Board of Education, it may also or alternatively pay such contributions in whole or in part from the proceeds of the pension contribution liability tax authorized by Section 34-60.1 of the School Code, as amended. If such a tax is levied with respect to any fiscal year of a Board of Education, that portion of the contributions to be paid by the Board of Education on behalf of its employees for that fiscal year from the proceeds of such a tax shall not be due and payable into the Fund until the collection, in the calendar year following the calendar year in which such levy was made, of the actual tax bills extending the second installment of real estate taxes for the Board of Education for that calendar year, pursuant to Section 21-30 of the Property Tax Code, and such Board of Education shall not be required to pay those contributions to be paid from the proceeds of such a tax into the Fund except as collected from the extension of the actual tax bills. If employee contributions are made by the employer on behalf of its employees, they shall be treated for all purposes of this Article 8, including Section 8-173, in the same manner and to the same extent as employee contributions made by employees and deducted from salary; provided, however, that contributions which are made by a Board of Education on behalf of its employees shall not be treated as a pension or retirement obligation of the Board of Education for purposes of Section 12 of "An Act in relation to State revenue sharing with local governmental entities", approved July 31, 1969, as amended. For purposes of Section 8-173, contributions made by a Board of Education on behalf of its employees shall be treated as contributions made by or on behalf of employees to the Fund for the fiscal year for which the Board of Education incurred the obligation to make such contributions.

(b) Subject to the requirements of federal law and the rules of the Board, the Fund may allow the employee to elect to have the employer make on behalf of the employee the optional contributions that the employee has elected to pay to the Fund, and the contributions so made on the employee's behalf

shall be treated as employer contributions for the purpose of determining federal tax treatment. The employer shall make contributions on behalf of an employee by a reduction in the cash salary of the employee and shall pay contributions from the same source of funds that is used to pay earnings of the employee. The election to have the contributions made on the employee's behalf is irrevocable, and the optional contributions may not thereafter be prepaid, by direct payment or otherwise.

If the provision authorizing the optional contribution requires payment by a stated date (rather than the date of withdrawal or retirement), the requirement will be deemed to have been satisfied if (i) on or before the stated date the employee executes a valid irrevocable election to have the contributions made on his or her behalf under this subsection, and (ii) the contributions made on his or her behalf are in fact paid to the Fund as provided in the election.

If employee contributions are made by the employer on the employee's behalf under this subsection, they shall be treated for all purposes of this Article 8, including Section 8-173, in the same manner and to the same extent as optional employee contributions made prior to the date made on the employee's behalf. (Source: P.A. 88-670, eff. 12-2-94.)

(40 ILCS 5/8-192) (from Ch. 108 1/2, par. 8-192)

Sec. 8-192. Board created. A board of 5 members shall constitute a Board of Trustees authorized to carry out the provisions of this Article. The board shall be known as the Retirement Board of the Municipal Employees', Officers', and Officials' Annuity and Benefit Fund of the city, or for the sake of brevity may also be known and referred to as the Retirement Board of the Municipal Employees' Annuity and Benefit Fund of such city. The board shall consist of the city comptroller, the city treasurer, and 3 members who shall be employees, to be elected as follows:

Within 30 days after the effective date, the mayor of the city shall arrange for and hold an election.

One employee shall be elected for a term ending on the first day in the month of December of the first year next following the effective date; one for a term ending December 1st of the following year; and one for a term ending on December 1st of the second following year.

The city comptroller, with the approval of the board, may appoint a designee from among employees of the city who are versed in the affairs of the comptroller's office to act in the absence of the comptroller on all matters pertaining to administering the provisions of this Article.

The members of a Retirement Board of a municipal employees', officers', and officials' annuity and benefit fund holding office in a city at the time this Article becomes effective, including elective and ex-officio members, shall continue in office until the expiration of their terms and until their respective successors are elected or appointed and have qualified.

An employee member who takes advantage of the early retirement incentives provided under this amendatory Act of the 93rd General Assembly may continue as a member until the end of his or her term. (Source: P.A. 85-964.)

(40 ILCS 5/11-133.3 new)

Sec. 11-133.3. Early retirement incentive.

(a) To be eligible for the benefits provided in this Section, an employee must:

(1) be a current contributor to the Fund who (i) on October 15, 2003, is in active payroll status as an employee; (ii) returns to active payroll status from an approved leave of absence prior to December 15, 2003; or (iii) on October 15, 2003, is receiving ordinary or duty disability benefits under Section 11-155 or 11-156;

(2) have not previously retired under this Article;

(3) file with the Board before December 15, 2003, a written election requesting the benefits provided in this Section;

(4) withdraw from service on or after December 31, 2003 and on or before January 31, 2004 (or the date established under subsection (a-5), if applicable); and

(5) by the date of withdrawal or by January 31, 2004, whichever is earlier, have attained age 50 with at least 10 years of creditable service in this Fund, without including any creditable service established under this Section, and a total of at least 70 combined years of age and creditable service, without including any creditable service established under this Section, in one or more of the participating systems under the Retirement Systems Reciprocal Act.

A person is not eligible for the benefits provided in this Section if the person elects to receive a retirement annuity calculated under the alternative formula formerly set forth in Section 20-122.

(a-5) To ensure that the efficient operation of employers under this Article is not jeopardized by the simultaneous retirement of large numbers of critical personnel, each employer may, for its critical employees, extend the January 31, 2004 deadline for terminating employment under this Article established in subdivision (a)(4) of this Section to a date not later than April 30, 2004 by so notifying the Fund by December 31, 2003.

(b) An eligible employee may establish up to 5 years of creditable service under this Section, in increments of one month, by making the contributions specified in subsection (d). In addition, for each month of creditable service established under this Section, a person's age at retirement shall be deemed to be one month older than it actually is, except for determination of eligibility for automatic annual increases under Sections 11-134.1 and 11-134.3. Furthermore, an eligible employee must establish at least the amount of age and creditable service necessary to bring his or her age and total creditable service, including service in this Fund, service established under this Section, and service in any of the other participating systems under the Retirement Systems Reciprocal Act, to a minimum that will satisfy the requirements of Section 11-134.

The creditable service under this Section may be used for all purposes under this Article and the Retirement Systems Reciprocal Act, except for the computation of average annual salary and the determination of salary, earnings, or compensation under this or any other Article of this Code.

(c) An eligible employee shall be entitled to have his or her retirement annuity calculated in accordance with the formula provided in Section 11-134, except that the annuity shall not be subject to reduction because of withdrawal or commencement of the annuity before attainment of age 60.

(d) For each month of creditable service established under this Section, the employee must pay to the Fund an employee contribution, to be calculated by the Fund, equal to 4.25% of the member's monthly salary rate on October 15, 2003. The employee may elect to pay the entire contribution before the retirement annuity commences, or to have it deducted from the annuity over a period not longer than 24 months. If the retired employee dies before the contribution has been paid in full, the unpaid installments may be deducted from any annuity or other benefit payable to the employee's survivors.

All employee contributions paid under this Section shall not be deemed contributions made by employees for annuity purposes under Section 11-169, and shall be made and credited to a special reserve, without interest. Employee contributions paid under this Section may be refunded under the same terms and conditions as are applicable to other employee contributions for retirement annuity.

(e) Notwithstanding Section 11-161, an annuitant who reenters service under this Article after receiving a retirement annuity based on benefits provided under this Section thereby forfeits the right to continue to receive those benefits, and shall have his or her retirement annuity recalculated at the appropriate time without the benefits provided in this Section.

(40 ILCS 5/11-133.4 new)

Sec. 11-133.4. Early retirement incentive for employees who have earned maximum pension benefits.

(a) A person who is eligible for the benefits provided under Section 11-133.3 and who, if he or she had retired on or before January 31, 2004, would have been entitled to a pension equal to 80% of his or her highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding January 31, 2004 without receiving the benefits provided in Section 11-133.3, may elect, by filing a written election with the Fund by December 15, 2003, to receive a lump sum from the Fund equal to 100% of his or her salary on January 31, 2004 or the date of withdrawal, whichever is earlier. To be eligible to receive the benefit provided under this Section, the person must withdraw from service on or after December 31, 2003 and on or before January 31, 2004 (or the date established under subsection (b), if applicable). If a person elects to receive the benefit provided under this Section, his or her retirement annuity otherwise payable under Section 11-134 shall be reduced by an amount equal to the actuarial equivalent of the lump sum.

(b) To ensure that the efficient operation of employers under this Article is not jeopardized by the simultaneous retirement of large numbers of critical personnel, each employer may, for its critical employees, extend the January 31, 2004 deadline for terminating employment under this Article established in subdivision (a) of this Section to a date not later than April 30, 2004 by so notifying the Fund by December 31, 2003.

(40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)

Sec. 11-134.1. Automatic increase in annuity. (a) An employee who retired or retires from service after December 31, 1963, and before January 1, 1987, having attained age 60 or more, shall, in the month of January of the year following the year in which the first anniversary of retirement occurs, have the amount of his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by a further 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning January, 1984, such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article. An employee who retires on annuity after December 31, 1963 and before January 1, 1987, but prior to age 60, shall receive such increases

beginning with January of the year immediately following the year in which he attains the age of 60 years.

An employee who retires from service on or after January 1, 1987 shall, upon the first annuity payment date following the first anniversary of the date of retirement, or upon the first annuity payment date following attainment of age 60, whichever occurs later, have his then fixed and payable monthly annuity increased by 3%, and such annuity shall be increased by an additional 3% of the original fixed annuity on the same date each year thereafter. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

(a-5) Notwithstanding the provisions of subsection (a), upon the first annuity payment date following (1) the third anniversary of retirement, (2) the attainment of age 53, or (3) January 1, 2002, ~~the date 60 days after the effective date of this amendatory Act of the 92nd General Assembly,~~ whichever occurs latest, the monthly annuity of an employee who retires on annuity prior to the attainment of age 60 and ~~who~~ has not received an increase under subsection (a) shall be increased by 3%, and the ~~such~~ annuity shall be increased by an additional 3% of the current payable monthly annuity, including any ~~such~~ increases previously granted under this Article, on the same date each year thereafter. The increases provided under this subsection are in lieu of the increases provided in subsection (a).

(a-6) Notwithstanding the provisions of subsections (a) and (a-5), for all calendar years following the year in which this amendatory Act of the 93rd General Assembly takes effect, an increase in annuity under this Section that would otherwise take effect at any time during the year shall instead take effect in January of that year.

(b) Subsections (a), ~~and~~ (a-5), and (a-6) are not applicable to an employee retiring and receiving a term annuity, as defined in this Article, nor to any otherwise qualified employee who retires before he shall have made employee contributions (at the 1/2 of 1% rate as hereinafter provided) for the purposes of this additional annuity for not less than the equivalent of one full year. Such employee, however, shall make arrangement to pay to the fund a balance of such 1/2 of 1% contributions, based on his final salary, as will bring such 1/2 of 1% contributions, computed without interest, to the equivalent of or completion of one year's contributions.

Beginning with the month of January, 1964, each employee shall contribute by means of salary deductions 1/2 of 1% of each salary payment, concurrently with and in addition to the employee contributions otherwise made for annuity purposes.

Each such additional employee contribution shall be credited to an account in the prior service annuity reserve, to be used, together with city contributions, to defray the cost of the specified annuity increments. Any balance as of the beginning of each calendar year existing in such account shall be credited with interest at the rate of 3% per annum.

Such employee contributions shall not be subject to refund, except to an employee who resigns or is discharged and applies for refund under this Article, and also in cases where a term annuity becomes payable.

In such cases the employee contributions shall be refunded him, without interest, and charged to the aforementioned account in the prior service annuity reserve. (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02; revised 8-26-02.)

(40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

Sec. 11-145.1. Minimum annuities for widows. The widow otherwise eligible for widow's annuity under other Sections of this Article 11, of an employee hereinafter described, who retires from service or dies while in the service subsequent to the effective date of this amendatory provision, and for which widow the amount of widow's annuity and widow's prior service annuity combined, fixed or provided for such widow under other provisions of said Article 11 is less than the amount hereinafter provided in this section, shall, from and after the date her otherwise provided annuity would begin, in lieu of such otherwise provided widow's and widow's prior service annuity, be entitled to the following indicated amount of annuity:

(a) The widow of any employee who dies while in service on or after the date on which he attains age 60 if the death occurs before July 1, 1990, or on or after the date on which he attains age 55 if the death occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attains age 50 if the death occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband would have been entitled to receive had he withdrawn from the service on the day immediately preceding the date of his death, conditional upon such widow having attained age 60 on or before such date if the death occurs before July 1, 1990, or age 55 if the death occurs on or after July 1, 1990, or age 50 if the death occurs on or after January 1, 1998 and the employee is age 50 or over with at

least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (j), the widow's annuity shall not, however, exceed the sum of $500 a month if the employee's death in service occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death in service occurs on or after January 23, 1987.

If the employee dies in service before July 1, 1990, and if such widow of such described employee shall not be 60 or more years of age on such date of death, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age, shall, in the case of such younger widow, be reduced by 0.25% for each month that her then attained age is less than 60 years if the employee was born before January 1, 1936, or dies in service on or after January 1, 1988, or 0.5% for each month that her then attained age is less than 60 years if the employee was born on or after January 1, 1936 and dies in service before January 1, 1988.

If the employee dies in service on or after July 1, 1990, and if the widow of the employee has not attained age 55 on or before the employee's date of death, the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee dies in service on or after January 1, 1998 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(b) The widow of any employee who dies subsequent to the date of his retirement on annuity, and who so retired on or after the date on which he attained age 60 if retirement occurs before July 1, 1990, or on or after the date on which he attained age 55 if retirement occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attained age 50 if the retirement occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband received as of the date of his retirement on annuity, conditional upon such widow having attained age 60 on or before the date of her husband's retirement on annuity if retirement occurs before July 1, 1990, or age 55 if retirement occurs on or after July 1, 1990, or age 50 if the retirement on annuity occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (j), this widow's annuity shall not, however, exceed the sum of $500 a month if the employee's death occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death occurs on or after January 23, 1987, regardless of the date of retirement; provided that, if retirement was before January 23, 1987, the employee or eligible spouse repays the excess spouse refund with interest at the effective rate from the date of refund to the date of repayment.

If the date of the employee's retirement on annuity is before July 1, 1990, and if such widow of such described employee shall not have attained such age of 60 or more years on such date of her husband's retirement on annuity, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age on the date of her husband's retirement on annuity, shall, in the case of such then younger widow, be reduced by 0.25% for each month that her then attained age was less than 60 years if the employee was born before January 1, 1936, or withdraws from service on or after January 1, 1988, or 0.5% for each month that her then attained age was less than 60 years if the employee was born on or after January 1, 1936 and withdraws from service before January 1, 1988.

If the date of the employee's retirement on annuity is on or after July 1, 1990, and if the widow of the employee has not attained age 55 by the date of the employee's retirement on annuity, the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee retires on annuity on or after January 1, 1998 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(c) The foregoing provisions relating to minimum annuities for widows shall not apply to the widow of any former employee receiving an annuity from the fund on August 2, 1965 or on the effective date of this amendatory provision, who re-enters service as a former employee, unless such employee renders at least 3 years of additional service after the date of re-entry.

(d) (Blank).

(e) (Blank).

(f) The amendments to this Section by this amendatory Act of 1985, relating to changing the discount

because of age from 1/2 of 1% to 0.25% per month for widows of employees born before January 1, 1936, shall apply only to qualifying widows whose husbands die while in the service on or after August 16, 1985 or withdraw and enter on annuity on or after August 16, 1985.

(g) Beginning on January 1, 1999, the minimum amount of widow's annuity shall be $800 per month for life for the following classes of widows, without regard to the fact that the death of the employee occurred prior to the effective date of this amendatory Act of 1998:

(1) any widow annuitant alive and receiving a term annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(2) any widow annuitant alive and receiving a life annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(3) any widow annuitant alive and receiving a reciprocal annuity on the effective date of this amendatory Act of 1998, whose employee spouse's service in this fund was at least 5 years;

(4) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if the retirement occurred prior to the effective date of this amendatory Act of 1998;

(5) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if withdrawal occurs on or after the effective date of this amendatory Act of 1998;

(6) the widow of an employee who dies in service with at least 5 years of service in this fund, if the death in service occurs on or after the effective date of this amendatory Act of 1998.

The increases granted under items (1), (2), (3) and (4) of this subsection (g) shall not be limited by any other Section of this Act.

(h) The widow of an employee who retired or died in service on or after January 1, 1985 and before July 1, 1990, at age 55 or older, and with at least 35 years of service credit, shall be entitled to have her widow's annuity increased, effective January 1, 1991, to an amount equal to 50% of the retirement annuity that the deceased employee received on the date of retirement, or would have been eligible to receive if he had retired on the day preceding the date of his death in service, provided that if the widow had not attained age 60 by the date of the employee's retirement or death in service, the amount of the annuity shall be reduced by 0.25% for each month that her then attained age was less than age 60 if the employee's retirement or death in service occurred on or after January 1, 1988, or by 0.5% for each month that her attained age is less than age 60 if the employee's retirement or death in service occurred prior to January 1, 1988. However, in cases where a refund of excess contributions for widow's annuity has been paid by the Fund, the increase in benefit provided by this subsection (h) shall be contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(i) If a deceased employee is receiving a retirement annuity at the time of death and that death occurs on or after June 27, 1997, the widow may elect to receive, in lieu of any other annuity provided under this Article, 50% of the deceased employee's retirement annuity at the time of death reduced by 0.25% for each month that the widow's age on the date of death is less than 55; except that if the employee dies on or after January 1, 1998 and withdrew from service on or after June 27, 1997 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (i) shall be reduced by 0.25% for each month that her age on the date of death is less than 50 years. However, in cases where a refund of excess contributions for widow's annuity has been paid by the Fund, the benefit provided by this subsection (i) is contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(j) For widows of employees who died before January 23, 1987 after retirement on annuity or in service, the maximum dollar amount limitation on widow's annuity shall cease to apply, beginning with the first annuity payment after the effective date of this amendatory Act of 1997; except that if a refund of excess contributions for widow's annuity has been paid by the Fund, the increase resulting from this subsection (j) shall not begin before the refund has been repaid to the Fund, together with interest at the effective rate from the date of the refund to the date of repayment.

(k) In lieu of any other annuity provided in this Article, an eligible spouse of an employee who dies in service on or after January 1, 2002 (regardless of whether that death in service occurs prior to ~~at least 60 days after~~ the effective date of this amendatory Act of the 93rd ~~92nd~~ General Assembly) with at least 10 years of service shall be entitled to an annuity of 50% of the minimum formula annuity earned and accrued to the credit of the employee at the date of death. For the purposes of this subsection, the minimum formula annuity earned and accrued to the credit of the employee is equal to 2.40% for each year of service of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of death, up to a maximum of 80% of the highest average

annual salary. This annuity shall not be reduced due to the age of the employee or spouse. In addition to any other eligibility requirements under this Article, the spouse is eligible for this annuity only if the marriage was in effect for 10 full years or more. (Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/11-163) (from Ch. 108 1/2, par. 11-163)

Sec. 11-163. Restoration of rights. An employee who has withdrawn as a refund the amounts credited for annuity purposes, and who (i) re-enters service of the employer and serves for periods comprising at least 90 days ~~2 years~~ after the date of the last refund paid to him or (ii) has completed at least 2 years of service under a participating system (as defined in the Retirement Systems Reciprocal Act) other than this Fund after the date of the last refund, shall have his annuity rights restored by making application to the board in writing for the privilege of re-instating such rights and by compliance with the following provisions:

(a) After that 90 day or 2 year period, whichever applies, he shall repay in full to the Fund, while in service, ~~in full~~ all refunds received, together with interest at the effective rate from the application dates of such refund or refunds to the date of repayment.~~;~~

(b) If payment is not made in a single sum, repayment may be made in installments by deductions from salary or otherwise, in such manner and amounts as the board, by rule, may prescribe, with interest at the effective rate accruing on the unpaid balance ~~employee may elect~~. The employee shall be credited with interest at the effective rate from the date of each installment until full repayment is made.

(c) If the employee withdraws from service or dies in service before full repayment is made, service credit shall be restored in accordance with Section 11-221.2(b).

(d) If the employee withdraws from service or dies in service ~~or~~ during the required 90 day or 2 year period, any repayments made shall be refunded, without interest thereon and in accordance with the refund provisions of this Article.

(e) If the employee repays the refund while participating in a participating system (as defined in the Retirement Systems Reciprocal Act) other than this Fund, the service credit restored must be used for a proportional annuity calculated in accordance with the Retirement Systems Reciprocal Act. If not so used, the restored service credit shall be forfeited and the amount of the repayment shall be refunded, without interest.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/11-167) (from Ch. 108 1/2, par. 11-167)

Sec. 11-167. Refunds in lieu of annuity. In lieu of an annuity, an employee who withdraws, and whose annuity would amount to less than $800 a month for life may elect to receive a refund of the total sum accumulated to his credit from employee contributions for annuity purposes.

The widow of any employee, eligible for annuity upon the death of her husband, whose annuity would amount to less than $800 a month for life, may, in lieu of a widow's annuity, elect to receive a refund of the accumulated contributions for annuity purposes, based on the amounts contributed by her deceased employee husband, but reduced by any amounts theretofore paid to him in the form of an annuity or refund out of such accumulated contributions.

Accumulated contributions shall mean the amounts including interest credited thereon contributed by the employee for age and service and widow's annuity to the date of his withdrawal or death, whichever first occurs, and including the accumulations from any amounts contributed for him as salary deductions while receiving duty disability benefits; provided that such amounts contributed by the city after December 31, 1983 while the employee is receiving duty disability benefits and amounts credited to the employee for annuity purposes by the fund after December 31, 2000 while the employee is receiving ordinary disability benefits shall not be included.

The acceptance of such refund in lieu of widow's annuity, on the part of a widow, shall not deprive a child or children of the right to receive a child's annuity as provided for in Sections 11-153 and 11-154 of this Article, and neither shall the payment of a child's annuity in the case of such refund to a widow reduce the amount herein set forth as refundable to such widow electing a refund in lieu of widow's annuity. (Source: P.A. 91-887, eff. 7-6-00; 92-599, eff. 6-28-02; revised 10-22-02.)

(40 ILCS 5/11-170.1) (from Ch. 108 1/2, par. 11-170.1)

Sec. 11-170.1. Pickup of employee contributions.

(a) The employer may pick up the employee contributions required by Sections 11-156, 11-170, 11-174 and 11-175.1 for salary earned after December 31, 1981. If employee contributions are not picked up, the amount that would have been picked up under this amendatory Act of 1980 shall continue to be deducted from salary. If contributions are picked up they shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code; however, the employer shall continue to withhold Federal and state income taxes based upon these contributions until the Internal

Revenue Service or the Federal courts rule that pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The employer shall pay these employee contributions from the same source of funds which is used in paying salary to the employee. The employer may pick up these contributions by a reduction in the cash salary of the employee or by an offset against a future salary increase or by a combination of a reduction in salary and offset against a future salary increase. If employee contributions are picked up they shall be treated for all purposes of this Article 11, including Section 11-169, in the same manner and to the same extent as employee contributions made prior to the date picked up.

(b) Subject to the requirements of federal law and the rules of the Board, the Fund may allow the employee to elect to have the employer pick up the optional contributions that the employee has elected to pay to the Fund, and the contributions so picked up shall be treated as employer contributions for the purpose of determining federal tax treatment. The employer shall pick up the contributions by a reduction in the cash salary of the employee and shall pay contributions from the same source of funds that is used to pay earnings of the employee. The election to have the contributions picked up is irrevocable, and the optional contributions may not thereafter be prepaid, by direct payment or otherwise.

If the provision authorizing the optional contribution requires payment by a stated date (rather than the date of withdrawal or retirement), the requirement will be deemed to have been satisfied if (i) on or before the stated date the employee executes a valid irrevocable election to have the contributions picked up under this subsection, and (ii) the picked-up contributions are in fact paid to the Fund as provided in the election.

If employee contributions are picked up under this subsection, they shall be treated for all purposes of this Article 11, including Section 11-169, in the same manner and to the same extent as optional employee contributions made prior to the date picked up. (Source: P.A. 81-1536.)

(40 ILCS 5/11-178) (from Ch. 108 1/2, par. 11-178)

Sec. 11-178. Contributions by city for prior service annuities and other benefits.

The city shall make contributions to provide prior service and widow's prior service annuities, and other annuities and benefits, as follows:

1. To credit to the city contribution reserve such amounts required from the city but not contributed by it for age and service and prior service annuities, and widow's annuities and widows' prior service annuities;

2. To meet such part of any minimum annuity as shall be in excess of the age and service annuity and prior service annuity, and to meet such part of any minimum widow's annuity in excess of the amount of widow's annuity and widow's prior service annuity;

3. To provide a sufficient balance in the investment and interest reserve to permit a transfer from that reserve to other reserves of the fund. Whenever the balance of the investment and interest reserve is not sufficient to permit a transfer from that reserve to any other reserve, the city shall contribute sums sufficient to make possible such transfer;

4. An amount equal to the difference between (1) the sum produced by the tax levy stated in Section 11--169 and (2) all sums required for the purposes of this Article 11 in accordance with the provisions of this Article 11 except those stated in this Section, shall be applied for purposes of this Section.

Provided that if in any year such total sums together with all other sums required during such year for the other purposes of the fund, are in excess of the total amount contributed by the city during such year, the sums required for purposes other than those stated in this section shall first be provided for. The balance shall then be applied for the purposes stated in this section.

All such contributions shall be credited to the prior service annuity reserve. When the balance of this reserve equals its liabilities (including in addition to all other liabilities, the present values of all annuities, present or prospective, according to the applicable mortality tables and rates of interest, but excluding any liabilities arising under Sections 11-133.3 and 11-133.4), the city shall cease to contribute the sum stated in this section.

If annexation of territory and the employment by the city of any person employed as a city laborer in any such territory at the time of annexation, after the city has ceased to contribute as herein provided, results in additional liabilities for prior service annuity and widow's prior service annuity for any such employee, contributions by the city for such purposes shall be resumed.

Notwithstanding any provision in this Section to the contrary, the city shall not make a contribution for credit established by an employee under subsection (b) of Section 11-133.3. (Source: Laws 1965, p. 2292.)

(40 ILCS 5/11-181) (from Ch. 108 1/2, par. 11-181)

Sec. 11-181. Board created. A board of 8 members shall constitute the board of trustees authorized to carry out the provisions of this Article. The board shall be known as the Retirement Board of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of the city. The board shall consist of 5 persons appointed and 2 employees and one annuitant elected in the manner hereinafter prescribed.

The appointed members of the board shall be appointed as follows:

One member shall be appointed by the comptroller of the city, who may be himself or anyone chosen from among employees of the city who are versed in the affairs of the comptroller's office; one member shall be appointed by the City Treasurer of the city, who may be himself or a person chosen from among employees of the city who are versed in the affairs of the City Treasurer's office; one member shall be an employee of the city appointed by the president of the local labor organization representing a majority of the employees participating in the Fund; and 2 members shall be appointed by the civil service commission or the Department of Personnel of the city from among employees of the city who are versed in the affairs of the civil service commission's office or the Department of Personnel.

The member appointed by the comptroller shall hold office for a term ending on December 1st of the first year following the year of appointment. The member appointed by the City Treasurer shall hold office for a term ending on December 1st of the second year following the year of appointment. The member appointed by the civil service commission shall hold office for a term ending on the first day in the month of December of the third year following the year of appointment. The additional member appointed by the civil service commission under this amendatory Act of 1998 shall hold office for an initial term ending on December 1, 2000, and the member appointed by the labor organization president shall hold office for an initial term ending on December 1, 2001. Thereafter each appointive member shall be appointed by the officer or body that appointed his predecessor, for a term of 3 years.

The 2 employee members of the board shall be elected as follows:

Within 30 days from and after the appointive members have been appointed and have qualified, the appointive members shall arrange for and hold an election.

One employee shall be elected for a term ending on December 1st of the first year next following the effective date; one for a term ending on December 1st of the following year.

An employee member who takes advantage of the early retirement incentives provided under this amendatory Act of the 93rd General Assembly may continue as a member until the end of his or her term.

The initial annuitant member shall be appointed by the other members of the board for an initial term ending on December 1, 1999. The annuitant member elected in 1999 shall be deemed to have been elected for a 3-year term ending on December 1, 2002. Thereafter, the annuitant member shall be elected for a 3-year term ending on December 1st of the third year following the election. (Source: P.A. 90-766, eff. 8-14-98; 91-887, eff. 7-6-00.)

(40 ILCS 5/12-133) (from Ch. 108 1/2, par. 12-133)

Sec. 12-133. Fixed benefit retirement annuity. (a) Subject to the provisions of paragraph (b) of this Section, the retirement annuity for any employee who withdraws from service on or after January 1, 1983 and before January 1, 1990, at age 60 or over, having at least 4 years of service, shall be 1.70% for each of the first 10 years of service; 2.00% for each of the next 10 years of service; 2.40% for each year of service in excess of 20 but not exceeding 30; and 2.80% for each year of service in excess of 30, with a pro-rated amount for service of less than a full year, based upon the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, provided that: (1) if retirement of the employee occurs below age 60, such annuity shall be reduced 1/2 of 1% for each month or fraction thereof that the employee's age is less than 60, except that an employee retiring at age 55 or over but less than age 60, having at least 35 years of service, shall not be subject to the reduction in his retirement annuity because of retirement below age 60; (2) the annuity shall not exceed 75% of such average annual salary; (3) the actual salary shall be considered in the computation of this annuity.

The retirement annuity for any employee who withdraws from service on or after January 1, 1990 and prior to December 31, 2003 at age 50 or over with at least 10 years of service, or at age 60 or over with at least 4 years of service, shall be 1.90% for each of the first 10 years of service, 2.20% for each of the next 10 years of service, 2.40% for each of the next 10 years of service, and 2.80% for each year of service in excess of 30, with a pro-rated amount for service of less than a full year, based upon the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, provided that:

(1) if retirement of the employee occurs below age 60, such annuity shall be reduced 1/4 of 1% (1/2 of 1% in the case of withdrawal from service before January 1, 1991) for each month or fraction

thereof that the employee's age is less than 60, except that an employee retiring at age 50 or over having at least 30 years of service shall not be subject to the reduction in retirement annuity because of retirement below age 60;

(2) the annuity shall not exceed 80% of such average annual salary; and

(3) the actual salary shall be considered in the computation of this annuity.

An employee who withdraws from service on or after December 31, 2003, at age 50 or over with at least 10 years of service or at age 60 or over with at least 4 years of service, shall receive, in lieu of any other retirement annuity provided for in this Section, a retirement annuity calculated as follows: for each year of service immediately preceding the date of withdrawal, 2.40% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, with a prorated amount for service of less than a full year, provided that:

(1) if retirement of the employee occurs below age 60, such annuity shall be reduced 1/4 of 1% for each month or fraction thereof that the employee's age is less than 60, except that an employee retiring at age 50 or over having at least 30 years of service shall not be subject to the reduction in retirement annuity because of retirement below age 60;

(2) the annuity shall not exceed 80% of such average annual salary; and

(3) the actual salary shall be considered in the computation of this annuity.

Notwithstanding any other formula, the annuity for employees retiring on or after December 31, 2003 and before January 31, 2004 with at least 30 years of service shall be 80% of average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

(b) In lieu of the retirement annuity provided as an actuarial equivalent of the total accumulations from contributions by the employee, contributions by the employer, and prior service annuity plus regular interest, an employee in service prior to July 1, 1971 shall be entitled to the largest applicable retirement annuity provided in this Section if the same is larger than the annuity provided in other Sections of this Article.

(c) The following schedule shall govern the computation of service for the fixed benefit annuities provided by this Section: Service during 9 months or more during any fiscal year shall constitute a year of service; 6 to 8 months, inclusive, 3/4 of a year; 3 to 5 months, inclusive, 1/2 year; less than 3 months, 1/4 of a year; 15 days or more in any month, a month of service.

(d) The other provisions of this Section shall not apply in the case of any former employee who is receiving a retirement annuity from the fund and who re-enters service as an employee, unless the employee renders from and after the date of re-entry, at least 3 years of additional service. (Source: P.A. 86-272; 86-1488; 87-794.)

(40 ILCS 5/12-133.6 new)

Section 12-133.6. Early retirement incentive.

(a) To be eligible for the benefits provided in this Section, a person must:

(1) have been, on November 1, 2003, an employee (i) contributing to the Fund in active payroll status in a position of employment under this Article, (ii) returning to active payroll status from an approved leave of absence prior to December 1, 2003, or (iii) receiving ordinary or duty disability benefits under Section 12-140, 12-142, or 12-143;

(2) have not previously retired under this Article;

(3) file with the Board before December 31, 2003 a written election requesting the benefits provided in this Section;

(4) withdraw from service on or after December 31, 2003 and on or before January 31, 2004; and

(5) have, by the date of withdrawal or by January 31, 2004, whichever is earlier, attained age 50 with at least 10 years of creditable service in one or more participating systems under the Retirement Systems Reciprocal Act, without including any creditable service established under this Section.

(b) An eligible person may establish up to 5 years of creditable service under this Section, in increments of one month, by making the contributions specified in subsection (c). In addition, for each month of creditable service established under this Section, a person's age at retirement shall be deemed to be one month older than it actually is, except for purposes of determining age under item (5) of subsection (a).

The creditable service established under this Section may be used for all purposes under this Article and the Retirement Systems Reciprocal Act, except for the computation of highest average annual salary under Section 12-133 or the determination of salary under this or any other Article of this Code.

(c) For each month of creditable service established under this Section, the person must pay to the Fund an employee contribution to be determined by the Fund, equal to 4.50% of the person's monthly salary rate on the date of withdrawal from service. Subject to the requirements of subsection (d), the

person may elect to pay the required employee contribution before the retirement annuity commences or through deductions from the retirement annuity over a period not longer than 24 months.

If a person who retires dies before all payments of the employee contribution have been made, the remaining payments shall be deducted from any survivor or death benefits payable to the employee's surviving spouse or beneficiary.

Notwithstanding any provision in this Article to the contrary, all employee contributions paid under this Section shall not be deemed employee contributions for the purpose of determining the tax levy under Section 12-149. Notwithstanding any provision in this Article to the contrary, the employer shall not make a contribution for any credit established by an employee under subsection (b) of this Section. Employee contributions made under this Section may be refunded under the same terms and conditions as other employee contributions under this Article.

(d) A person who retires under the provisions of this Section shall be entitled to have his or her retirement annuity calculated under the provisions of Section 12-133, except that the retirement annuity shall not be subject to reduction for retirement under age 60.

(e) Notwithstanding Section 12-146 of this Article, an annuitant who reenters service under this Article after receiving a retirement annuity based on additional benefits provided under this Section thereby forfeits the right to continue to receive those benefits, and upon again retiring shall have his or her retirement annuity recalculated at the appropriate time without the additional benefits provided in this Section.

(40 ILCS 5/12-133.7 new)

Sec. 12-133.7. Early retirement incentive for employees who have earned maximum pension benefits. A person who is eligible for the benefits provided under Section 12-133.6 and who, if he or she had retired on or before January 31, 2004, would have been entitled to a pension equal to 80% of his or her highest average salary for any 4 consecutive years within the last 10 years of service immediately preceding January 31, 2004 without receiving the benefits provided in Section 12-133.6 may elect, by filing a written election with the Fund by December 31, 2003, to receive a lump sum from the Fund on his or her last day of employment equal to 100% of his or her salary for the year ending on January 31, 2004 or the date of withdrawal, whichever is earlier. To be eligible to receive the benefit provided under this Section, the person must withdraw from service on or after December 31, 2003 and on or before January 31, 2004. If a person elects to receive the benefit provided under this Section, his or her retirement annuity otherwise payable under Section 12-133 shall be reduced by an amount equal to the actuarial equivalent of the lump sum. If a person elects to receive the benefit provided under this Section, the resulting reduction in retirement annuity under this Section shall not affect the amount of any widow's service annuity or widow's prior service annuity under Section 12-135 or any optional reversionary annuity for a surviving spouse under Section 12-136.1.

(40 ILCS 5/12-149) (from Ch. 108 1/2, par. 12-149)

Sec. 12-149. Financing. The board of park commissioners of any such park district shall annually levy a tax (in addition to the taxes now authorized by law) upon all taxable property embraced in the district, at the rate which, when added to the employee contributions under this Article and applied to the fund created hereunder, shall be sufficient to provide for the purposes of this Article in accordance with the provisions thereof. Such tax shall be levied and collected with and in like manner as the general taxes of such district, and shall not in any event be included within any limitations of rate for general park purposes as now or hereafter provided by law, but shall be excluded therefrom and be in addition thereto. The amount of such annual tax to and including the year 1977 shall not exceed .0275% of the value, as equalized or assessed by the Department of Revenue, of all taxable property embraced within the park district, provided that for the year 1978, and for each year thereafter, the amount of such annual tax shall be at a rate on the dollar of assessed valuation of all taxable property that will produce, when extended, for the year 1978 the following sum: 0.825 times the amount of employee contributions during the fiscal year 1976; for the year 1979, 0.85 times the amount of employee contributions during the fiscal year 1977; for the year 1980, 0.90 times the amount of employee contributions during the fiscal year 1978; for the year 1981, 0.95 times the amount of employee contributions during the fiscal year 1979; for the year 1982, 1.00 times the amount of employee contributions during the fiscal year 1980; for the year 1983, 1.05 times the amount of contributions made on behalf of employees during the fiscal year 1981; and for the year 1984 and each year thereafter, an amount equal to 1.10 times the employee contributions during the fiscal year 2-years prior to the year for which the applicable tax is levied. As used in this Section, the term "employee contributions" means contributions by employees for retirement annuity, spouse's annuity, automatic increase in retirement annuity, and death benefit.

In respect to park district employees, other than policemen, who are transferred to the employment of a city by virtue of the "Exchange of Functions Act of 1957", the corporate authorities of the city shall

annually levy a tax upon all taxable property embraced in the city, as equalized or assessed by the Department of Revenue, at such rate per cent of the value of such property as shall be sufficient, when added to the amounts deducted from the salary or wages of such employees, to provide the benefits to which such employees, their dependents and beneficiaries are entitled under the provisions of this Article. The park district shall not levy a tax hereunder in respect to such employees. The tax levied by the city under authority of this Article shall be in addition to and exclusive of all other taxes authorized by law to be levied by the city for corporate, annuity fund or other purposes.

All moneys accruing from the levy and collection of taxes, pursuant to this section, shall be remitted to the board by the employers as soon as they are received. Where a city has levied a tax pursuant to this Section in respect to park district employees transferred to the employment of a city, the treasurer of such city or other authorized officer shall remit the moneys accruing from the levy and collection of such tax as soon as they are received. Such remittances shall be made upon a pro rata share basis, whereby each employer shall pay to the board such employer's proportionate percentage of each payment of taxes received by it, according to the ratio which its tax levy for this fund bears to the total tax levy of such employer.

Should any board of park commissioners included under the provisions of this Article be without authority to levy the tax provided in this Section the corporation authorities (meaning the supervisor, clerk and assessor) of the town or towns for which such board shall be the board of park commissioners shall levy such tax.

Employer contributions to the Fund may be reduced by $5,000,000 for calendar years 2004 and 2005. (Source: P.A. 81-1536.)

Section 90.

The State Mandates Act is amended by adding Section 8.27 as follows:

(30 ILCS 805/8.27 new)

Sec. 8.27. 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 this amendatory Act of the 93rd General Assembly.

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

Under the rules, the foregoing **Senate Bill No. 1704**, with House Amendment No. 1 was referred to the Secretary's Desk.

A message from the House by

Mr. Bolin, Assistant Clerk:

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

HOUSE BILL 576

A bill for AN ACT concerning the death penalty.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 576

Senate Amendment No. 2 to HOUSE BILL NO. 576

Concurred in by the House, November 19, 2003.

BRADLEY S. BOLIN, Assistant Clerk of the House

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

On motion of Senator Cullerton, **Senate Bill No. 963**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 56; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Sullivan, D.
Bomke	Haine	Obama	Sullivan, J.
Brady	Halvorson	Peterson	Syverson
Burzynski	Harmon	Radogno	Trotter
Clayborne	Hendon	Rauschenberger	Viverito
Collins	Hunter	Righter	Walsh
Cronin	Jacobs	Risinger	Watson
Crotty	Jones, J.	Ronen	Welch
Cullerton	Jones, W.	Rutherford	Winkel
del Valle	Lauzen	Sandoval	Wojcik
DeLeo	Lightford	Schoenberg	Mr. President
Demuzio	Link	Shadid	
Dillard	Luechtefeld	Sieben	
Forby	Maloney	Silverstein	
Garrett	Meeks	Soden	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 963**.

Ordered that the Secretary inform the House of Representatives thereof.

LEGISLATIVE MEASURES FILED

The following Floor amendments to the House Bills listed below have been filed with the Secretary, and referred to the Committee on Rules:

Senate Floor Amendment No. 1 to House Bill 585

REPORTS FROM RULES COMMITTEE

Senator Demuzio, Chairperson of the Committee on Rules, during its November 19, 2003 meeting, reported the following Legislative Measure has been assigned to the indicated Standing Committee of the Senate:

Environment and Energy: **Senate Floor Amendment No. 4 to House Bill 2200**.

Senator Demuzio, Chairperson of the Committee on Rules, during its November 19, 2003 meeting, reported the following Joint Action Motion has been assigned to the indicated Standing Committee of the Senate:

Executive: **Motion to Concur in House Amendment 1 to Senate Bill 713**

Senator Demuzio, Chairperson of the Committee on Rules, to which was referred **House Bill No. 585** on July 1, 2003, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **House Bill No. 585** was returned to the order of third reading.

Senator Demuzio, Chairperson of the Committee on Rules, during its November 19, 2003 meeting, reported the following Legislative Measure has been assigned to the indicated Standing Committee of the Senate:

Executive: **Senate Floor Amendment No. 1 to House Bill 585**.

Senator Demuzio, Chairperson of the Committee on Rules, during its November 19, 2003 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Executive: **Motion to Concur in House Amendment 1 to Senate Bill 978; Motion to Concur in House Amendment 1 to Senate Bill 1656**

Insurance and Pensions: **Motion to Concur in House Amendment 1 to Senate Bill 1704**

Senator Demuzio, Chairperson of the Committee on Rules, to which was referred **Senate Bill No. 713** on July 1, 2003, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **Senate Bill No. 713** was returned to the order Secretary's Desk Concurrence.

COMMITTEE MEETING ANNOUNCEMENT

Senator Clayborne, Chairperson of the Committee on Environment and Energy announced that the Environment and Energy Committee will meet today in Room 212 Capitol Building, at 6:55 o'clock p.m.

CONSIDERATION OF HOUSE BILL VETOED BY THE GOVERNOR

Pursuant to the Motion in Writing filed on Thursday, November 13, 2003 and journalized Friday, November 14, 2003, Senator Cullerton moved to accept the Governor's specific recommendations for change to **House Bill No. 2545**.

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

Yeas 34; Nays 24.

The following voted in the affirmative:

Clayborne	Forby	Lightford	Schoenberg
Collins	Garrett	Link	Shadid
Cronin	Geo-Karis	Maloney	Silverstein
Crotty	Haine	Meeks	Trotter
Cullerton	Halvorson	Munoz	Viverito
del Valle	Harmon	Obama	Walsh
DeLeo	Hendon	Ronen	Mr. President
Demuzio	Hunter	Rutherford	
Dillard	Jacobs	Sandoval	

The following voted in the negative:

Althoff	Luechtefeld	Roskam	Welch
Bomke	Peterson	Sieben	Winkel
Brady	Petka	Soden	Wojcik
Burzynski	Radogno	Sullivan, D.	
Jones, J.	Rauschenberger	Sullivan, J.	
Jones, W.	Righter	Syverson	
Lauzen	Risinger	Watson	

The motion prevailed.

And the Senate concurred with the House in the adoption of the Governor's specific recommendations for change to **House Bill No. 2545.**

Ordered that the Secretary inform the House of Representatives thereof.

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

On motion of Senator del Valle, **Senate Bill No. 1957**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Munoz	Silverstein
Bomke	Haine	Obama	Soden
Brady	Halvorson	Peterson	Sullivan, D.
Burzynski	Harmon	Petka	Sullivan, J.
Clayborne	Hendon	Radogno	Syverson
Collins	Hunter	Rauschenberger	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Welch
DeLeo	Lightford	Rutherford	Winkel
Demuzio	Link	Sandoval	Wojcik
Dillard	Luechtefeld	Schoenberg	Mr. President
Forby	Maloney	Shadid	
Garrett	Meeks	Sieben	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1957**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 5:57 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 7:45 o'clock p.m., the Senate resumed consideration of business.

Senator Welch, presiding.

LEGISLATIVE MEASURES FILED

The following Floor amendments to the House Bills listed below have been filed with the Secretary, and referred to the Committee on Rules:

Senate Floor Amendment No. 2 to House Bill 585
Senate Floor Amendment No. 1 to House Bill 810
Senate Floor Amendment No. 2 to House Bill 863

REPORT FROM STANDING COMMITTEE

Clayborne, Chairperson of the Committee on Environment and Energy to which was referred the following Senate floor amendment reported that the Committee recommends that it be adopted:

Senate Amendment No. 4 to House Bill 2200

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

At the hour of 7:45 o'clock p.m., the Chair announced that the Senate stand adjourned until Thursday, November 20, 2003, at 11:00 o'clock a.m.