



SENATE JOURNAL

STATE OF ILLINOIS

NINETY-FOURTH GENERAL ASSEMBLY

106TH LEGISLATIVE DAY

TUESDAY, MAY 2, 2006

12:15 O'CLOCK P.M.

NO. 106

[May 2, 2006]

SENATE
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106th Legislative Day

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The Senate met pursuant to adjournment.
 Senator Debbie DeFrancesco Halvorson, Crete, Illinois, presiding.
 Prayer by Pastor Jerry Doss, Abundant Faith Christian Center, Springfield, Illinois.
 Senator Maloney led the Senate in the Pledge of Allegiance.

The Journal of Monday, April 10, 2006, was being read when on motion of Senator Hunter, 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.

The Journal of Tuesday, April 11, 2006, was being read when on motion of Senator Hunter, 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.

The Journal of Tuesday, April 18, 2006, was being read when on motion of Senator Hunter, 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.

The Journal of Thursday, April 20, 2006, was being read when on motion of Senator Hunter, 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.

The Journal of Tuesday, April 25, 2006, was being read when on motion of Senator Hunter, 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.

The Journal of Thursday, April 27, 2006, was being read when on motion of Senator Hunter, 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.

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION 735

Offered by Senator Dillard and all Senators:
 Mourns the death of Judge Charles Edward Ruth of Hinsdale.

SENATE RESOLUTION 736

Offered by Senator Clayborne and all Senators:
 Mourns the death of Michael A. Tolden of O'Fallon.

SENATE RESOLUTION 737

Offered by Senator Link and all Senators:
 Mourns the death of Agatha Simmonds of North Chicago.

SENATE RESOLUTION 738

Offered by Senator Link and all Senators:
 Mourns the death of Margaret "Peggy" Roach.

SENATE RESOLUTION 739

Offered by Senators Peterson – W. Jones and all Senators:
 Mourns the death of Ralph R. Sowka of Palatine.

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

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

SENATE RESOLUTION NO. 740

WHEREAS, On March 7, 1965, a group of civil rights marchers gathered at the Edmund Pettus bridge in Selma, Alabama, and their efforts to advance equal voting rights brought a brutal and bloody response; 8 days later President Johnson called for a comprehensive and effective voting rights bill to guarantee to our citizens the rights contained in the 14th and 15th Amendments to the United States Constitution; a bipartisan Congress approved landmark legislation, and on August 6, 1965, President Johnson signed the Voting Rights Act into law; and

WHEREAS, Considered one of the most successful pieces of civil rights legislation ever adopted, the Act bans literacy tests and poll taxes, outlaws intimidation during the electoral process, authorizes federal election monitors and observers, and creates various means for protecting and enforcing racial and language minority voting rights; the Act was amended in 1975 to facilitate equal political opportunity for language minority citizens and in 1982 to protect the rights of voters with disabilities; and

WHEREAS, Despite noteworthy progress from 40 years of enforcement of the Act, voter inequities, disparities, and obstacles still remain for many minority voters; and

WHEREAS, Section 5 of the Act is scheduled to expire in 2007; this Section contains a special enforcement provision targeted at those areas of the country where Congress believes the potential for discrimination to be high and prohibits any change affecting voters until the Attorney General has determined that the change will not worsen the ability of minority voters to vote; Sections 4(f) and 203 will also expire in 2007; these Sections require bilingual voting assistance for language minority communities in certain jurisdictions; the language minority provisions apply to 4 language minority groups: American Indians, Asian Americans, Alaskan natives, and persons of Spanish heritage; and

WHEREAS, The Voting Rights Act is a critical link in the struggle to enfranchise the politically marginalized; without reauthorization of these special provisions of the Act, America risks a resurgence of voter discrimination; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the Senate memorializes the Congress of the United States to extend these critical provisions of the Voting Rights Act of 1965; and be it further

RESOLVED, That copies of this resolution be presented to the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives, and each member of the Illinois congressional delegation.

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

SENATE RESOLUTION NO. 741

WHEREAS, On June 29, 1956, President Dwight D. Eisenhower signed into law the Federal-Aid Highway Act of 1956 (Public Law 84-627; 70 Stat. 374) to establish the 41,000-mile National System of Interstate and Defense Highways, later designated as the "Dwight D. Eisenhower National System of Interstate and Defense Highways", and the Highway Revenue Act of 1956 (Public Law 84-627; 70 Stat. 387) to create the Highway Trust Fund; and

WHEREAS, In 1990, the National System of Interstate and Defense Highways was renamed the Dwight D. Eisenhower System of Interstate and Defense Highways to recognize the role of President Eisenhower in the creation of the Interstate Highway System; and

WHEREAS, That web of superhighways, now spanning a total of 46,876 miles throughout the United
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States, has had a powerful and positive impact on the lives of citizens of Illinois; and

WHEREAS, The Interstate System has proven to be a vital tool for transporting people and goods from one region to another speedily and safely; and

WHEREAS, The use of the Interstate System has helped the nation facilitate domestic and global trade and has allowed the nation to create unprecedented economic expansion and opportunities for millions of U.S. citizens; and

WHEREAS, The Interstate System has enabled diverse communities throughout the United States to come closer together and has allowed United States citizens to remain connected to each other as well as to the larger world; and

WHEREAS, The Interstate System has made it easier and more enjoyable for Illinois citizens to travel to long-distance destinations and spend time with family members and friends who live far away; and

WHEREAS, The Interstate System is a pivotal link in the national chain of defense and emergency preparedness efforts; and

WHEREAS, The Interstate System remains one of the paramount assets of the United States as well as a symbol of human ingenuity and freedom; and

WHEREAS, The anniversary of the Interstate System provides all citizens with an occasion to honor one of the largest public works achievements of all time and to reflect on how the nation can maintain the effectiveness of the System in the years ahead; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we recognize 2006 as the Golden Anniversary Year of the Dwight D. Eisenhower National System of Interstate and Defense Highways; and be it further

RESOLVED, We recognize and celebrate the achievements of the Federal Highway Administration, the Illinois Department of Transportation, and the highway construction industry in Illinois, including contractors, designers, engineers, labor, materials producers, and equipment companies, for their contributions to the quality of life of the citizens of Illinois; and be it further

RESOLVED, That we encourage citizens, communities, governmental agencies, and other organizations to promote and participate in celebratory and educational activities that mark this uniquely important and historic milestone; and be it further

RESOLVED, That a suitable copy of this resolution be presented to the Illinois Department of Transportation.

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

SENATE JOINT RESOLUTION NO. 91

WHEREAS, In 1997, Section 6.9 was added to the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9); the new statute called for the establishment of a uniform program of health benefits for certain community college benefit recipients and their dependent beneficiaries, to be under the administration of the Department of Central Management Services; this program is now known as the College Insurance Program; and

WHEREAS, Participating retirees, current employees, and affected community college employers have suggested that it is time for an evaluation of the College Insurance Program; and

WHEREAS, The City Colleges of Chicago, administered under Article VII of the Public Community College Act, are expressly excluded from the College Insurance Program under the statute; and

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WHEREAS, The City Colleges of Chicago, and their employees and retirees, have sought to be included in the College Insurance Program; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, that there is created the Joint Task Force on the College Insurance Program, consisting of the following members: one chairperson appointed by the Governor, one member appointed by the President of the Senate, one member appointed by the Minority Leader of the Senate, one member appointed by the Speaker of the House of Representatives, one member appointed by the Minority Leader of the House of Representatives, and 5 members appointed by the Governor, one each representing (i) a statewide organization representing community college trustees, (ii) a statewide retirees association, (iii) an education labor organization representing teachers primarily in Cook County, (iv) an education labor organization representing teachers primarily outside Cook County, and (v) a community college currently participating in the College Insurance Program; and that these appointments shall be made by June 1, 2006; and be it further

RESOLVED, That the following officials shall serve, ex officio, as members of the Task Force: the Director of the Governor's Office of Management and Budget, the Chancellor of the City Colleges of Chicago, and the Chairman of the Illinois Community College Board; and be it further

RESOLVED, That the Task Force shall (1) investigate the current state of the College Insurance Program and (2) consider the inclusion of the retirees of the City Colleges of Chicago, and shall report its findings and recommendations to the General Assembly by October 31, 2006; and be it further

RESOLVED, That the Department of Healthcare and Family Services shall provide staff support to the Task Force, as necessary; and be it further

RESOLVED, That copies of this resolution be delivered to the Governor, the Director of the Governor's Office of Management and Budget, the Chancellor of the City Colleges of Chicago, and the Chairman of the Illinois Community College Board.

MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mahoney, 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. 17

A bill for AN ACT in relation to economic development.

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

House Amendment No. 1 to SENATE BILL NO. 17

House Amendment No. 3 to SENATE BILL NO. 17

Passed the House, as amended, May 1, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 17

AMENDMENT NO. 1. Amend Senate Bill 17 by replacing everything after the enacting clause with the following:

"Section 5. Short title. This Act may be cited as the Southern Illinois Economic Development Authority Act.

Section 10. Findings. The General Assembly determines and declares the following:

(1) that labor surplus areas currently exist in southern Illinois;

(2) that the economic burdens resulting from involuntary unemployment fall, in part, upon the State in

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the form of increased need for public assistance and reduced tax revenues and, in the event that the unemployed worker and his or her family migrate elsewhere to find work, the burden 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;

(3) 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 and service businesses and industrial and manufacturing plants within the southern region of Illinois;

(4) that a lack of decent housing contributes to urban blight, crime, anti-social behavior, disease, a higher need for public assistance, reduced tax revenues, and the migration of workers and their families away from areas which fail to offer adequate, decent, and affordable housing;

(5) that decent, affordable housing is a necessary ingredient of life affording each citizen basic human dignity, a sense of self-worth, confidence, and a firm foundation upon which to build a family and educate children;

(6) that in order to foster civic and neighborhood pride, citizens require access to educational institutions, recreation, parks and open spaces, entertainment, sports, a reliable transportation network, cultural facilities, and theaters; and

(7) that the main purpose of this Act is to promote industrial, commercial, residential, service, transportation, and recreational activities and facilities, thereby reducing the evils attendant upon unemployment and enhancing the public health, safety, morals, happiness, and general welfare of the State.

Section 15. Definitions. In this Act:

"Authority" means the Southern Illinois Economic Development Authority.

"Governmental agency" means any federal, State, or local governmental body and any agency or instrumentality thereof, corporate or otherwise.

"Person" means any natural person, firm, partnership, corporation, both domestic and foreign, company, association or joint stock association and includes any trustee, receiver, assignee or personal representative thereof.

"Revenue bond" means any bond issued by the Authority, the principal and interest of which is payable solely from revenues or income derived from any project or activity of the Authority.

"Board" means the Board of Directors of the Southern Illinois Economic Development Authority.

"Governor" means the Governor of the State of Illinois.

"City" means any city, village, incorporated town, or township within the geographical territory of the Authority.

"Industrial project" means the following:

(1) a capital project, including one or more buildings and other structures, improvements, machinery and equipment whether or not on the same site or sites now existing or hereafter acquired, suitable for use by any manufacturing, industrial, research, transportation or commercial enterprise including but not limited to use as a factory, mill, processing plant, assembly plant, packaging plant, fabricating plant, ethanol plant, office building, industrial distribution center, warehouse, repair, overhaul or service facility, freight terminal, research facility, test facility, railroad facility, port facility, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or waste reduction, recovery, treatment and disposal facilities, and including also the sites thereof and other rights in land therefore whether improved or unimproved, site preparation and landscaping and all appurtenances and facilities incidental thereto such as utilities, access roads, railroad sidings, truck docking and similar facilities, parking facilities, dockage, wharfage, railroad roadbed, track, trestle, depot, terminal, switching and signaling equipment or related equipment and other improvements necessary or convenient thereto; or

(2) any land, buildings, machinery or equipment comprising an addition to or renovation, rehabilitation or improvement of any existing capital project.

"Commercial project" means any project, including, but not limited to, one or more buildings and other structures, improvements, machinery, and equipment, whether or not on the same site or sites now existing or hereafter acquired, suitable for use by any retail or wholesale concern, distributorship, or agency.

"Project" means an industrial, housing, residential, commercial, or service project, or any combination thereof, provided that all uses fall within one of the categories described above. Any project automatically includes all site improvements and new construction involving sidewalks, sewers, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or

waste reduction, recovery, treatment and disposal facilities, parks, open spaces, wildlife sanctuaries, streets, highways, and runways.

"Lease agreement" means an agreement in which a project acquired by the Authority by purchase, gift, or lease is leased to any person or corporation that will use, or cause the project to be used, as a project, upon terms providing for lease rental payments at least sufficient to pay, when due, all principal of and interest and premium, if any, on any bonds, notes, or other evidences of indebtedness of the Authority, issued with respect to the project, providing for the maintenance, insurance, and operation of the project on terms satisfactory to the Authority and providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, with other terms as may be deemed desirable by the Authority.

"Loan agreement" means any agreement in which the Authority agrees to loan the proceeds of its bonds, notes, or other evidences of indebtedness, issued with respect to a project, to any person or corporation which will use or cause the project to be used as a project, upon terms providing for loan repayment installments at least sufficient to pay, when due, all principal of and interest and premium, if any, on any bonds, notes, or other evidences of indebtedness of the Authority issued with respect to the project, providing for maintenance, insurance, and operation of the project on terms satisfactory to the Authority and providing for other terms deemed advisable by the Authority.

"Financial aid" means the expenditure of Authority funds or funds provided by the Authority for the development, construction, acquisition or improvement of a project, through the issuance of revenue bonds, notes, or other evidences of indebtedness.

"Costs incurred in connection with the development, construction, acquisition or improvement of a project" means the following:

(1) the cost of purchase and construction of all lands and improvements in connection therewith and equipment and other property, rights, easements, and franchises acquired which are deemed necessary for the construction;

(2) financing charges;

(3) interest costs with respect to bonds, notes, and other evidences of indebtedness of the Authority prior to and during construction and for a period of 6 months thereafter;

(4) engineering and legal expenses; and

(5) the costs of plans, specifications, surveys, and estimates of costs and other expenses necessary or incident to determining the feasibility or practicability of any project, together with such other expenses as may be necessary or incident to the financing, insuring, acquisition, and construction of a specific project and the placing of the same in operation.

Section 20. Creation.

(a) There is created a political subdivision, body politic, and municipal corporation named the Southern Illinois Economic Development Authority. The territorial jurisdiction of the Authority is that geographic area within the boundaries of the following counties: Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, and Massac and any navigable waters and air space located therein.

(b) The governing and administrative powers of the Authority shall be vested in a body consisting of 21 members as follows:

(1) Ex officio member. The Director of Commerce and Economic Opportunity, or a designee of that Department, shall serve as an ex officio member.

(2) Public members. Six members shall be appointed by the Governor with the advice and

consent of the Senate. The county board chairmen of the following counties shall each appoint one member: Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, and Massac. All public members shall reside within the territorial jurisdiction of the Authority. The public members shall be persons of recognized ability and experience in one or more of the following areas: economic development, finance, banking, industrial development, state or local government, commercial agriculture, small business management, real estate development, community development, venture finance, organized labor, or civic or community organization.

(c) 11 members shall constitute a quorum.

(d) The chairman of the Authority shall be elected annually by the Board and must be a public member that resides within the territorial jurisdiction of the Authority.

(e) The terms of all initial members of the Authority shall begin 30 days after the effective date of this Act. Of the 6 original public members appointed by the Governor, 2 shall serve until the third Monday in January, 2007; 1 shall serve until the third Monday in January, 2008; 1 shall serve until the third Monday

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in January, 2009; 1 shall serve until the third Monday in January, 2010; and 1 shall serve until the third Monday in January, 2011. The initial terms of the original public members appointed by the county board chairmen shall be determined by lot, according to the following schedule: (i) 3 shall serve until the third Monday in January, 2007, (ii) 3 shall serve until the third Monday in January, 2008, (iii) 3 shall serve until the third Monday in January, 2009, (iv) 3 shall serve until the third Monday in January, 2010, and (v) 2 shall serve until the third Monday in January, 2011. All successors to these original public members shall be appointed by the original appointing authority and all appointments made by the Governor shall be made with the advice and consent of the Senate, pursuant to subsection (b), and shall hold office for a term of 6 years commencing the third Monday in January of the year in which their term commences, except in the case of an appointment to fill a vacancy. Vacancies occurring among the public members shall be filled for the remainder of the term. In case of vacancy in a Governor-appointed membership when the Senate is not in session, the Governor may make a temporary appointment until the next meeting of the Senate when a person shall be nominated to fill the office and, upon confirmation by the Senate, he or she shall hold office during the remainder of the term and until a successor is appointed and qualified. Members of the Authority are not entitled to compensation for their services as members but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members.

(f) The Governor may remove any public member of the Authority in case of incompetence, neglect of duty, or malfeasance in office. The chairman of a county board may remove any public member appointed by that chairman in the case of incompetence, neglect of duty, or malfeasance in office.

(g) The Board shall appoint an Executive Director who shall have a background in finance, including familiarity with the legal and procedural requirements of issuing bonds, real estate, or economic development and administration. The Executive Director shall hold office at the discretion of the Board. The Executive Director shall be the chief administrative and operational officer of the Authority, shall direct and supervise its administrative affairs and general management, perform such other duties as may be prescribed from time to time by the members, and receive compensation fixed by the Authority. The Department of Commerce and Community Affairs shall pay the compensation of the Executive Director from appropriations received for that purpose. The Executive Director shall attend all meetings of the Authority. However, no action of the Authority shall be invalid on account of the absence of the Executive Director from a meeting. The Authority may engage the services of the Illinois Finance Authority, attorneys, appraisers, engineers, accountants, credit analysts, and other consultants if the Southern Illinois Economic Development Authority deems it advisable.

Section 25. Duty. All official acts of the Authority shall require the approval of at least 11 members. It shall be the duty of the Authority to promote development within the geographic confines of Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, and Massac counties. The Authority shall use the powers conferred upon it to assist in the development, construction, and acquisition of industrial, commercial, housing, or residential projects within those counties.

Section 30. Powers.

(a) The Authority possesses all the powers of a body corporate necessary and convenient to accomplish the purposes of this Act, including, without any intended limitation upon the general powers hereby conferred, the following powers:

- (1) to enter into loans, contracts, agreements, and mortgages in any matter connected with any of its corporate purposes and to invest its funds;
- (2) to sue and be sued;
- (3) to utilize services of the Illinois Finance Authority necessary to carry out its purposes;
- (4) to have and use a common seal and to alter the seal at its discretion;
- (5) to adopt all needful ordinances, resolutions, bylaws, rules, and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired, and improved in furtherance of its purposes;
- (6) to designate the fiscal year for the Authority;
- (7) to accept and expend appropriations;
- (8) to acquire, own, lease, sell, or otherwise dispose of interests in and to real property and improvements situated on that real property and in personal property necessary to fulfill the purposes of the Authority;
- (9) to engage in any activity or operation which is incidental to and in furtherance of

efficient operation to accomplish the Authority's primary purpose;

(10) to acquire, own, construct, lease, operate, and maintain bridges, terminals, terminal facilities, and port facilities and to fix and collect just, reasonable, and nondiscriminatory charges for the use of such facilities. These charges shall be used to defray the reasonable expenses of the Authority and to pay the principal and interest of any revenue bonds issued by the Authority;

(11) subject to any applicable condition imposed by this Act, to locate, establish and maintain a public airport, public airports and public airport facilities within its corporate limits or within or upon any body of water adjacent thereto and to construct, develop, expand, extend and improve any such airport or airport facility; and

(12) to have and exercise all powers and be subject to all duties usually incident to boards of directors of corporations.

(b) The Authority shall not issue any bonds relating to the financing of a project located within the planning and subdivision control jurisdiction of any municipality or county unless: (i) notice, including a description of the proposed project and the financing for that project, is submitted to the corporate authorities of the municipality or, in the case of a proposed project in an unincorporated area, to the county board and (ii) the corporate authorities of the municipality do not, or the county board does not, adopt a resolution disapproving the project within 45 days after receipt of the notice.

(c) If any of the powers set forth in this Act are exercised within the jurisdictional limits of any municipality, all ordinances of the municipality remain in full force and effect and are controlling.

Section 35. Tax avoidance. Notwithstanding any other provision of law, the Authority shall not enter into any agreement providing for the purchase and lease of tangible personal property which results in the avoidance of taxation under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, or the Service Occupation Tax Act, without the prior written consent of the Governor.

Section 40. Bonds.

(a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed \$250,000,000 for the following purposes: (i) development, construction, acquisition, or improvement of projects, including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority; (ii) entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority; (iii) acquisition and improvement of any property necessary and useful in connection therewith; and (iv) for the purposes of the Employee Ownership Assistance Act. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time, issue and dispose of its interest-bearing revenue bonds, notes, or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes, or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any bonds, notes, or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such bonds, notes, or other evidences of indebtedness shall be payable solely and only from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects, or from any other funds available to the Authority for such purposes. The bonds, notes, or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may bear interest at such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium, as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided by an applicable resolution.

The bonds must be issued under the supervision of the Illinois Finance Authority, as set forth under Section 825-13 of the Illinois Finance Authority Act.

(b) The holder or holders of any bonds, notes, or other evidences of indebtedness issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of the bonds, notes, or other evidences of indebtedness, to compel such corporation, person, the Authority, and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of the bonds, notes, or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to enjoin the corporation, person, the Authority, and any of its agents or employees from taking any action in conflict with any contract or covenant.

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

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

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

(f) Bonds or notes shall be secured as provided in the authorizing ordinance which may include, notwithstanding any other provision of this Act, in addition to any other security, a specific pledge, assignment of and lien on, or security interest in any or all revenues or money of the Authority, from whatever source, which may, by law, be used for debt service purposes and a specific pledge, or assignment of and lien on, or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of the bonds or notes.

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

(h) Not less than 30 days prior to the commitment to issue bonds, notes, or other evidences of indebtedness for the purpose of developing, constructing, acquiring, or improving housing or residential projects, as defined in this Act, the Authority shall provide notice to the Executive Director of the Illinois Housing Development Authority. Within 30 days after the notice is provided, the Illinois Housing Development Authority shall, in writing, either express interest in financing the project or notify the Authority that it is not interested in providing financing and that the Authority may finance the project or seek alternative financing.

Section 45. Bonds and notes; exemption from taxation. The creation of the Authority is in all respects for the benefit of the people of Illinois and for the improvement of their health, safety, welfare, comfort, and security, and its purposes are public purposes. In consideration thereof, the notes and bonds of the Authority issued pursuant to this Act and the income from these notes and bonds may be free from all taxation by the State or its political subdivisions, exempt for estate, transfer, and inheritance taxes. The exemption from taxation provided by the preceding sentence shall apply to the income on any notes or bonds of the Authority only if the Authority in its sole judgment determines that the exemption enhances the marketability of the bonds or notes or reduces the interest rates that would otherwise be borne by the bonds or notes. For purposes of Section 250 of the Illinois Income Tax Act, the exemption of the Authority shall terminate after all of the bonds have been paid. The amount of such income that shall be added and then subtracted on the Illinois income tax return of a taxpayer, subject to Section 203 of the

Illinois Income Tax Act, from federal adjusted gross income or federal taxable income in computing Illinois base income shall be the interest net of any bond premium amortization.

Section 50. Acquisition.

(a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have power to acquire by purchase, lease, gift, or otherwise any property or rights therein from any person or persons, the State of Illinois, any municipal corporation, any local unit of government, the government of the United States and any agency or instrumentality of the United States, any body politic, or any county useful for its purposes, whether improved for the purposes of any prospective project or unimproved. The Authority may also accept any donation of funds for its purposes from any of these sources.

(c) The Authority shall have power to develop, construct, and improve, either under its own direction or through collaboration with any approved applicant, or to acquire, through purchase or otherwise, any project, using for this purpose the proceeds derived from its sale of revenue bonds, notes, or other evidences of indebtedness or governmental loans or grants and shall have the power to hold title to those projects in the name of the Authority.

(d) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, or Massac, the Illinois Finance Authority, the Illinois Housing Development Authority, the United States government and any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority, or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(e) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois, and agencies or personnel of any unit of local government.

(f) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3, and 74.5 of Article 11 of the Illinois Municipal Code.

Section 60. Designation of depository. The Authority shall biennially designate a national or State bank or banks as depositories of its money. Such depositories shall be designated only within the State and upon condition that bonds approved as to form and surety by the Authority and at least equal in amount to the maximum sum expected to be on deposit at any one time shall be first given by such depositories to the Authority, such bonds to be conditioned for the safe keeping and prompt repayment of such deposits. When any of the funds of the Authority shall be deposited by the treasurer in any such depository, the treasurer and the sureties on his official bond shall, to such extent, be exempt from liability for the loss of any such deposited funds by reason of the failure, bankruptcy, or any other act or default of such depository; provided that the Authority may accept assignments of collateral by any depository of its funds to secure such deposits to the same extent and conditioned in the same manner as assignments of collateral are permitted by law to secure deposits of the funds of any city.

Section 65. Taxation prohibited. The Authority shall have no right or authority to levy any tax or special assessment, to pledge the credit of the State or any other subdivision or municipal corporation thereof, or to incur any obligation enforceable upon any property, either within or without the territory of the Authority.

Section 70. Fees. The Authority may collect fees and charges in connection with its loans, commitments, and servicing and may provide technical assistance in the development of the region.

Section 75. Reports. The Authority shall annually submit a report of its finances to the Auditor General. The Authority shall annually submit a report of its activities to the Governor and to the General Assembly.

Section 900. The Illinois Finance Authority Act is amended by adding Section 825-13 as follows:
(20 ILCS 3501/825-13 new)

Sec. 825-13. Supervision of regional development authority bond issuances.

(a) All bond issuances of a regional development authority are subject to supervision, management, control, and approval of the Authority.

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(b) All bonds issued by a regional development authority under the supervision of the Authority are subject to the same terms and conditions that are set forth in the applicable statutes regulating the issuance of bonds by the regional development authority.

(c) The bonds issued by a regional development authority under the supervision of the Authority are not debts of the Authority or the State.

(d) For purposes of this Section, "regional development authority" means the Southern Illinois Economic Development Authority.

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

AMENDMENT NO. 3 TO SENATE BILL 17

AMENDMENT NO. 3. Amend Senate Bill 17, AS AMENDED, by replacing everything after the enacting clause with the following:

"ARTICLE 5.

SOUTHERN ILLINOIS ECONOMIC DEVELOPMENT AUTHORITY ACT

Section 5-5. Short title. This Article may be cited as the Southern Illinois Economic Development Authority Act, and references in this Article to "this Act" mean this Article.

Section 5-10. Findings. The General Assembly determines and declares the following:

- (1) that labor surplus areas currently exist in southern Illinois;
- (2) that the economic burdens resulting from involuntary unemployment fall, in part, upon the State in the form of increased need for public assistance and reduced tax revenues and, in the event that the unemployed worker and his or her family migrate elsewhere to find work, the burden 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;
- (3) 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 and service businesses and industrial and manufacturing plants within the southern region of Illinois;
- (4) that a lack of decent housing contributes to urban blight, crime, anti-social behavior, disease, a higher need for public assistance, reduced tax revenues, and the migration of workers and their families away from areas which fail to offer adequate, decent, and affordable housing;
- (5) that decent, affordable housing is a necessary ingredient of life affording each citizen basic human dignity, a sense of self-worth, confidence, and a firm foundation upon which to build a family and educate children;
- (6) that in order to foster civic and neighborhood pride, citizens require access to educational institutions, recreation, parks and open spaces, entertainment, sports, a reliable transportation network, cultural facilities, and theaters; and
- (7) that the main purpose of this Act is to promote industrial, commercial, residential, service, transportation, and recreational activities and facilities, thereby reducing the evils attendant upon unemployment and enhancing the public health, safety, morals, happiness, and general welfare of the State.

Section 5-15. Definitions. In this Act:

"Authority" means the Southern Illinois Economic Development Authority.

"Governmental agency" means any federal, State, or local governmental body and any agency or instrumentality thereof, corporate or otherwise.

"Person" means any natural person, firm, partnership, corporation, both domestic and foreign, company, association or joint stock association and includes any trustee, receiver, assignee or personal representative thereof.

"Revenue bond" means any bond issued by the Authority, the principal and interest of which is payable solely from revenues or income derived from any project or activity of the Authority.

"Board" means the Board of Directors of the Southern Illinois Economic Development Authority.

"Governor" means the Governor of the State of Illinois.

"City" means any city, village, incorporated town, or township within the geographical territory of the Authority.

"Industrial project" means the following:

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(1) a capital project, including one or more buildings and other structures, improvements, machinery and equipment whether or not on the same site or sites now existing or hereafter acquired, suitable for use by any manufacturing, industrial, research, transportation or commercial enterprise including but not limited to use as a factory, mill, processing plant, assembly plant, packaging plant, fabricating plant, ethanol plant, office building, industrial distribution center, warehouse, repair, overhaul or service facility, freight terminal, research facility, test facility, railroad facility, port facility, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or waste reduction, recovery, treatment and disposal facilities, and including also the sites thereof and other rights in land therefore whether improved or unimproved, site preparation and landscaping and all appurtenances and facilities incidental thereto such as utilities, access roads, railroad sidings, truck docking and similar facilities, parking facilities, dockage, wharfage, railroad roadbed, track, trestle, depot, terminal, switching and signaling equipment or related equipment and other improvements necessary or convenient thereto; or

(2) any land, buildings, machinery or equipment comprising an addition to or renovation, rehabilitation or improvement of any existing capital project.

"Commercial project" means any project, including, but not limited to, one or more buildings and other structures, improvements, machinery, and equipment, whether or not on the same site or sites now existing or hereafter acquired, suitable for use by any retail or wholesale concern, distributorship, or agency.

"Project" means an industrial, housing, residential, commercial, or service project, or any combination thereof, provided that all uses fall within one of the categories described above. Any project automatically includes all site improvements and new construction involving sidewalks, sewers, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or waste reduction, recovery, treatment and disposal facilities, parks, open spaces, wildlife sanctuaries, streets, highways, and runways.

"Lease agreement" means an agreement in which a project acquired by the Authority by purchase, gift, or lease is leased to any person or corporation that will use, or cause the project to be used, as a project, upon terms providing for lease rental payments at least sufficient to pay, when due, all principal of and interest and premium, if any, on any bonds, notes, or other evidences of indebtedness of the Authority, issued with respect to the project, providing for the maintenance, insurance, and operation of the project on terms satisfactory to the Authority and providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, with other terms as may be deemed desirable by the Authority.

"Loan agreement" means any agreement in which the Authority agrees to loan the proceeds of its bonds, notes, or other evidences of indebtedness, issued with respect to a project, to any person or corporation which will use or cause the project to be used as a project, upon terms providing for loan repayment installments at least sufficient to pay, when due, all principal of and interest and premium, if any, on any bonds, notes, or other evidences of indebtedness of the Authority issued with respect to the project, providing for maintenance, insurance, and operation of the project on terms satisfactory to the Authority and providing for other terms deemed advisable by the Authority.

"Financial aid" means the expenditure of Authority funds or funds provided by the Authority for the development, construction, acquisition or improvement of a project, through the issuance of revenue bonds, notes, or other evidences of indebtedness.

"Costs incurred in connection with the development, construction, acquisition or improvement of a project" means the following:

(1) the cost of purchase and construction of all lands and improvements in connection therewith and equipment and other property, rights, easements, and franchises acquired which are deemed necessary for the construction;

(2) financing charges;

(3) interest costs with respect to bonds, notes, and other evidences of indebtedness of the Authority prior to and during construction and for a period of 6 months thereafter;

(4) engineering and legal expenses; and

(5) the costs of plans, specifications, surveys, and estimates of costs and other expenses necessary or incident to determining the feasibility or practicability of any project, together with such other expenses as may be necessary or incident to the financing, insuring, acquisition, and construction of a specific project and the placing of the same in operation.

Section 5-20. Creation.

(a) There is created a political subdivision, body politic, and municipal corporation named the

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Southern Illinois Economic Development Authority. The territorial jurisdiction of the Authority is that geographic area within the boundaries of the following counties: Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, and Massac and any navigable waters and air space located therein.

(b) The governing and administrative powers of the Authority shall be vested in a body consisting of 21 members as follows:

(1) Ex officio member. The Director of Commerce and Economic Opportunity, or a designee of that Department, shall serve as an ex officio member.

(2) Public members. Six members shall be appointed by the Governor with the advice and consent of the Senate. The county board chairmen of the following counties shall each appoint one member: Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, and Massac. All public members shall reside within the territorial jurisdiction of the Authority. The public members shall be persons of recognized ability and experience in one or more of the following areas: economic development, finance, banking, industrial development, state or local government, commercial agriculture, small business management, real estate development, community development, venture finance, organized labor, or civic or community organization.

(c) 11 members shall constitute a quorum.

(d) The chairman of the Authority shall be elected annually by the Board and must be a public member that resides within the territorial jurisdiction of the Authority.

(e) The terms of all initial members of the Authority shall begin 30 days after the effective date of this Act. Of the 6 original public members appointed by the Governor, 2 shall serve until the third Monday in January, 2007; 1 shall serve until the third Monday in January, 2008; 1 shall serve until the third Monday in January, 2009; 1 shall serve until the third Monday in January, 2010; and 1 shall serve until the third Monday in January, 2011. The initial terms of the original public members appointed by the county board chairmen shall be determined by lot, according to the following schedule: (i) 3 shall serve until the third Monday in January, 2007, (ii) 3 shall serve until the third Monday in January, 2008, (iii) 3 shall serve until the third Monday in January, 2009, (iv) 3 shall serve until the third Monday in January, 2010, and (v) 2 shall serve until the third Monday in January, 2011. All successors to these original public members shall be appointed by the original appointing authority and all appointments made by the Governor shall be made with the advice and consent of the Senate, pursuant to subsection (b), and shall hold office for a term of 6 years commencing the third Monday in January of the year in which their term commences, except in the case of an appointment to fill a vacancy. Vacancies occurring among the public members shall be filled for the remainder of the term. In case of vacancy in a Governor-appointed membership when the Senate is not in session, the Governor may make a temporary appointment until the next meeting of the Senate when a person shall be nominated to fill the office and, upon confirmation by the Senate, he or she shall hold office during the remainder of the term and until a successor is appointed and qualified. Members of the Authority are not entitled to compensation for their services as members but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members.

(f) The Governor may remove any public member of the Authority in case of incompetence, neglect of duty, or malfeasance in office. The chairman of a county board may remove any public member appointed by that chairman in the case of incompetence, neglect of duty, or malfeasance in office.

(g) The Board shall appoint an Executive Director who shall have a background in finance, including familiarity with the legal and procedural requirements of issuing bonds, real estate, or economic development and administration. The Executive Director shall hold office at the discretion of the Board. The Executive Director shall be the chief administrative and operational officer of the Authority, shall direct and supervise its administrative affairs and general management, perform such other duties as may be prescribed from time to time by the members, and receive compensation fixed by the Authority. The Department of Commerce and Community Affairs shall pay the compensation of the Executive Director from appropriations received for that purpose. The Executive Director shall attend all meetings of the Authority. However, no action of the Authority shall be invalid on account of the absence of the Executive Director from a meeting. The Authority may engage the services of the Illinois Finance Authority, attorneys, appraisers, engineers, accountants, credit analysts, and other consultants if the Southern Illinois Economic Development Authority deems it advisable.

Section 5-25. Duty. All official acts of the Authority shall require the approval of at least 11 members. It shall be the duty of the Authority to promote development within the geographic confines of Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander,

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Pulaski, and Massac counties. The Authority shall use the powers conferred upon it to assist in the development, construction, and acquisition of industrial, commercial, housing, or residential projects within those counties.

Section 5-30. Powers.

(a) The Authority possesses all the powers of a body corporate necessary and convenient to accomplish the purposes of this Act, including, without any intended limitation upon the general powers hereby conferred, the following powers:

- (1) to enter into loans, contracts, agreements, and mortgages in any matter connected with any of its corporate purposes and to invest its funds;
- (2) to sue and be sued;
- (3) to utilize services of the Illinois Finance Authority necessary to carry out its purposes;
- (4) to have and use a common seal and to alter the seal at its discretion;
- (5) to adopt all needful ordinances, resolutions, bylaws, rules, and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired, and improved in furtherance of its purposes;
- (6) to designate the fiscal year for the Authority;
- (7) to accept and expend appropriations;
- (8) to acquire, own, lease, sell, or otherwise dispose of interests in and to real property and improvements situated on that real property and in personal property necessary to fulfill the purposes of the Authority;
- (9) to engage in any activity or operation which is incidental to and in furtherance of efficient operation to accomplish the Authority's primary purpose;
- (10) to acquire, own, construct, lease, operate, and maintain bridges, terminals, terminal facilities, and port facilities and to fix and collect just, reasonable, and nondiscriminatory charges for the use of such facilities. These charges shall be used to defray the reasonable expenses of the Authority and to pay the principal and interest of any revenue bonds issued by the Authority;
- (11) subject to any applicable condition imposed by this Act, to locate, establish and maintain a public airport, public airports and public airport facilities within its corporate limits or within or upon any body of water adjacent thereto and to construct, develop, expand, extend and improve any such airport or airport facility; and
- (12) to have and exercise all powers and be subject to all duties usually incident to boards of directors of corporations.

(b) The Authority shall not issue any bonds relating to the financing of a project located within the planning and subdivision control jurisdiction of any municipality or county unless: (i) notice, including a description of the proposed project and the financing for that project, is submitted to the corporate authorities of the municipality or, in the case of a proposed project in an unincorporated area, to the county board and (ii) the corporate authorities of the municipality do not, or the county board does not, adopt a resolution disapproving the project within 45 days after receipt of the notice.

(c) If any of the powers set forth in this Act are exercised within the jurisdictional limits of any municipality, all ordinances of the municipality remain in full force and effect and are controlling.

Section 5-35. Tax avoidance. Notwithstanding any other provision of law, the Authority shall not enter into any agreement providing for the purchase and lease of tangible personal property which results in the avoidance of taxation under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, or the Service Occupation Tax Act, without the prior written consent of the Governor.

Section 5-40. Bonds.

(a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed \$250,000,000 for the following purposes: (i) development, construction, acquisition, or improvement of projects, including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority; (ii) entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority; and (iii) acquisition and improvement of any property necessary and useful in connection therewith. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time, issue and dispose of its interest-bearing revenue bonds, notes, or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes, or other evidences of indebtedness to

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refund, at maturity, at a redemption date or in advance of either, any bonds, notes, or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such bonds, notes, or other evidences of indebtedness shall be payable solely and only from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects, or from any other funds available to the Authority for such purposes. The bonds, notes, or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may bear interest at such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium, as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided by an applicable resolution.

(b) The holder or holders of any bonds, notes, or other evidences of indebtedness issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of the bonds, notes, or other evidences of indebtedness, to compel such corporation, person, the Authority, and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of the bonds, notes, or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to enjoin the corporation, person, the Authority, and any of its agents or employees from taking any action in conflict with any contract or covenant.

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

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

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

(f) Bonds or notes shall be secured as provided in the authorizing ordinance which may include, notwithstanding any other provision of this Act, in addition to any other security, a specific pledge, assignment of and lien on, or security interest in any or all revenues or money of the Authority, from whatever source, which may, by law, be used for debt service purposes and a specific pledge, or assignment of and lien on, or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of the bonds or notes.

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

terms of any such contract. The Authority is authorized to include these pledges and agreements of the State in any contract with the holders of bonds or notes issued pursuant to this Section.

(h) Not less than 30 days prior to the commitment to issue bonds, notes, or other evidences of indebtedness for the purpose of developing, constructing, acquiring, or improving housing or residential projects, as defined in this Act, the Authority shall provide notice to the Executive Director of the Illinois Housing Development Authority. Within 30 days after the notice is provided, the Illinois Housing Development Authority shall, in writing, either express interest in financing the project or notify the Authority that it is not interested in providing financing and that the Authority may finance the project or seek alternative financing.

Section 5-45. Bonds and notes; exemption from taxation. The creation of the Authority is in all respects for the benefit of the people of Illinois and for the improvement of their health, safety, welfare, comfort, and security, and its purposes are public purposes. In consideration thereof, the notes and bonds of the Authority issued pursuant to this Act and the income from these notes and bonds may be free from all taxation by the State or its political subdivisions, exempt for estate, transfer, and inheritance taxes. The exemption from taxation provided by the preceding sentence shall apply to the income on any notes or bonds of the Authority only if the Authority in its sole judgment determines that the exemption enhances the marketability of the bonds or notes or reduces the interest rates that would otherwise be borne by the bonds or notes. For purposes of Section 250 of the Illinois Income Tax Act, the exemption of the Authority shall terminate after all of the bonds have been paid. The amount of such income that shall be added and then subtracted on the Illinois income tax return of a taxpayer, subject to Section 203 of the Illinois Income Tax Act, from federal adjusted gross income or federal taxable income in computing Illinois base income shall be the interest net of any bond premium amortization.

Section 5-50. Acquisition.

(a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have power to acquire by purchase, lease, gift, or otherwise any property or rights therein from any person or persons, the State of Illinois, any municipal corporation, any local unit of government, the government of the United States and any agency or instrumentality of the United States, any body politic, or any county useful for its purposes, whether improved for the purposes of any prospective project or unimproved. The Authority may also accept any donation of funds for its purposes from any of these sources.

(c) The Authority shall have power to develop, construct, and improve, either under its own direction or through collaboration with any approved applicant, or to acquire, through purchase or otherwise, any project, using for this purpose the proceeds derived from its sale of revenue bonds, notes, or other evidences of indebtedness or governmental loans or grants and shall have the power to hold title to those projects in the name of the Authority.

(d) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, or Massac, the Illinois Finance Authority, the Illinois Housing Development Authority, the United States government and any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority, or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(e) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois, and agencies or personnel of any unit of local government.

(f) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3, and 74.5 of Article 11 of the Illinois Municipal Code.

Section 5-60. Designation of depository. The Authority shall biennially designate a national or State bank or banks as depositories of its money. Such depositories shall be designated only within the State and upon condition that bonds approved as to form and surety by the Authority and at least equal in amount to the maximum sum expected to be on deposit at any one time shall be first given by such depositories to the Authority, such bonds to be conditioned for the safe keeping and prompt repayment of such deposits. When any of the funds of the Authority shall be deposited by the treasurer in any such depository, the treasurer and the sureties on his official bond shall, to such extent, be exempt from liability for the loss of any such deposited funds by reason of the failure, bankruptcy, or any other act or

default of such depository; provided that the Authority may accept assignments of collateral by any depository of its funds to secure such deposits to the same extent and conditioned in the same manner as assignments of collateral are permitted by law to secure deposits of the funds of any city.

Section 5-65. Taxation prohibited. The Authority shall have no right or authority to levy any tax or special assessment, to pledge the credit of the State or any other subdivision or municipal corporation thereof, or to incur any obligation enforceable upon any property, either within or without the territory of the Authority.

Section 5-70. Fees. The Authority may collect fees and charges in connection with its loans, commitments, and servicing and may provide technical assistance in the development of the region.

Section 5-75. Reports. The Authority shall annually submit a report of its finances to the Auditor General. The Authority shall annually submit a report of its activities to the Governor and to the General Assembly.

ARTICLE 10. RIVER EDGE REDEVELOPMENT ZONE ACT

Section 10-1. This Article may be cited as the River Edge Redevelopment Zone Act, and references in this Article to "this Act" mean this Article.

Section 10-2. Findings. The General Assembly finds and declares that those municipalities adjacent to or surrounding river areas often lack critical tools to safely revive and redevelop environmentally-challenged properties that will stimulate economic revitalization and create jobs in Illinois. Environmentally-challenged properties adjacent to or surrounding Illinois rivers are a threat to the health, safety, and welfare of the people of this State. Many of these environmentally-challenged properties adjacent to or surrounding rivers were former industrial areas that now, subject to appropriate environmental clean-up and remediation, would be ideal for office, residential, retail, hospitality, commercial, recreational, warehouse and distribution, and other economically productive uses. The cost of the cleaning and remediation of these environmentally-challenged properties is often the primary obstacle to returning these properties to a safe and economically productive use.

Cooperative and continuous partnership among the State, through the Department of Commerce and Economic Opportunity and the Environmental Protection Agency, municipalities adjacent to or surrounding rivers, and the private sector is necessary to appropriately encourage the cost-effective cleaning and remediation of these environmentally-challenged properties in order to bring about a safe and economically productive use of the properties.

Therefore, it is declared to be the purpose of this Act to identify and initiate 2 pilot River Edge Redevelopment Zones to stimulate the safe and cost-effective re-use of environmentally-challenged properties adjacent to or surrounding rivers by means of tax incentives or grants.

Section 10-3. Definitions. As used in this Act:

"Department" means the Department of Commerce and Economic Opportunity.

"River Edge Redevelopment Zone" means an area of the State certified by the Department as a River Edge Redevelopment Zone pursuant to this Act.

"Designated zone organization" means an association or entity: (1) the members of which are substantially all residents of the River Edge Redevelopment Zone or of the municipality in which the River Edge Redevelopment Zone is located; (2) the board of directors of which is elected by the members of the organization; (3) that satisfies the criteria set forth in Section 501(c) (3) or 501(c) (4) of the Internal Revenue Code; and (4) that exists primarily for the purpose of performing within the zone, for the benefit of the residents and businesses thereof, any of the functions set forth in Section 8 of this Act.

"Agency" means: each officer, board, commission, and agency created by the Constitution, in the executive branch of State government, other than the State Board of Elections; 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. No entity is an "agency" for

the purposes of this Act unless the entity is authorized by law to make rules or regulations.

"Rule" means each agency statement of general applicability that implements, applies, interprets, or prescribes law or policy, but does not include (i) statements concerning only the internal management of an agency and not affecting private rights or procedures available to persons or entities outside the agency, (ii) intra agency memoranda, or (iii) the prescription of standardized forms.

Section 10-4. Qualifications for River Edge Redevelopment Zones.

An area is qualified to become a zone if it:

- (1) is a contiguous area adjacent to or surrounding a river;
- (2) comprises a minimum of one half square mile and not more than 12 square miles, exclusive of lakes and waterways;
- (3) satisfies any additional criteria established by the Department consistent with the purposes of this Act;
- (4) is entirely within a single home rule municipality; and
- (5) has at least 100 acres of environmentally challenged land within 1500 yards of the riverfront.

Section 10-5. Initiation of River Edge Redevelopment Zones by Municipality.

(a) No area may be designated as a river edge redevelopment zone except pursuant to an initiating ordinance adopted in accordance with this Section.

(b) A municipality may by ordinance designate an area within its jurisdiction as a river edge redevelopment zone, subject to the certification of the Department in accordance with this Act, if:

(i) the area is qualified in accordance with Section 10-4; and

(ii) the municipality has conducted at least one public hearing within the proposed zone area on the question of whether to create the zone, what local plans, tax incentives and other programs should be established in connection with the zone, and what the boundaries of the zone should be; public notice of such hearing shall be published in at least one newspaper of general circulation within the zone area, not more than 20 days nor less than 5 days before the hearing.

(c) An ordinance designating an area as a river edge redevelopment zone shall set forth:

(i) a precise description of the area comprising the zone, either in the form of a legal description or by reference to roadways, lakes and waterways, and municipality boundaries;

(ii) a finding that the zone area meets the qualifications of Section 10-4;

(iii) provisions for any tax incentives or reimbursement for taxes, which pursuant to State and federal law apply to business enterprises within the zone at the election of the designating municipality, and which are not applicable throughout the municipality;

(iv) a designation of the area as a river edge redevelopment zone, subject to the approval of the Department in accordance with this Act; and

(v) the duration or term of the river edge redevelopment zone.

(d) This Section does not prohibit a municipality from extending additional tax incentives or reimbursement for business enterprises in river edge redevelopment zones or throughout their territory by separate ordinance.

Section 10-5.1. Application to Department.

A municipality that has adopted an ordinance designating an area as a river edge redevelopment zone shall make written application to the Department to have the proposed zone certified. The application shall include:

(1) a certified copy of the ordinance designating the proposed zone;

(2) a map of the proposed zone;

(3) an analysis, and any appropriate supporting documents, demonstrating that the proposed zone area is qualified in accordance with Section 10-4;

(4) a statement detailing any tax, grant, and other financial incentives or benefits, and any programs, to be provided by the municipality to business enterprises or organizations within the zone, other than those provided in the designating ordinance, which are not to be provided throughout the municipality;

(5) a statement setting forth the economic development and planning objectives for the

zone;

- (6) an estimate of the economic impact of the zone, considering all of the tax incentives, financial benefits and programs contemplated, upon the revenues of the municipality;
- (7) a transcript of all public hearings on the zone;
- (8) a statement describing the functions, programs, and services to be performed by designated zone organizations within the zone; and
- (9) such additional information as the Department by rule may require.

Section 10-5.2. Department Review of River Edge Redevelopment Zone Applications.

- (a) All applications must be considered and acted upon by the Department no later than 180 days after being received by the Department.
- (b) Upon receipt of an application from a municipality the Department shall review the application to determine whether the designated area qualifies as a River Edge Redevelopment Zone under Section 10-4 of this Act.
- (c) If any such designated area is found to be qualified to be a River Edge Redevelopment Zone, the Department shall publish a notice in at least one newspaper of general circulation within the municipality in which the proposed zone is located to notify the general public of the application and their opportunity to comment. Such notice shall include a description of the area and a brief summary of the application and shall indicate locations where the applicant has provided copies of the application for public inspection. The notice shall also indicate appropriate procedures for the filing of written comments from zone residents, business, civic, and other organizations and property owners to the Department.
- (d) Within 180 days after receiving an application, the Department shall either approve or deny that application. If an approval of an application is not received within 180 days after the Department's receipt of the application, then the application is considered to be denied. If an application is denied, the Department shall inform the municipality of the specific reasons for the denial.
- (e) In determining which designated areas shall be approved and certified as River Edge Redevelopment Zones, the Department shall give preference to:
 - (1) areas with high levels of environmentally challenged areas;
 - (2) areas that have evidenced the widest support from the municipality seeking to have such areas designated as River Edge Redevelopment Zones;
 - (3) areas for which a specific plan has been submitted to effect economic growth and expansion;
 - (4) areas for which there is evidence of prior consultation between the municipality seeking designation of an area as an River Edge Redevelopment Zone and business, labor, and neighborhood organizations within the proposed Zone;
 - (5) areas for which a specific plan has been submitted which will or may be expected to benefit zone residents and workers by increasing their ownership opportunities and participation in a River Edge Redevelopment Zone development.
- (f) The Department's determination of whether to certify a River Edge Redevelopment Zone shall be based on the purposes of this Act, the criteria set forth in Section 10-4 and subsection (e) of this Section, and any additional criteria adopted by regulation of the Department under paragraph (d) of Section 10-4.

Section 10-5.3. Certification of River Edge Redevelopment Zones.

- (a) Approval of designated River Edge Redevelopment Zones shall be made by the Department by certification of the designating ordinance. The Department shall promptly issue a certificate for each zone upon its approval. The certificate shall be signed by the Director of the Department, shall make specific reference to the designating ordinance, which shall be attached thereto, and shall be filed in the office of the Secretary of State. A certified copy of the River Edge Redevelopment Zone Certificate, or a duplicate original thereof, shall be recorded in the office of the recorder of deeds of the county in which the River Edge Redevelopment Zone lies.
- (b) A River Edge Redevelopment Zone shall be effective upon its certification. The Department shall transmit a copy of the certification to the Department of Revenue, and to the designating municipality. Upon certification of a River Edge Redevelopment Zone, the terms and provisions of the designating ordinance shall be in effect, and may not be amended or repealed except in accordance with Section 10-5.4.

(c) A River Edge Redevelopment Zone shall be in effect for the period stated in the certificate, which shall in no event exceed 30 calendar years. Zones shall terminate at midnight of December 31 of the final calendar year of the certified term, except as provided in Section 10-5.4.

(d) In calendar years 2006 and 2007, the Department may certify one pilot River Edge Redevelopment Zone in the City of East St. Louis and one pilot River Edge Redevelopment Zone in the City of Aurora.

Thereafter the Department may not certify any additional River Edge Redevelopment Zones, but may amend and rescind certifications of existing River Edge Redevelopment Zones in accordance with Section 10-5.4.

(e) A municipality in which a River Edge Redevelopment Zone has been certified must submit to the Department, within 60 days after the certification, a plan for encouraging the participation by minority persons, females, persons with disabilities, and veterans in the zone. The Department may assist the municipality in developing and implementing the plan. The terms "minority person", "female", and "person with a disability" have the meanings set forth under Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. "Veteran" means an Illinois resident who is a veteran as defined in subsection (h) of Section 1491 of Title 10 of the United States Code.

Section 10-5.4. Amendment and decertification of River Edge Redevelopment Zones.

(a) The terms of a certified zone designating ordinance may be amended to:

- (1) alter the boundaries of the Zone;
- (2) expand, limit or repeal tax incentives or benefits provided in the ordinance;
- (3) alter the termination date of the zone; or
- (4) make technical corrections in the river edge redevelopment zone designating ordinance.

An amendment shall not be effective unless the Department issues an amended certificate for the River Edge Redevelopment Zone, approving the amended designating ordinance. Upon the adoption of any ordinance amending or repealing the terms of a certified river edge redevelopment zone designating ordinance, the municipality shall promptly file with the Department an application for approval thereof, containing substantially the same information as required for an application under Section 10-5.1 insofar as material to the proposed changes. The municipality must hold a public hearing on the proposed changes as specified in Section 10-5 and, if the amendment is to effectuate the limitation of tax abatements under Section 10-5.4.1, then the public notice of the hearing shall state that property that is in both the zone and a redevelopment project area may not receive tax abatements unless within 60 days after the adoption of the amendment to the designating ordinance the municipality has determined that eligibility for tax abatements has been established.

(b) The Department shall approve or disapprove a proposed amendment to a certified zone within 90 days after its receipt of the application from the municipality. The Department may not approve changes in a Zone that are not in conformity with this Act, as now or hereafter amended, or with other applicable laws. If the Department issues an amended certificate for a Zone, the amended certificate, together with the amended zone designating ordinance, shall be filed, recorded, and transmitted as provided in Section 10-5.3.

(c) A River Edge Redevelopment Zone may be decertified by joint action of the Department and by the municipality in which the River Edge Development Zone is located. The designating municipality shall conduct at least one public hearing within the zone prior to its adoption of an ordinance of decertification. The mayor of the designating municipality shall execute a joint decertification agreement with the Department. A decertification of a River Edge Redevelopment Zone that was initiated by the joint action of the Department and one or more of the municipalities in which the zone is located shall not become effective until at least 6 months after the execution of the decertification agreement, which shall be filed in the office of the Secretary of State.

(d) A River Edge Redevelopment Zone may be decertified for cause by the Department in accordance with this Section. Prior to decertification:

- (1) The Department shall notify the chief elected official of the designating municipality in writing of the specific deficiencies that provide cause for decertification;
- (2) The Department shall place the designating municipality on probationary status for at least 6 months during which time corrective action may be achieved in the zone by the designating municipality; and
- (3) The Department shall conduct at least one public hearing within the zone.

If such corrective action is not achieved during the probationary period, the Department shall issue an amended certificate signed by the Director of the Department decertifying the zone, which certificate shall be filed in the office of the Secretary of State. A certified copy of the amended

certificate, or a duplicate original thereof, shall be recorded in the office of recorder of the county in which the River Edge Redevelopment Zone lies, and shall be provided to the chief elected official of the designating municipality. Decertification of a River Edge Redevelopment Zone for cause shall not become effective until 60 days after the date of filing.

(e) In the event of a decertification, an amendment reducing the length of the term or the area of a River Edge Redevelopment Zone, or the adoption of an ordinance reducing or eliminating tax benefits in a zone, all benefits previously extended within the zone pursuant to this Act or pursuant to any other Illinois law providing benefits specifically to or within River Edge Redevelopment Zones shall remain in effect for the original stated term of the zone, with respect to business enterprises within the zone on the effective date of such decertification or amendment.

(f) With respect to a business enterprise (or expansion thereof) that is proposed or under development within a zone at the time of a decertification or an amendment reducing the length of the term of the zone, or excluding from the zone area the site of the proposed enterprise, or an ordinance reducing or eliminating tax benefits in a zone, such business enterprise is entitled to the benefits previously applicable within the zone for the original stated term of the zone, if the business enterprise establishes:

- (i) that the proposed business enterprise or expansion has been committed to be located within the zone;
- (ii) that substantial and binding financial obligations have been made towards the development of such enterprise; and
- (iii) that such commitments have been made in reasonable reliance on the benefits and programs which were to have been applicable to the enterprise by reason of the zone, including in the case of a reduction in term of a zone, the original length of the term.

In declaratory judgment actions under this subsection, the Department and the designating municipality shall be necessary parties defendant.

Section 10-5.4.1. Adoption of tax increment financing.

(a) If (i) a redevelopment project area is, will be, or has been created by a municipality under Division 74.4 of Article 11 of the Illinois Municipal Code, (ii) the redevelopment project area contains property that is located in a River Edge Redevelopment Zone, (iii) the municipality adopts an amendment to the River Edge Redevelopment Zone designating ordinance pursuant to Section 10-4 of this Act specifically concerning the abatement of taxes on property located within a redevelopment project area created pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code, and (iv) the Department certifies the ordinance amendment, then the property that is located in both the River Edge Redevelopment Zone and the redevelopment project area shall not be eligible for the abatement of taxes under Section 18-170 of the Property Tax Code.

No business enterprise or expansion or individual, however, that has constructed a new improvement or renovated or rehabilitated an existing improvement and has received an abatement on the improvement under Section 18-170 of the Property Tax Code shall be denied any benefit previously extended within the zone pursuant to this Act or pursuant to any other Illinois law providing benefits specifically to or within River Edge Redevelopment Zones. Moreover, if the business enterprise or individual presents evidence to the municipality within 30 days after the adoption by the municipality of an amendment to the designating ordinance the sufficiency of which shall be determined by findings of the corporate authorities made within 30 days of the receipt of such evidence by the municipality, that before the date of the notice of the public hearing provided by the municipality regarding the amendment to the designating ordinance (i) the business enterprise or expansion or individual was committed to locate within the River Edge Redevelopment Zone, (ii) substantial and binding financial obligations were made towards the development of the enterprise, and (iii) those commitments were made in reasonable reliance on the benefits and programs that were applicable to the enterprise or individual by reason of River Edge Redevelopment Zone, then the enterprise or expansion or individual shall not be denied any benefit previously extended within the zone pursuant to this Act or pursuant to any other Illinois law providing benefits specifically to or within River Edge Redevelopment Zones.

(b) This Section applies to all property located within both a redevelopment project area adopted under Division 74.4 of Article 11 of the Illinois Municipal Code and a River Edge Redevelopment Zone even if the redevelopment project area was adopted before the effective date of this Act.

(c) After the effective date of this Act, if (i) a redevelopment project area is created by

a municipality under Division 74.4 of Article 11 of the Illinois Municipal Code and (ii) the redevelopment project area contains property that is located in a River Edge Redevelopment Zone, the municipality must adopt an amendment to the certified River Edge Redevelopment Zone designating ordinance under Section 10-5.4 specifying that property that is located in both the River Edge Redevelopment Zone and the redevelopment project area shall not be eligible for any abatement of taxes under Section 18-170 of the Property Tax Code for new improvements or the renovation or rehabilitation of existing improvements.

(d) In declaratory judgment actions under this Section, the Department and the designating municipality shall be necessary parties defendant.

Section 10-6. Powers and duties of Department.

(a) The Department shall administer this Act and shall have the following powers and duties:

(1) To monitor the implementation of this Act and submit reports evaluating the effectiveness of the program and setting forth any suggestions for legislation to the Governor and General Assembly by October 1 of each year preceding a regular Session of the General Assembly.

(2) To adopt all necessary rules and regulations to carry out the purposes of this Act in accordance with The Illinois Administrative Procedure Act.

(b) The Department shall provide information and appropriate assistance to persons desiring to locate and engage in business in a River Edge Redevelopment Zone and to persons engaged in business in a zone.

(c) The Department shall publicize existing tax incentives and economic development programs within the Zone and upon request, offer technical assistance in abatement and alternative revenue source development to local units of government which have River Edge Redevelopment Zones within their jurisdiction.

(d) In addition to the reports authorized under subsection (a), no later than December 31, 2009, the Department must submit a report to the General Assembly evaluating the effectiveness of this Act in stimulating economic revitalization in the pilot River Edge Redevelopment Zones authorized by this Act.

Section 10-8. Zone Administration.

The administration of a River Edge Redevelopment Zone shall be under the jurisdiction of the designating municipality. Each designating municipality shall, by ordinance, designate a Zone Administrator for the certified zones within its jurisdiction. A Zone Administrator must be an officer or employee of the municipality. The Zone Administrator shall be the liaison between the designating municipality, the Department, and any designated zone organizations within zones under his or her jurisdiction.

A designating municipality may designate one or more organizations to be a designated zone organization, as defined under Section 10-3. The municipality, may, by ordinance, delegate functions within a River Edge Redevelopment Zone to one or more designated zone organizations in such zones.

Subject to the necessary governmental authorizations, designated zone organizations may, in coordination with the municipality, provide or contract for provision of public services including, but not limited to:

- (1) crime-watch patrols within zone neighborhoods;
- (2) volunteer day-care centers;
- (3) recreational activities for zone-area youth;
- (4) garbage collection;
- (5) street maintenance and improvements;
- (6) bridge maintenance and improvements;
- (7) maintenance and improvement of water and sewer lines;
- (8) energy conservation projects;
- (9) health and clinic services;
- (10) drug abuse programs;
- (11) senior citizen assistance programs;
- (12) park maintenance;
- (13) rehabilitation, renovation, and operation and maintenance of low and moderate income housing; and

(14) other types of public services as provided by law or regulation.

Section 10-9. Notice of cessation of business operations. Any business located within the River Edge Redevelopment Zone that has received tax credits or exemptions, regulatory relief or any other benefits under this Act shall notify the Department and the municipal officials in which the Zone is located within 60 days after the cessation of any business operations conducted within the Zone. The Department shall adopt rules to implement and administer this Section.

Section 10-10. Income tax deduction.

(a) A business entity may receive a deduction against income subject to State taxes for a contribution to a designated zone organization if the project for which the contribution is made has been specifically approved by the designating municipality and by the Department.

(b) Any designated zone organization seeking to have a project approved for contribution must submit an application to the Department describing the nature and benefit of the project and its potential contributors. The application must address how the following criteria will be met:

(1) The project must contribute to the self-help efforts of the residents of the area involved.

(2) The project must involve the residents of the area in planning and implementing the project.

(3) The project must lack sufficient resources.

(4) The designated zone organization must be fiscally responsible for the project.

(c) The project must enhance the River Edge Redevelopment Zone in one of the following ways:

(1) by creating permanent jobs;

(2) by physically improving the housing stock;

(3) by stimulating neighborhood business activity; or

(4) by preventing crime.

(d) If the designated zone organization demonstrates its ability to meet the criteria in subsection (b), and the project will enhance the neighborhood in one of the ways listed in subsection (c), the Department shall approve the organization's proposed project and specify the amount of contributions it is eligible to receive for such project. Comments from State elected officials and municipal officials of the units of local government in which all or part of the river edge redevelopment zone is located, or in which the project is proposed to be located, shall be solicited by the Department in making such decision.

(e) Within 45 days of the receipt of an application, the Department shall give notice to the applicant as to whether the application has been approved or disapproved. If the Department disapproves the application, it shall specify the reasons for this decision and allow 60 days for the applicant to amend and resubmit its application. The Department shall provide assistance upon request to applicants. Resubmitted applications shall receive the Department's approval or disapproval within 30 days of resubmission. Those resubmitted applications satisfying initial Department objectives shall be approved unless reasonable circumstances warrant disapproval.

(f) On an annual basis, the designated zone organization shall furnish a statement to the Department on the programmatic and financial status of any approved project and an audited financial statement of the project.

(g) For any project which is approved and for which there is a specified amount of contributions which the designated zone organization may receive as provided in subsection (d) of this Section, the designated zone organization shall provide to the Department any information necessary to determine the eligibility of a contribution to the project for a deduction pursuant to subsection (b)(2)(N) of Section 203 of the Illinois Income Tax Act. The Department shall certify to the Department of Revenue the taxpayers eligible for and the amounts of contributions which those taxpayers may claim as a deduction pursuant to subsection (b)(2)(N) of Section 203 of the Illinois Income Tax Act. The total of all actual contributions approved by the Department for deductions pursuant to subsection (b)(2)(N) of Section 203 of the Illinois Income Tax Act shall not exceed \$15,400,000 in any one calendar year.

ARTICLE 90. AMENDATORY PROVISIONS

Section 90-5. The Department of Commerce and Economic Opportunity Law of the Civil

[May 2, 2006]

Administrative Code of Illinois is amended by adding Section 605-907 as follows:

(20 ILCS 605/605-907 new)

Sec. 605-907. River Edge Redevelopment Zone assistance program. The Department may establish and maintain a program to provide, subject to appropriation, grants and assistance in connection River Edge Redevelopment Zones that are established under the River Edge Redevelopment Zone Act. The Department may adopt any rules necessary for the administration of the program under this Section.

Section 90-10. The Corporate Accountability for Tax Expenditures Act is amended by changing Section 5 as follows:

(20 ILCS 715/5)

Sec. 5. Definitions. As used in this Act:

"Base years" means the first 2 complete calendar years following the effective date of a recipient receiving development assistance.

"Date of assistance" means the commencement date of the assistance agreement, which date triggers the period during which the recipient is obligated to create or retain jobs and continue operations at the specific project site.

"Default" means that a recipient has not achieved its job creation, job retention, or wage or benefit goals, as applicable, during the prescribed period therefor.

"Department" means, unless otherwise noted, the Department of Commerce and Economic Opportunity Community Affairs or any successor agency.

"Development assistance" means (1) tax credits and tax exemptions (other than given under tax increment financing) given as an incentive to a recipient business organization pursuant to an initial certification or an initial designation made by the Department under the Economic Development for a Growing Economy Tax Credit Act, River Edge Redevelopment Zone Act, and the Illinois Enterprise Zone Act, including the High Impact Business program, (2) grants or loans given to a recipient as an incentive to a business organization pursuant to the River Edge Redevelopment Zone Act, Large Business Development Program, the Business Development Public Infrastructure Program, or the Industrial Training Program, (3) the State Treasurer's Economic Program Loans, (4) the Illinois Department of Transportation Economic Development Program, and (5) all successor and subsequent programs and tax credits designed to promote large business relocations and expansions. "Development assistance" does not include tax increment financing, assistance provided under the Illinois Enterprise Zone Act and River Edge Redevelopment Zone Act pursuant to local ordinance, participation loans, or financial transactions through statutorily authorized financial intermediaries in support of small business loans and investments or given in connection with the development of affordable housing.

"Development assistance agreement" means any agreement executed by the State granting body and the recipient setting forth the terms and conditions of development assistance to be provided to the recipient consistent with the final application for development assistance, including but not limited to the date of assistance, submitted to and approved by the State granting body.

"Full-time, permanent job" means either: (1) the definition therefor in the legislation authorizing the programs described in the definition of development assistance in the Act or (2) if there is no such definition, then as defined in administrative rules implementing such legislation, provided the administrative rules were in place prior to the effective date of this Act. On and after the effective date of this Act, if there is no definition of "full-time, permanent job" in either the legislation authorizing a program that constitutes economic development assistance under this Act or in any administrative rule implementing such legislation that was in place prior to the effective date of this Act, then "full-time, permanent job" means a job in which the new employee works for the recipient at a rate of at least 35 hours per week.

"New employee" means either: (1) the definition therefor in the legislation authorizing the programs described in the definition of development assistance in the Act or (2) if there is no such definition, then as defined in administrative rules implementing such legislation, provided the administrative rules were in place prior to the effective date of this Act. On and after the effective date of this Act, if there is no definition of "new employee" in either the legislation authorizing a program that constitutes economic development assistance under this Act nor in any administrative rule implementing such legislation that was in place prior to the effective date of this Act, then "new employee" means a full-time, permanent employee who represents a net increase in the number of the recipient's employees statewide. "New employee" includes an employee who previously filled a new employee position with the recipient who was rehired or called back from a layoff that occurs during or following the base years.

The term "New Employee" does not include any of the following:

- (1) An employee of the recipient who performs a job that was previously performed by

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another employee in this State, if that job existed in this State for at least 6 months before hiring the employee.

(2) A child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital, or value of any member of the recipient.

"Part-time job" means either: (1) the definition therefor in the legislation authorizing the programs described in the definition of development assistance in the Act or (2) if there is no such definition, then as defined in administrative rules implementing such legislation, provided the administrative rules were in place prior to the effective date of this Act. On and after the effective date of this Act, if there is no definition of "part-time job" in either the legislation authorizing a program that constitutes economic development assistance under this Act or in any administrative rule implementing such legislation that was in place prior to the effective date of this Act, then "part-time job" means a job in which the new employee works for the recipient at a rate of less than 35 hours per week.

"Recipient" means any business that receives economic development assistance. A business is any corporation, limited liability company, partnership, joint venture, association, sole proprietorship, or other legally recognized entity.

"Retained employee" means either: (1) the definition therefor in the legislation authorizing the programs described in the definition of development assistance in the Act or (2) if there is no such definition, then as defined in administrative rules implementing such legislation, provided the administrative rules were in place prior to the effective date of this Act. On and after the effective date of this Act, if there is no definition of "retained employee" in either the legislation authorizing a program that constitutes economic development assistance under this Act or in any administrative rule implementing such legislation that was in place prior to the effective date of this Act, then "retained employee" means any employee defined as having a full-time or full-time equivalent job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat, which shall be specified in the application for development assistance.

"Specific project site" means that distinct operational unit to which any development assistance is applied.

"State granting body" means the Department, any State department or State agency that provides development assistance that has reporting requirements under this Act, and any successor agencies to any of the preceding.

"Temporary job" means either: (1) the definition therefor in the legislation authorizing the programs described in the definition of development assistance in the Act or (2) if there is no such definition, then as defined in administrative rules implementing such legislation, provided the administrative rules were in place prior to the effective date of this Act. On and after the effective date of this Act, if there is no definition of "temporary job" in either the legislation authorizing a program that constitutes economic development assistance under this Act or in any administrative rule implementing such legislation that was in place prior to the effective date of this Act, then "temporary job" means a job in which the new employee is hired for a specific duration of time or season.

"Value of assistance" means the face value of any form of development assistance.

(Source: P.A. 93-552, eff. 8-20-03; revised 12-6-03.)

Section 90-15. The Illinois Income Tax Act is amended by changing Sections 201 and 203 as follows: (35 ILCS 5/201) (from Ch. 120, par. 2-201)

Sec. 201. Tax Imposed.

(a) In general. A tax measured by net income is hereby imposed on every individual, corporation, trust and estate for each taxable year ending after July 31, 1969 on the privilege of earning or receiving income in or as a resident of this State. Such tax shall be in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(b) Rates. The tax imposed by subsection (a) of this Section shall be determined as follows, except as adjusted by subsection (d-1):

(1) In the case of an individual, trust or estate, for taxable years ending prior to July 1, 1989, an amount equal to 2 1/2% of the taxpayer's net income for the taxable year.

(2) In the case of an individual, trust or estate, for taxable years beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 2 1/2% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 3% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(3) In the case of an individual, trust or estate, for taxable years beginning after June 30, 1989, an amount equal to 3% of the taxpayer's net income for the taxable year.

(4) (Blank).

(5) (Blank).

(6) In the case of a corporation, for taxable years ending prior to July 1, 1989, an amount equal to 4% of the taxpayer's net income for the taxable year.

(7) In the case of a corporation, for taxable years beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 4% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 4.8% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(8) In the case of a corporation, for taxable years beginning after June 30, 1989, an amount equal to 4.8% of the taxpayer's net income for the taxable year.

(c) Personal Property Tax Replacement Income Tax. Beginning on July 1, 1979 and thereafter, in addition to such income tax, there is also hereby imposed the Personal Property Tax Replacement Income Tax measured by net income on every corporation (including Subchapter S corporations), partnership and trust, for each taxable year ending after June 30, 1979. Such taxes are imposed on the privilege of earning or receiving income in or as a resident of this State. The Personal Property Tax Replacement Income Tax shall be in addition to the income tax imposed by subsections (a) and (b) of this Section and in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(d) Additional Personal Property Tax Replacement Income Tax Rates. The personal property tax replacement income tax imposed by this subsection and subsection (c) of this Section in the case of a corporation, other than a Subchapter S corporation and except as adjusted by subsection (d-1), shall be an additional amount equal to 2.85% of such taxpayer's net income for the taxable year, except that beginning on January 1, 1981, and thereafter, the rate of 2.85% specified in this subsection shall be reduced to 2.5%, and in the case of a partnership, trust or a Subchapter S corporation shall be an additional amount equal to 1.5% of such taxpayer's net income for the taxable year.

(d-1) Rate reduction for certain foreign insurers. In the case of a foreign insurer, as defined by Section 35A-5 of the Illinois Insurance Code, whose state or country of domicile imposes on insurers domiciled in Illinois a retaliatory tax (excluding any insurer whose premiums from reinsurance assumed are 50% or more of its total insurance premiums as determined under paragraph (2) of subsection (b) of Section 304, except that for purposes of this determination premiums from reinsurance do not include premiums from inter-affiliate reinsurance arrangements), beginning with taxable years ending on or after December 31, 1999, the sum of the rates of tax imposed by subsections (b) and (d) shall be reduced (but not increased) to the rate at which the total amount of tax imposed under this Act, net of all credits allowed under this Act, shall equal (i) the total amount of tax that would be imposed on the foreign insurer's net income allocable to Illinois for the taxable year by such foreign insurer's state or country of domicile if that net income were subject to all income taxes and taxes measured by net income imposed by such foreign insurer's state or country of domicile, net of all credits allowed or (ii) a rate of zero if no such tax is imposed on such income by the foreign insurer's state of domicile. For the purposes of this subsection (d-1), an inter-affiliate includes a mutual insurer under common management.

(1) For the purposes of subsection (d-1), in no event shall the sum of the rates of tax imposed by subsections (b) and (d) be reduced below the rate at which the sum of:

(A) the total amount of tax imposed on such foreign insurer under this Act for a taxable year, net of all credits allowed under this Act, plus

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code, equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

(2) Any reduction in the rates of tax imposed by this subsection shall be applied first against the rates imposed by subsection (b) and only after the tax imposed by subsection (a) net of all credits allowed under this Section other than the credit allowed under subsection (i) has been reduced to zero, against the rates imposed by subsection (d).

This subsection (d-1) is exempt from the provisions of Section 250.

(e) Investment credit. A taxpayer shall be allowed a credit against the Personal Property Tax Replacement Income Tax for investment in qualified property.

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or

after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all such certifications immediately. For tax years ending after December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

(2) The term "qualified property" means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings and signs that are real property, but not including land or improvements to real property that are not a structural component of a building such as landscaping, sewer lines, local access roads, fencing, parking lots, and other appurtenances;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (e);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in Illinois by a taxpayer who is primarily engaged in manufacturing, or in mining coal or fluorite, or in retailing, or was placed in service on or after July 1, 2006 in a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act; and

(E) has not previously been used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (e) or subsection (f).

(3) For purposes of this subsection (e), "manufacturing" means the material staging and production of tangible personal property by procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes some existing material into new shapes, new qualities, or new combinations. For purposes of this subsection (e) the term "mining" shall have the same meaning as the term "mining" in Section 613(c) of the Internal Revenue Code. For purposes of this subsection (e), the term "retailing" means the sale of tangible personal property or services rendered in conjunction with the sale of tangible consumer goods or commodities.

(4) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(5) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(6) The term "placed in service" shall have the same meaning as under Section 46 of the

Internal Revenue Code.

(7) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the Personal Property Tax Replacement Income Tax for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation and, (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (7), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(8) Unless the investment credit is extended by law, the basis of qualified property shall not include costs incurred after December 31, 2008, except for costs incurred pursuant to a binding contract entered into on or before December 31, 2008.

(9) Each taxable year ending before December 31, 2000, a partnership may elect to pass through to its partners the credits to which the partnership is entitled under this subsection (e) for the taxable year. A partner may use the credit allocated to him or her under this paragraph only against the tax imposed in subsections (c) and (d) of this Section. If the partnership makes that election, those credits shall be allocated among the partners in the partnership in accordance with the rules set forth in Section 704(b) of the Internal Revenue Code, and the rules promulgated under that Section, and the allocated amount of the credits shall be allowed to the partners for that taxable year. The partnership shall make this election on its Personal Property Tax Replacement Income Tax return for that taxable year. The election to pass through the credits shall be irrevocable.

For taxable years ending on or after December 31, 2000, a partner that qualifies its partnership for a subtraction under subparagraph (I) of paragraph (2) of subsection (d) of Section 203 or a shareholder that qualifies a Subchapter S corporation for a subtraction under subparagraph (S) of paragraph (2) of subsection (b) of Section 203 shall be allowed a credit under this subsection (e) equal to its share of the credit earned under this subsection (e) during the taxable year by the partnership or Subchapter S corporation, 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. This paragraph is exempt from the provisions of Section 250.

(f) Investment credit; Enterprise Zone; River Edge Redevelopment Zone.

(1) A taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service in an Enterprise Zone created pursuant to the Illinois Enterprise Zone Act or, for property placed in service on or after July 1, 2006, a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (f) 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. The credit shall be .5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service in the Enterprise Zone or River Edge Redevelopment Zone and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1985, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (f);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer; and

(E) has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (f) or subsection (e).

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside the Enterprise Zone or River Edge Redevelopment Zone within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) There shall be allowed an additional credit equal to 0.5% of the basis of qualified property placed in service during the taxable year in a River Edge Redevelopment Zone, provided such property is placed in service on or after July 1, 2006, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is 0.5% and the denominator of which is 1%, but shall not exceed 0.5%.

(g) Jobs Tax Credit; Enterprise Zone, River Edge Redevelopment Zone, and Foreign Trade Zone or Sub-Zone.

(1) A taxpayer conducting a trade or business in an enterprise zone or a High Impact Business designated by the Department of Commerce and Economic Opportunity or for taxable years ending on or after December 31, 2006, in a River Edge Redevelopment Zone conducting a trade or business in a federally designated Foreign Trade Zone or Sub-Zone shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section in the amount of \$500 per eligible employee hired to work in the zone during the taxable year.

(2) To qualify for the credit:

(A) the taxpayer must hire 5 or more eligible employees to work in an enterprise zone, River Edge Redevelopment Zone, or federally designated Foreign Trade Zone or Sub-Zone during the taxable year;

(B) the taxpayer's total employment within the enterprise zone, River Edge Redevelopment Zone, or federally

designated Foreign Trade Zone or Sub-Zone must increase by 5 or more full-time employees beyond the total employed in that zone at the end of the previous tax year for which a jobs tax credit under this Section was taken, or beyond the total employed by the taxpayer as of December 31, 1985, whichever is later; and

(C) the eligible employees must be employed 180 consecutive days in order to be deemed hired for purposes of this subsection.

(3) An "eligible employee" means an employee who is:

(A) Certified by the Department of Commerce and Economic Opportunity as "eligible for services" pursuant to regulations promulgated in accordance with Title II of the Job Training Partnership Act, Training Services for the Disadvantaged or Title III of the Job Training Partnership Act, Employment and Training Assistance for Dislocated Workers Program.

(B) Hired after the enterprise zone, River Edge Redevelopment Zone, or federally designated Foreign Trade Zone or

Sub-Zone was designated or the trade or business was located in that zone, whichever is later.

(C) Employed in the enterprise zone, River Edge Redevelopment Zone, or Foreign Trade Zone or Sub-Zone. An employee

is employed in an enterprise zone or federally designated Foreign Trade Zone or Sub-Zone if his services are rendered there or it is the base of operations for the services performed.

(D) A full-time employee working 30 or more hours per week.

(4) For tax years ending on or after December 31, 1985 and prior to December 31, 1988, the credit shall be allowed for the tax year in which the eligible employees are hired. For tax years ending on or after December 31, 1988, the credit shall be allowed for the tax year immediately following the tax year in which the eligible employees are hired. If the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

(5) The Department of Revenue shall promulgate such rules and regulations as may be deemed necessary to carry out the purposes of this subsection (g).

(6) The credit shall be available for eligible employees hired on or after January 1, 1986.

(h) Investment credit; High Impact Business.

(1) Subject to subsections (b) and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service by a Department of Commerce and Economic Opportunity designated High Impact Business. The credit shall be .5% of the basis for such property. The credit shall not be available (i) until the minimum investments in qualified property set forth in subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act have been satisfied or (ii) until the time authorized in subsection (b-5) of the Illinois Enterprise Zone Act for entities designated as High Impact Businesses under subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone Act, and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. The credit applicable to such investments shall be taken in the taxable year in which such investments have been completed. The credit for additional investments beyond the minimum investment by a designated high impact business authorized under subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1987, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

Changes made in this subdivision (h)(1) by Public Act 88-670 restore changes made by Public Act 85-1182 and reflect existing law.

(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (h);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code; and

(D) is not eligible for the Enterprise Zone Investment Credit provided by subsection (f) of this Section.

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year ending on or before December 31, 1996, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) Beginning with tax years ending after December 31, 1996, if a taxpayer qualifies for the credit under this subsection (h) and thereby is granted a tax abatement and the taxpayer relocates its entire facility in violation of the explicit terms and length of the contract under Section 18-183 of the Property Tax Code, the tax imposed under subsections (a) and (b) of this Section shall be increased for the taxable year in which the taxpayer relocated its facility by an amount equal to the amount of credit received by the taxpayer under this subsection (h).

(i) Credit for Personal Property Tax Replacement Income Tax. For tax years ending prior to December 31, 2003, a credit shall be allowed against the tax imposed by subsections (a) and (b) of this Section for the tax imposed by subsections (c) and (d) of this Section. This credit shall be computed by multiplying the tax imposed by subsections (c) and (d) of this Section by a fraction, the numerator of which is base income allocable to Illinois and the denominator of which is Illinois base income, and further multiplying the product by the tax rate imposed by subsections (a) and (b) of this Section.

Any credit earned on or after December 31, 1986 under this subsection which is unused in the year the credit is computed because it exceeds the tax liability imposed by subsections (a) and (b) for that year (whether it exceeds the original liability or the liability as later amended) may be carried forward and applied to the tax liability imposed by subsections (a) and (b) of the 5 taxable years following the excess credit year, provided that no credit may be carried forward to any year ending on or after December 31, 2003. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first.

If, during any taxable year ending on or after December 31, 1986, the tax imposed by subsections (c) and (d) of this Section for which a taxpayer has claimed a credit under this subsection (i) is reduced, the amount of credit for such tax shall also be reduced. Such reduction shall be determined by recomputing the credit to take into account the reduced tax imposed by subsections (c) and (d). If any portion of the reduced amount of credit has been carried to a different taxable year, an amended return shall be filed for such taxable year to reduce the amount of credit claimed.

(j) Training expense credit. Beginning with tax years ending on or after December 31, 1986 and prior to December 31, 2003, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) under this Section for all amounts paid or accrued, on behalf of all persons employed by the taxpayer in Illinois or Illinois residents employed outside of Illinois by a taxpayer, for educational or vocational training in semi-technical or technical fields or semi-skilled or skilled fields, which were deducted from gross income in the computation of taxable income. The credit against the tax imposed by subsections (a) and (b) shall be 1.6% of such training expenses. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (j) 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.

Any credit allowed under this subsection 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 subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first. No carryforward credit may be claimed in any tax year ending on or after December 31, 2003.

(k) Research and development credit.

For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit

allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection 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.

For purposes of this subsection, "qualifying expenditures" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under Section 41 of the Internal Revenue Code and which are conducted in this State, "qualifying expenditures for increasing research activities in this State" means the excess of qualifying expenditures for the taxable year in which incurred over qualifying expenditures for the base period, "qualifying expenditures for the base period" means the average of the qualifying expenditures for each year in the base period, and "base period" means the 3 taxable years immediately preceding the taxable year for which the determination is being made.

Any credit in excess of the tax liability for the taxable year may be carried forward. A taxpayer may elect to have the unused credit shown on its final completed return carried over as a credit against the tax liability for the following 5 taxable years or until it has been fully used, whichever occurs first; provided that no credit earned in a tax year ending prior to December 31, 2003 may be carried forward to any year ending on or after December 31, 2003.

If an unused credit is carried forward to a given year from 2 or more earlier years, that credit arising in the earliest year will be applied first against the tax liability for the given year. If a tax liability for the given year still remains, the credit from the next earliest year will then be applied, and so on, until all credits have been used or no tax liability for the given year remains. Any remaining unused credit or credits then will be carried forward to the next following year in which a tax liability is incurred, except that no credit can be carried forward to a year which is more than 5 years after the year in which the expense for which the credit is given was incurred.

No inference shall be drawn from this amendatory Act of the 91st General Assembly in construing this Section for taxable years beginning before January 1, 1999.

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of \$100,000 per site, except that the \$100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed \$40,000 per year with a maximum total of \$150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection 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.

(ii) A credit allowed under this subsection that 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 earned until it is used. The term "unused credit" does not include any amounts of unreimbursed

eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(m) Education expense credit. Beginning with tax years ending after December 31, 1999, a taxpayer who is the custodian of one or more qualifying pupils shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for qualified education expenses incurred on behalf of the qualifying pupils. The credit shall be equal to 25% of qualified education expenses, but in no event may the total credit under this subsection claimed by a family that is the custodian of qualifying pupils exceed \$500. In no event shall a credit under this subsection reduce the taxpayer's liability under this Act to less than zero. This subsection is exempt from the provisions of Section 250 of this Act.

For purposes of this subsection:

"Qualifying pupils" means individuals who (i) are residents of the State of Illinois, (ii) are under the age of 21 at the close of the school year for which a credit is sought, and (iii) during the school year for which a credit is sought were full-time pupils enrolled in a kindergarten through twelfth grade education program at any school, as defined in this subsection.

"Qualified education expense" means the amount incurred on behalf of a qualifying pupil in excess of \$250 for tuition, book fees, and lab fees at the school in which the pupil is enrolled during the regular school year.

"School" means any public or nonpublic elementary or secondary school in Illinois that is in compliance with Title VI of the Civil Rights Act of 1964 and attendance at which satisfies the requirements of Section 26-1 of the School Code, except that nothing shall be construed to require a child to attend any particular public or nonpublic school to qualify for the credit under this Section.

"Custodian" means, with respect to qualifying pupils, an Illinois resident who is a parent, the parents, a legal guardian, or the legal guardians of the qualifying pupils.

(n) River Edge Redevelopment Zone site remediation tax credit.

(i) For tax years ending on or after December 31, 2006, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site within a River Edge Redevelopment Zone for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. Determinations as to credit availability for purposes of this Section shall be made consistent with rules adopted by the Pollution Control Board pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of \$100,000 per site.

(ii) A credit allowed under this subsection that 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 earned 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 subsection from more than one tax year that is available to offset a liability, the earliest

credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(iv) This subsection is exempt from the provisions of Section 250.

(Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-651, eff. 7-11-02; 93-840, eff. 7-30-04; 92-846, eff. 8-23-02; 93-29, eff. 6-20-03; 93-840, eff. 7-30-04; 93-871, eff. 8-6-04; revised 10-25-04.)

(35 ILCS 5/203) (from Ch. 120, par. 2-203)

Sec. 203. Base income defined.

(a) Individuals.

(1) In general. In the case of an individual, base income means an amount equal to the taxpayer's adjusted gross income for the taxable year as modified by paragraph (2).

(2) Modifications. The adjusted gross income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of adjusted gross income, except stock dividends of qualified public utilities described in Section 305(e) of the Internal Revenue Code;

(B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of adjusted gross income for the taxable year;

(C) An amount equal to the amount received during the taxable year as a recovery or refund of real property taxes paid with respect to the taxpayer's principal residence under the Revenue Act of 1939 and for which a deduction was previously taken under subparagraph (L) of this paragraph (2) prior to July 1, 1991, the retrospective application date of Article 4 of Public Act 87-17. In the case of multi-unit or multi-use structures and farm dwellings, the taxes on the taxpayer's principal residence shall be that portion of the total taxes for the entire property which is attributable to such principal residence;

(D) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of adjusted gross income;

(D-5) An amount, to the extent not included in adjusted gross income, equal to the amount of money withdrawn by the taxpayer in the taxable year from a medical care savings account and the interest earned on the account in the taxable year of a withdrawal pursuant to subsection (b) of Section 20 of the Medical Care Savings Account Act or subsection (b) of Section 20 of the Medical Care Savings Account Act of 2000;

(D-10) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the individual deducted in computing adjusted gross income and for which the individual claims a credit under subsection (l) of Section 201;

(D-15) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction (30% of the adjusted basis of the qualified property) taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code;

(D-16) If the taxpayer reports a capital gain or loss on the taxpayer's federal income tax return for the taxable year based on a sale or transfer of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (Z) with respect to that property.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

(D-17) For taxable years ending on or after December 31, 2004, an amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, to a foreign person who would be a member of the same unitary business group but for the fact that foreign person's business activity outside the United States is

80% or more of the foreign person's total business activity. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and

(b) the transaction giving rise to the interest expense between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

(iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(D-18) For taxable years ending on or after December 31, 2004, an amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

(i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by

net income with respect to such item; or

(ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and

(b) the transaction giving rise to the intangible expense or cost between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(D-20) For taxable years beginning on or after January 1, 2002, in the case of a distribution from a qualified tuition program under Section 529 of the Internal Revenue Code, other than (i) a distribution from a College Savings Pool created under Section 16.5 of the State Treasurer Act or (ii) a distribution from the Illinois Prepaid Tuition Trust Fund, an amount equal to the amount excluded from gross income under Section 529(c)(3)(B); and by deducting from the total so obtained the sum of the following amounts:

(E) For taxable years ending before December 31, 2001, any amount included in such total in respect of any compensation (including but not limited to any compensation paid or accrued to a serviceman while a prisoner of war or missing in action) paid to a resident by reason of being on active duty in the Armed Forces of the United States and in respect of any compensation paid or accrued to a resident who as a governmental employee was a prisoner of war or missing in action, and in respect of any compensation paid to a resident in 1971 or thereafter for annual training performed pursuant to Sections 502 and 503, Title 32, United States Code as a member of the Illinois National Guard. For taxable years ending on or after December 31, 2001, any amount included in such total in respect of any compensation (including but not limited to any compensation paid or accrued to a serviceman while a prisoner of war or missing in action) paid to a resident by reason of being a member of any component of the Armed Forces of the United States and in respect of any compensation paid or accrued to a resident who as a governmental employee was a prisoner of war or missing in action, and in respect of any compensation paid to a resident in 2001 or thereafter by reason of being a member of the Illinois National Guard. The provisions of this amendatory Act of the 92nd General Assembly are exempt from the provisions of Section 250;

(F) An amount equal to all amounts included in such total pursuant to the provisions of Sections 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and 408 of the Internal Revenue Code, or included in such total as distributions under the provisions of any retirement or disability plan for employees of any governmental agency or unit, or retirement payments to retired partners, which payments are excluded in computing net earnings from self employment by Section 1402 of the Internal Revenue Code and regulations adopted pursuant thereto;

(G) The valuation limitation amount;

(H) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(I) An amount equal to all amounts included in such total pursuant to the provisions of Section 111 of the Internal Revenue Code as a recovery of items previously deducted from adjusted gross income in the computation of taxable income;

(J) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act, and conducts substantially all of its operations in an Enterprise Zone or zones or a River Edge Redevelopment Zone or zones. This subparagraph (J) is exempt from the provisions of Section 250;

(K) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (J) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (K);

(L) For taxable years ending after December 31, 1983, an amount equal to all social security benefits and railroad retirement benefits included in such total pursuant to Sections 72(r) and 86 of the Internal Revenue Code;

(M) With the exception of any amounts subtracted under subparagraph (N), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(2) of the Internal Revenue Code of 1954, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code of 1954, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(N) An amount equal to all amounts included in such total which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;

(O) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;

(P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

(Q) An amount equal to any amounts included in such total, received by the taxpayer as an acceleration in the payment of life, endowment or annuity benefits in advance of the time they would otherwise be payable as an indemnity for a terminal illness;

(R) An amount equal to the amount of any federal or State bonus paid to veterans of the Persian Gulf War;

(S) An amount, to the extent included in adjusted gross income, equal to the amount of a contribution made in the taxable year on behalf of the taxpayer to a medical care savings account established under the Medical Care Savings Account Act or the Medical Care Savings Account Act of 2000 to the extent the contribution is accepted by the account administrator as provided in that Act;

(T) An amount, to the extent included in adjusted gross income, equal to the amount of interest earned in the taxable year on a medical care savings account established under the Medical Care Savings Account Act or the Medical Care Savings Account Act of 2000 on behalf of the taxpayer, other than interest added pursuant to item (D-5) of this paragraph (2);

(U) For one taxable year beginning on or after January 1, 1994, an amount equal to the total amount of tax imposed and paid under subsections (a) and (b) of Section 201 of this Act on grant amounts received by the taxpayer under the Nursing Home Grant Assistance Act during the taxpayer's taxable years 1992 and 1993;

(V) Beginning with tax years ending on or after December 31, 1995 and ending with tax years ending on or before December 31, 2004, an amount equal to the amount paid by a taxpayer who is a self-employed taxpayer, a partner of a partnership, or a shareholder in a Subchapter S corporation for health insurance or long-term care insurance for that taxpayer or that taxpayer's spouse or dependents, to the extent that the amount paid for that health insurance or long-term care insurance may be deducted under Section 213 of the Internal Revenue Code of 1986, has not been deducted on the federal income tax return of the taxpayer, and does not exceed the taxable income attributable to that taxpayer's income, self-employment income, or Subchapter S corporation income; except that no deduction shall be allowed under this item (V) if the taxpayer is eligible to participate in any health insurance or long-term care insurance plan of an employer of the taxpayer or the taxpayer's spouse. The amount of the health insurance and long-term care insurance subtracted under this item (V) shall be determined by multiplying total health insurance and long-term care insurance premiums paid by the taxpayer times a number that represents the fractional percentage of eligible medical expenses under Section 213 of the Internal Revenue Code of 1986 not actually deducted on the taxpayer's federal income tax return;

(W) For taxable years beginning on or after January 1, 1998, all amounts included

in the taxpayer's federal gross income in the taxable year from amounts converted from a regular IRA to a Roth IRA. This paragraph is exempt from the provisions of Section 250;

(X) For taxable year 1999 and thereafter, an amount equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime by European insurance companies immediately prior to and during World War II; provided, however, this subtraction from federal adjusted gross income does not apply to assets acquired with such assets or with the proceeds from the sale of such assets; provided, further, this paragraph shall only apply to a taxpayer who was the first recipient of such assets after their recovery and who is a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim. The amount of and the eligibility for any public assistance, benefit, or similar entitlement is not affected by the inclusion of items (i) and (ii) of this paragraph in gross income for federal income tax purposes. This paragraph is exempt from the provisions of Section 250;

(Y) For taxable years beginning on or after January 1, 2002 and ending on or before December 31, 2004, moneys contributed in the taxable year to a College Savings Pool account under Section 16.5 of the State Treasurer Act, except that amounts excluded from gross income under Section 529(c)(3)(C)(i) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (Y). For taxable years beginning on or after January 1, 2005, a maximum of \$10,000 contributed in the taxable year to (i) a College Savings Pool account under Section 16.5 of the State Treasurer Act or (ii) the Illinois Prepaid Tuition Trust Fund, except that amounts excluded from gross income under Section 529(c)(3)(C)(i) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (Y). This subparagraph (Y) is exempt from the provisions of Section 250;

(Z) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction (30% of the adjusted basis of the qualified property) is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction (30% of the adjusted basis of the qualified property) was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction; and

(2) "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429).

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction (30% of the adjusted basis of the qualified property) taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code;

(AA) If the taxpayer reports a capital gain or loss on the taxpayer's federal income tax return for the taxable year based on a sale or transfer of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property;

(BB) Any amount included in adjusted gross income, other than salary, received by a driver in a ridesharing arrangement using a motor vehicle;

(CC) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-13), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of that addition modification, and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required

to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-14), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of that addition modification;

(DD) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-17) for interest paid, accrued, or incurred, directly or indirectly, to the same foreign person; and

(EE) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-18) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person.

(b) Corporations.

(1) In general. In the case of a corporation, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. The taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest and all distributions received from regulated investment companies during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of taxable income for the taxable year;

(C) In the case of a regulated investment company, an amount equal to the excess of (i) the net long-term capital gain for the taxable year, over (ii) the amount of the capital gain dividends designated as such in accordance with Section 852(b)(3)(C) of the Internal Revenue Code and any amount designated under Section 852(b)(3)(D) of the Internal Revenue Code, attributable to the taxable year (this amendatory Act of 1995 (Public Act 89-89) is declarative of existing law and is not a new enactment);

(D) The amount of any net operating loss deduction taken in arriving at taxable income, other than a net operating loss carried forward from a taxable year ending prior to December 31, 1986;

(E) For taxable years in which a net operating loss carryback or carryforward from a taxable year ending prior to December 31, 1986 is an element of taxable income under paragraph (1) of subsection (e) or subparagraph (E) of paragraph (2) of subsection (e), the amount by which addition modifications other than those provided by this subparagraph (E) exceeded subtraction modifications in such earlier taxable year, with the following limitations applied in the order that they are listed:

(i) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall be reduced by the amount of addition modification under this subparagraph (E) which related to that net operating loss and which was taken into account in calculating the base income of an earlier taxable year, and

(ii) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall not exceed the amount of such carryback or carryforward;

For taxable years in which there is a net operating loss carryback or carryforward from more than one other taxable year ending prior to December 31, 1986, the addition modification provided in this subparagraph (E) shall be the sum of the amounts computed independently under the preceding provisions of this subparagraph (E) for each such taxable year;

(E-5) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the corporation deducted in computing adjusted gross income and for which the corporation claims a credit under subsection (l) of Section 201;

(E-10) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction (30% of the adjusted basis of the qualified property) taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code; and

(E-11) If the taxpayer reports a capital gain or loss on the taxpayer's federal income tax return for the taxable year based on a sale or transfer of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (T) with respect to that property.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

(E-12) For taxable years ending on or after December 31, 2004, an amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, to a foreign person who would be a member of the same unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and

(b) the transaction giving rise to the interest expense between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

(iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(E-13) For taxable years ending on or after December 31, 2004, an amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to

the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(b)(2)(E-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

(i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such item; or

(ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and

(b) the transaction giving rise to the intangible expense or cost between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

and by deducting from the total so obtained the sum of the following amounts:

(F) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(G) An amount equal to any amount included in such total under Section 78 of the Internal Revenue Code;

(H) In the case of a regulated investment company, an amount equal to the amount of exempt interest dividends as defined in subsection (b) (5) of Section 852 of the Internal Revenue Code, paid to shareholders for the taxable year;

(I) With the exception of any amounts subtracted under subparagraph (J), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(a)(2) and amounts disallowed as interest expense by Section 291(a)(3) of the Internal Revenue Code, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) of the Internal Revenue Code, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(J) An amount equal to all amounts included in such total which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;

(K) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or a River Edge Redevelopment Zone or zones created under the River

Edge Redevelopment Zone Act and conducts substantially all of its operations in an Enterprise Zone or zones or a River Edge Redevelopment Zone or zones. This subparagraph (K) is exempt from the provisions of Section 250;

(L) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (K) of paragraph 2 of this subsection shall not be eligible for the deduction provided under this subparagraph (L);

(M) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the Enterprise Zone Investment Credit or the River Edge Redevelopment Zone Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(f) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(f) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in the Enterprise Zone or the River Edge Redevelopment Zone. The subtraction modification available to taxpayer in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence. This subparagraph (M) is exempt from the provisions of Section 250;

(M-1) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the High Impact Business Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(h) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(h) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois. No taxpayer that is eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall be eligible for the deduction provided under this subparagraph (M-1). The subtraction modification available to taxpayers in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence;

(N) Two times any contribution made during the taxable year to a designated zone organization to the extent that the contribution (i) qualifies as a charitable contribution under subsection (c) of Section 170 of the Internal Revenue Code and (ii) must, by its terms, be used for a project approved by the Department of Commerce and Economic Opportunity under Section 11 of the Illinois Enterprise Zone Act or under Section 10-10 of the Illinois River Edge Redevelopment Zone Act. This subparagraph (N) is exempt from the provisions of Section 250;

(O) An amount equal to: (i) 85% for taxable years ending on or before December 31, 1992, or, a percentage equal to the percentage allowable under Section 243(a)(1) of the Internal Revenue Code of 1986 for taxable years ending after December 31, 1992, of the amount by which dividends included in taxable income and received from a corporation that is not created or organized under the laws of the United States or any state or political subdivision thereof, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 964 of the Internal Revenue Code, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends; plus (ii) 100% of the amount by which dividends, included in taxable income and received, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 964 of the Internal Revenue Code, from any such corporation specified in clause (i) that would but for the provisions of Section 1504 (b) (3) of the Internal Revenue Code be treated as a member of the affiliated group which includes the dividend recipient, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends;

(P) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;

(Q) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

(R) In the case of an attorney-in-fact with respect to whom an interinsurer or a reciprocal insurer has made the election under Section 835 of the Internal Revenue Code, 26 U.S.C. 835, an amount equal to the excess, if any, of the amounts paid or incurred by that interinsurer or reciprocal insurer in the taxable year to the attorney-in-fact over the deduction allowed to that interinsurer or reciprocal insurer with respect to the attorney-in-fact under Section 835(b) of the Internal Revenue Code for the taxable year;

(S) For taxable years ending on or after December 31, 1997, in the case of a Subchapter S corporation, an amount equal to all amounts of income allocable to a shareholder subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act, including amounts allocable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code. This subparagraph (S) is exempt from the provisions of Section 250;

(T) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction (30% of the adjusted basis of the qualified property) is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction (30% of the adjusted basis of the qualified property) was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction; and

(2) "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429).

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction (30% of the adjusted basis of the qualified property) taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code;

(U) If the taxpayer reports a capital gain or loss on the taxpayer's federal income tax return for the taxable year based on a sale or transfer of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property;

(V) The amount of: (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification;

(W) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-12) for interest paid, accrued, or incurred, directly or indirectly, to the same foreign person; and

(X) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person.

(3) Special rule. For purposes of paragraph (2) (A), "gross income" in the case of a life insurance company, for tax years ending on and after December 31, 1994, shall mean the gross investment income for the taxable year.

(c) Trusts and estates.

(1) In general. In the case of a trust or estate, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. Subject to the provisions of paragraph (3), the taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) In the case of (i) an estate, \$600; (ii) a trust which, under its governing instrument, is required to distribute all of its income currently, \$300; and (iii) any other trust, \$100, but in each such case, only to the extent such amount was deducted in the computation of taxable income;

(C) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of taxable income for the taxable year;

(D) The amount of any net operating loss deduction taken in arriving at taxable income, other than a net operating loss carried forward from a taxable year ending prior to December 31, 1986;

(E) For taxable years in which a net operating loss carryback or carryforward from a taxable year ending prior to December 31, 1986 is an element of taxable income under paragraph (1) of subsection (e) or subparagraph (E) of paragraph (2) of subsection (e), the amount by which addition modifications other than those provided by this subparagraph (E) exceeded subtraction modifications in such taxable year, with the following limitations applied in the order that they are listed:

(i) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall be reduced by the amount of addition modification under this subparagraph (E) which related to that net operating loss and which was taken into account in calculating the base income of an earlier taxable year, and

(ii) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall not exceed the amount of such carryback or carryforward;

For taxable years in which there is a net operating loss carryback or carryforward from more than one other taxable year ending prior to December 31, 1986, the addition modification provided in this subparagraph (E) shall be the sum of the amounts computed independently under the preceding provisions of this subparagraph (E) for each such taxable year;

(F) For taxable years ending on or after January 1, 1989, an amount equal to the tax deducted pursuant to Section 164 of the Internal Revenue Code if the trust or estate is claiming the same tax for purposes of the Illinois foreign tax credit under Section 601 of this Act;

(G) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of taxable income;

(G-5) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the trust or estate deducted in computing adjusted gross income and for which the trust or estate claims a credit under subsection (l) of Section 201;

(G-10) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction (30% of the adjusted basis of the qualified property) taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code; and

(G-11) If the taxpayer reports a capital gain or loss on the taxpayer's federal income tax return for the taxable year based on a sale or transfer of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (R) with respect to that property.

The taxpayer is required to make the addition modification under this subparagraph

only once with respect to any one piece of property;

(G-12) For taxable years ending on or after December 31, 2004, an amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and

(b) the transaction giving rise to the interest expense between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

(iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(G-13) For taxable years ending on or after December 31, 2004, an amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(c)(2)(G-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes: (1) expenses, losses, and costs for or related to the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of

intangible assets.

This paragraph shall not apply to the following:

(i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such item; or

(ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and

(b) the transaction giving rise to the intangible expense or cost between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

and by deducting from the total so obtained the sum of the following amounts:

(H) An amount equal to all amounts included in such total pursuant to the provisions of Sections 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408 of the Internal Revenue Code or included in such total as distributions under the provisions of any retirement or disability plan for employees of any governmental agency or unit, or retirement payments to retired partners, which payments are excluded in computing net earnings from self employment by Section 1402 of the Internal Revenue Code and regulations adopted pursuant thereto;

(I) The valuation limitation amount;

(J) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(K) An amount equal to all amounts included in taxable income as modified by subparagraphs (A), (B), (C), (D), (E), (F) and (G) which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;

(L) With the exception of any amounts subtracted under subparagraph (K), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2) and 265(a)(2) of the Internal Revenue Code, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code of 1954, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(M) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations in an Enterprise Zone or Zones or a River Edge Redevelopment Zone or zones. This subparagraph (M) is exempt from the provisions of Section 250;

(N) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;

(O) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends

eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (O);

(P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

(Q) For taxable year 1999 and thereafter, an amount equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime by European insurance companies immediately prior to and during World War II; provided, however, this subtraction from federal adjusted gross income does not apply to assets acquired with such assets or with the proceeds from the sale of such assets; provided, further, this paragraph shall only apply to a taxpayer who was the first recipient of such assets after their recovery and who is a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim. The amount of and the eligibility for any public assistance, benefit, or similar entitlement is not affected by the inclusion of items (i) and (ii) of this paragraph in gross income for federal income tax purposes. This paragraph is exempt from the provisions of Section 250;

(R) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction (30% of the adjusted basis of the qualified property) is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction (30% of the adjusted basis of the qualified property) was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction; and

(2) "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429).

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction (30% of the adjusted basis of the qualified property) taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code;

(S) If the taxpayer reports a capital gain or loss on the taxpayer's federal income tax return for the taxable year based on a sale or transfer of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property;

(T) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification;

(U) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with a foreign person who would be a member of the taxpayer's unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of that person's total business activity, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-12) for interest paid, accrued, or incurred, directly or indirectly, to the same

foreign person; and

(V) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person.

(3) Limitation. The amount of any modification otherwise required under this subsection shall, under regulations prescribed by the Department, be adjusted by any amounts included therein which were properly paid, credited, or required to be distributed, or permanently set aside for charitable purposes pursuant to Internal Revenue Code Section 642(c) during the taxable year.

(d) Partnerships.

(1) In general. In the case of a partnership, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. The taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income for the taxable year;

(C) The amount of deductions allowed to the partnership pursuant to Section 707 (c) of the Internal Revenue Code in calculating its taxable income;

(D) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of taxable income;

(D-5) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction (30% of the adjusted basis of the qualified property) taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code;

(D-6) If the taxpayer reports a capital gain or loss on the taxpayer's federal income tax return for the taxable year based on a sale or transfer of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (O) with respect to that property.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

(D-7) For taxable years ending on or after December 31, 2004, an amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, to a foreign person who would be a member of the same unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer can establish, based on a preponderance of the evidence, both of

the following:

- (a) the foreign person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and
- (b) the transaction giving rise to the interest expense between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or
- (iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or
- (iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act; and

(D-8) For taxable years ending on or after December 31, 2004, an amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(d)(2)(D-7) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets;

This paragraph shall not apply to the following:

- (i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such item; or
- (ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:
 - (a) the foreign person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and
 - (b) the transaction giving rise to the intangible expense or cost between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or
 - (iii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment

under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act; and by deducting from the total so obtained the following amounts:

(E) The valuation limitation amount;

(F) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(G) An amount equal to all amounts included in taxable income as modified by subparagraphs (A), (B), (C) and (D) which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;

(H) Any income of the partnership which constitutes personal service income as defined in Section 1348 (b) (1) of the Internal Revenue Code (as in effect December 31, 1981) or a reasonable allowance for compensation paid or accrued for services rendered by partners to the partnership, whichever is greater;

(I) An amount equal to all amounts of income distributable to an entity subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act including amounts distributable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code;

(J) With the exception of any amounts subtracted under subparagraph (G), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(2) of the Internal Revenue Code of 1954, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(K) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act, enacted by the 82nd General Assembly, or a River Edge Redevelopment Zone or zones created under the Rive Edge Redevelopment Zone Act and conducts substantially all of its operations in an Enterprise Zone or Zones or from a River Edge Redevelopment Zone or zones. This subparagraph (K) is exempt from the provisions of Section 250.

(L) An amount equal to any contribution made to a job training project established pursuant to the Real Property Tax Increment Allocation Redevelopment Act;

(M) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (K) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (M);

(N) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

(O) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction (30% of the adjusted basis of the qualified property) is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction (30% of the adjusted basis of the qualified property) was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction; and

(2) "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429).

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction (30% of the adjusted basis of the qualified property) taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code;

(P) If the taxpayer reports a capital gain or loss on the taxpayer's federal income tax return for the taxable year based on a sale or transfer of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property;

(Q) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification;

(R) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity, but not to exceed the addition modification required to be made for the same taxable year under Section 203(d)(2)(D-7) for interest paid, accrued, or incurred, directly or indirectly, to the same foreign person; and

(S) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity, but not to exceed the addition modification required to be made for the same taxable year under Section 203(d)(2)(D-8) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person.

(e) Gross income; adjusted gross income; taxable income.

(1) In general. Subject to the provisions of paragraph (2) and subsection (b) (3), for purposes of this Section and Section 803(e), a taxpayer's gross income, adjusted gross income, or taxable income for the taxable year shall mean the amount of gross income, adjusted gross income or taxable income properly reportable for federal income tax purposes for the taxable year under the provisions of the Internal Revenue Code. Taxable income may be less than zero. However, for taxable years ending on or after December 31, 1986, net operating loss carryforwards from taxable years ending prior to December 31, 1986, may not exceed the sum of federal taxable income for the taxable year before net operating loss deduction, plus the excess of addition modifications over subtraction modifications for the taxable year. For taxable years ending prior to December 31, 1986, taxable income may never be an amount in excess of the net operating loss for the taxable year as defined in subsections (c) and (d) of Section 172 of the Internal Revenue Code, provided that when taxable income of a corporation (other than a Subchapter S corporation), trust, or estate is less than zero and addition modifications, other than those provided by subparagraph (E) of paragraph (2) of subsection (b) for corporations or subparagraph (E) of paragraph (2) of subsection (c) for trusts and estates, exceed subtraction modifications, an addition modification must be made under those subparagraphs for any other taxable year to which the taxable income less than zero (net operating loss) is applied under Section 172 of the Internal Revenue Code or under subparagraph (E) of paragraph (2) of this subsection (e) applied in conjunction with Section 172 of the Internal Revenue Code.

(2) Special rule. For purposes of paragraph (1) of this subsection, the taxable income properly reportable for federal income tax purposes shall mean:

(A) Certain life insurance companies. In the case of a life insurance company subject to the tax imposed by Section 801 of the Internal Revenue Code, life insurance company taxable income, plus the amount of distribution from pre-1984 policyholder surplus accounts as

calculated under Section 815a of the Internal Revenue Code;

(B) Certain other insurance companies. In the case of mutual insurance companies subject to the tax imposed by Section 831 of the Internal Revenue Code, insurance company taxable income;

(C) Regulated investment companies. In the case of a regulated investment company subject to the tax imposed by Section 852 of the Internal Revenue Code, investment company taxable income;

(D) Real estate investment trusts. In the case of a real estate investment trust subject to the tax imposed by Section 857 of the Internal Revenue Code, real estate investment trust taxable income;

(E) Consolidated corporations. In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated income tax return for the taxable year for federal income tax purposes, taxable income determined as if such corporation had filed a separate return for federal income tax purposes for the taxable year and each preceding taxable year for which it was a member of an affiliated group. For purposes of this subparagraph, the taxpayer's separate taxable income shall be determined as if the election provided by Section 243(b) (2) of the Internal Revenue Code had been in effect for all such years;

(F) Cooperatives. In the case of a cooperative corporation or association, the taxable income of such organization determined in accordance with the provisions of Section 1381 through 1388 of the Internal Revenue Code;

(G) Subchapter S corporations. In the case of: (i) a Subchapter S corporation for which there is in effect an election for the taxable year under Section 1362 of the Internal Revenue Code, the taxable income of such corporation determined in accordance with Section 1363(b) of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 1363(b)(1) of the Internal Revenue Code to be separately stated; and (ii) a Subchapter S corporation for which there is in effect a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982, the taxable income of such corporation determined in accordance with the federal Subchapter S rules as in effect on July 1, 1982; and

(H) Partnerships. In the case of a partnership, taxable income determined in accordance with Section 703 of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 703(a)(1) to be separately stated but which would be taken into account by an individual in calculating his taxable income.

(3) Recapture of business expenses on disposition of asset or business. Notwithstanding any other law to the contrary, if in prior years income from an asset or business has been classified as business income and in a later year is demonstrated to be non-business income, then all expenses, without limitation, deducted in such later year and in the 2 immediately preceding taxable years related to that asset or business that generated the non-business income shall be added back and recaptured as business income in the year of the disposition of the asset or business. Such amount shall be apportioned to Illinois using the greater of the apportionment fraction computed for the business under Section 304 of this Act for the taxable year or the average of the apportionment fractions computed for the business under Section 304 of this Act for the taxable year and for the 2 immediately preceding taxable years.

(f) Valuation limitation amount.

(1) In general. The valuation limitation amount referred to in subsections (a) (2)

(G), (c) (2) (I) and (d)(2) (E) is an amount equal to:

(A) The sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of gain reportable under the provisions of Section 1245 or 1250 of the Internal Revenue Code) for all property in respect of which such gain was reported for the taxable year; plus

(B) The lesser of (i) the sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of capital gain) for all property in respect of which such gain was reported for federal income tax purposes for the taxable year, or (ii) the net capital gain for the taxable year, reduced in either case by any amount of such gain included in the amount determined under subsection (a) (2) (F) or (c) (2) (H).

(2) Pre-August 1, 1969 appreciation amount.

(A) If the fair market value of property referred to in paragraph (1) was readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is the lesser of (i) the excess of such fair market value over the taxpayer's basis (for determining gain) for such property on that date (determined under the Internal Revenue Code as in effect on that

date), or (ii) the total gain realized and reportable for federal income tax purposes in respect of the sale, exchange or other disposition of such property.

(B) If the fair market value of property referred to in paragraph (1) was not readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is that amount which bears the same ratio to the total gain reported in respect of the property for federal income tax purposes for the taxable year, as the number of full calendar months in that part of the taxpayer's holding period for the property ending July 31, 1969 bears to the number of full calendar months in the taxpayer's entire holding period for the property.

(C) The Department shall prescribe such regulations as may be necessary to carry out the purposes of this paragraph.

(g) Double deductions. Unless specifically provided otherwise, nothing in this Section shall permit the same item to be deducted more than once.

(h) Legislative intention. Except as expressly provided by this Section there shall be no modifications or limitations on the amounts of income, gain, loss or deduction taken into account in determining gross income, adjusted gross income or taxable income for federal income tax purposes for the taxable year, or in the amount of such items entering into the computation of base income and net income under this Act for such taxable year, whether in respect of property values as of August 1, 1969 or otherwise.

(Source: P.A. 92-16, eff. 6-28-01; 92-244, eff. 8-3-01; 92-439, eff. 8-17-01; 92-603, eff. 6-28-02; 92-626, eff. 7-11-02; 92-651, eff. 7-11-02; 92-846, eff. 8-23-02; 93-812, eff. 7-26-04; 93-840, eff. 7-30-04; revised 10-12-04.)

Section 90-20. The Use Tax Act is amended by changing Section 12 as follows:

(35 ILCS 105/12) (from Ch. 120, par. 439.12)

Sec. 12. Applicability of Retailers' Occupation Tax Act and Uniform Penalty and Interest Act. All of the provisions of Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-54, 2a, 2b, 2c, 3, 4 (except that the time limitation provisions shall run from the date when the tax is due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received and except that in the case of a failure to file a return required by this Act, no notice of tax liability shall be issued on and after each July 1 and January 1 covering tax due with that return during any month or period more than 6 years before that July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5j, 5k, 5l, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, which are not inconsistent with this Act, shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(Source: P.A. 90-42, eff. 1-1-98; 90-792, eff. 1-1-99.)

Section 90-25. The Service Use Tax Act is amended by changing Section 12 as follows:

(35 ILCS 110/12) (from Ch. 120, par. 439.42)

Sec. 12. Applicability of Retailers' Occupation Tax Act and Uniform Penalty and Interest Act. All of the provisions of Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-54, 2a, 2b, 2c, 3 (except as to the disposition by the Department of the money collected under this Act), 4 (except that the time limitation provisions shall run from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received and except that in the case of a failure to file a return required by this Act, no notice of tax liability shall be issued on and after July 1 and January 1 covering tax due with that return during any month or period more than 6 years before that July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act which are not inconsistent with this Act, and Section 3-7 of the Uniform Penalty and Interest Act, shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(Source: P.A. 90-42, eff. 1-1-98; 90-792, eff. 1-1-99.)

Section 90-30. The Service Occupation Tax Act is amended by changing Section 12 as follows:

(35 ILCS 115/12) (from Ch. 120, par. 439.112)

Sec. 12. All of the provisions of Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-54, 2a, 2b, 2c, 3

(except as to the disposition by the Department of the tax collected under this Act), 4 (except that the time limitation provisions shall run from the date when the tax is due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 7, 8, 9, 10, 11 and 12 of the "Retailers' Occupation Tax Act" which are not inconsistent with this Act, and Section 3-7 of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(Source: P.A. 90-42, eff. 1-1-98; 90-792, eff. 1-1-99.)

Section 90-35. The Retailers' Occupation Tax Act is amended by adding Section 2-54 as follows:

(35 ILCS 120/2-54 new)

Sec. 2-54. Building materials exemption; River Edge Redevelopment Zones. Each retailer that makes a qualified sale of building materials to be incorporated into real estate within a River Edge Redevelopment Zone in accordance with the River Edge Redevelopment Zone Act by remodeling, rehabilitating, or new construction may deduct receipts from those sales when calculating the tax imposed by this Act. For purposes of this Section, "qualified sale" means a sale of building materials that will be incorporated into real estate as part of an industrial or commercial project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the corporate authorities of the municipality in which the building project is located. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the Certificate of Eligibility for Sales Tax Exemption issued by the corporate authorities of the municipality in which the real estate into which the building materials will be incorporated is located. The Certificate of Eligibility for Sales Tax Exemption must contain all of the following:

(1) A statement that the commercial or industrial project identified in the Certificate meets all the requirements of the jurisdiction in which the project is located.

(2) The location or address of the building project.

(3) The signature of the chief executive officer of the municipality in which the building project is located, or the chief executive officer's delegate.

In addition, the retailer must obtain a certificate from the purchaser that contains all of the following:

(1) A statement that the building materials are being purchased for incorporation into real estate located in a River Edge Redevelopment Zone included in a redevelopment project area in accordance with River Edge Redevelopment Zone Act.

(2) The location or address of the real estate into which the building materials will be incorporated.

(3) The name of the River Edge Redevelopment Zone in which that real estate is located.

(4) A description of the building materials being purchased.

(5) The purchaser's signature and date of purchase.

The provisions of this Section are exempt from Section 2-70.

Section 90-40. The Property Tax Code is amended by changing Section 18-170 as follows:

(35 ILCS 200/18-170)

Sec. 18-170. Enterprise zone and River Edge Redevelopment Zone abatement. In addition to the authority to abate taxes under Section 18-165, any taxing district, upon a majority vote of its governing authority, may order the county clerk to abate any portion of its taxes on property, or any class thereof, located within an Enterprise Zone created under the Illinois Enterprise Zone Act or a River Edge Redevelopment Zone created under the River Edge Redevelopment Zone Act, and upon which either new improvements have been constructed or existing improvements have been renovated or rehabilitated after December 7, 1982. However, any abatement of taxes on any parcel shall not exceed the amount attributable to the construction of the improvements and the renovation or rehabilitation of existing improvements on the parcel. In the case of property within a redevelopment area created under the Tax Increment Allocation Redevelopment Act, the abatement shall not apply unless a business enterprise or individual with regard to new improvements or renovated or rehabilitated improvements has met the requirements of Section 5.4.1 of the Illinois Enterprise Zone Act or under Section 10-5.4.1 of the River Edge Redevelopment Zone Act. If an abatement is discontinued under this Section, a municipality shall notify the county clerk and the board of review or board of appeals of the change in writing not later than July 1 of the assessment year to be first affected by the change. However, within a county economic development project area created under the County Economic Development Project Area Property Tax Allocation Act, any municipality or county which has adopted tax increment allocation financing under the Tax Increment Allocation Redevelopment Act or the County Economic Development Project Area

Tax Increment Allocation Act may abate any portion of its taxes as provided in this Section. Any other taxing district within the county economic development project area may order any portion or all of its taxes abated as provided above if the county or municipality which created the tax increment district has agreed, in writing, to the abatement.

A copy of an abatement order adopted under this Section shall be delivered to the county clerk and to the board of review or board of appeals not later than July 1 of the assessment year to be first affected by the order. If it is delivered on or after that date, it will first affect the taxes extended on the assessment of the following year. The board of review or board of appeals shall, each time the assessment books are delivered to the county clerk, also deliver a list of parcels affected by an abatement and the assessed value attributable to new improvements or to the renovation or rehabilitation of existing improvements. (Source: P.A. 89-126, eff. 7-11-95; 89-671, eff. 8-14-96; 90-258, eff. 7-30-97.)

Section 90-45. The Environmental Protection Act is amended by changing Sections 58.13 and 58.14 as follows:

(415 ILCS 5/58.13)

Sec. 58.13. Municipal Brownfields Redevelopment Grant Program.

(a) (1) The Agency shall establish and administer a program of grants, to be known as the Municipal Brownfields Redevelopment Grant Program, to provide municipalities in Illinois with financial assistance to be used for coordination of activities related to brownfields redevelopment, including but not limited to identification of brownfields sites, including those sites within River Edge Redevelopment Zones, site investigation and determination of remediation objectives and related plans and reports, development of remedial action plans, and implementation of remedial action plans and remedial action completion reports. The plans and reports shall be developed in accordance with Title XVII of this Act.

(2) Grants shall be awarded on a competitive basis subject to availability of funding.

Criteria for awarding grants shall include, but shall not be limited to the following:

- (A) problem statement and needs assessment;
- (B) community-based planning and involvement;
- (C) implementation planning; and
- (D) long-term benefits and sustainability.

(3) The Agency may give weight to geographic location to enhance geographic distribution of grants across this State.

(4) Except for grants to municipalities with designated River Edge Redevelopment Zones, grants shall be limited to a maximum of \$240,000, and no municipality shall receive more than this amount under this Section. For grants to municipalities with designated River Edge Redevelopment Zones, grants shall be limited to a maximum of \$2,000,000 and no municipality shall receive more than this amount under this Section.

(5) Grant amounts shall not exceed 70% of the project amount, with the remainder to be provided by the municipality as local matching funds.

(b) The Agency shall have the authority to enter into any contracts or agreements that may be necessary to carry out its duties or responsibilities under this Section. The Agency shall have the authority to adopt rules setting forth procedures and criteria for administering the Municipal Brownfields Redevelopment Grant Program. The rules adopted by the Agency may include but shall not be limited to the following:

- (1) purposes for which grants are available;
- (2) application periods and content of applications;
- (3) procedures and criteria for Agency review of grant applications, grant approvals and denials, and grantee acceptance;
- (4) grant payment schedules;
- (5) grantee responsibilities for work schedules, work plans, reports, and record keeping;
- (6) evaluation of grantee performance, including but not limited to auditing and access to sites and records;
- (7) requirements applicable to contracting and subcontracting by the grantee;
- (8) penalties for noncompliance with grant requirements and conditions, including stop-work orders, termination of grants, and recovery of grant funds;
- (9) indemnification of this State and the Agency by the grantee; and
- (10) manner of compliance with the Local Government Professional Services Selection Act.

(Source: P.A. 92-486, eff. 1-1-02; 92-715, eff. 7-23-02.)

(415 ILCS 5/58.14)

Sec. 58.14. Environmental Remediation Tax Credit review.

(a) Prior to applying for the Environmental Remediation Tax Credit under Section 201 of the Illinois Income Tax Act, Remediation Applicants shall first submit to the Agency an application for review of remediation costs. The Agency shall review the application jointly with the Department of Commerce and Economic Opportunity. The application and review process shall be conducted in accordance with the requirements of this Section and the rules adopted under subsection (g). A preliminary review of the estimated remediation costs for development and implementation of the Remedial Action Plan may be obtained in accordance with subsection (d).

(b) No application for review shall be submitted until a No Further Remediation Letter has been issued by the Agency and recorded in the chain of title for the site in accordance with Section 58.10. The Agency shall review the application to determine whether the costs submitted are remediation costs, and whether the costs incurred are reasonable. The application shall be on forms prescribed and provided by the Agency. At a minimum, the application shall include the following:

(1) information identifying the Remediation Applicant and the site for which the tax credit is being sought and the date of acceptance of the site into the Site Remediation Program;

(2) a copy of the No Further Remediation Letter with official verification that the letter has been recorded in the chain of title for the site and a demonstration that the site for which the application is submitted is the same site as the one for which the No Further Remediation Letter is issued;

(3) a demonstration that the release of the regulated substances of concern for which the No Further Remediation Letter was issued were not caused or contributed to in any material respect by the Remediation Applicant. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability shall be made consistent with those rules;

(4) an itemization and documentation, including receipts, of the remediation costs incurred;

(5) a demonstration that the costs incurred are remediation costs as defined in this Act and its rules;

(6) a demonstration that the costs submitted for review were incurred by the Remediation Applicant who received the No Further Remediation Letter;

(7) an application fee in the amount set forth in subsection (e) for each site for which review of remediation costs is requested and, if applicable, certification from the Department of Commerce and Economic Opportunity ~~Community Affairs~~ that the site is located in an enterprise zone;

(8) any other information deemed appropriate by the Agency.

(c) Within 60 days after receipt by the Agency of an application meeting the requirements of subsection (b), the Agency shall issue a letter to the applicant approving, disapproving, or modifying the remediation costs submitted in the application. If the remediation costs are approved as submitted, the Agency's letter shall state the amount of the remediation costs to be applied toward the Environmental Remediation Tax Credit. If an application is disapproved or approved with modification of remediation costs, the Agency's letter shall set forth the reasons for the disapproval or modification and state the amount of the remediation costs, if any, to be applied toward the Environmental Remediation Tax Credit.

If a preliminary review of a budget plan has been obtained under subsection (d), the Remediation Applicant may submit, with the application and supporting documentation under subsection (b), a copy of the Agency's final determination accompanied by a certification that the actual remediation costs incurred for the development and implementation of the Remedial Action Plan are equal to or less than the costs approved in the Agency's final determination on the budget plan. The certification shall be signed by the Remediation Applicant and notarized. Based on that submission, the Agency shall not be required to conduct further review of the costs incurred for development and implementation of the Remedial Action Plan and may approve costs as submitted.

Within 35 days after receipt of an Agency letter disapproving or modifying an application for approval of remediation costs, the Remediation Applicant may appeal the Agency's decision to the Board in the manner provided for the review of permits in Section 40 of this Act.

(d) (1) A Remediation Applicant may obtain a preliminary review of estimated remediation costs for the development and implementation of the Remedial Action Plan by submitting a budget plan along with the Remedial Action Plan. The budget plan shall be set forth on forms prescribed and

provided by the Agency and shall include but shall not be limited to line item estimates of the costs associated with each line item (such as personnel, equipment, and materials) that the Remediation Applicant anticipates will be incurred for the development and implementation of the Remedial Action Plan. The Agency shall review the budget plan along with the Remedial Action Plan to determine whether the estimated costs submitted are remediation costs and whether the costs estimated for the activities are reasonable.

(2) If the Remedial Action Plan is amended by the Remediation Applicant or as a result of Agency action, the corresponding budget plan shall be revised accordingly and resubmitted for Agency review.

(3) The budget plan shall be accompanied by the applicable fee as set forth in subsection (e).

(4) Submittal of a budget plan shall be deemed an automatic 60-day waiver of the Remedial Action Plan review deadlines set forth in this Section and its rules.

(5) Within the applicable period of review, the Agency shall issue a letter to the Remediation Applicant approving, disapproving, or modifying the estimated remediation costs submitted in the budget plan. If a budget plan is disapproved or approved with modification of estimated remediation costs, the Agency's letter shall set forth the reasons for the disapproval or modification.

(6) Within 35 days after receipt of an Agency letter disapproving or modifying a budget plan, the Remediation Applicant may appeal the Agency's decision to the Board in the manner provided for the review of permits in Section 40 of this Act.

(e) The fees for reviews conducted under this Section are in addition to any other fees or payments for Agency services rendered pursuant to the Site Remediation Program and shall be as follows:

(1) The fee for an application for review of remediation costs shall be \$1,000 for each site reviewed.

(2) The fee for the review of the budget plan submitted under subsection (d) shall be \$500 for each site reviewed.

(3) In the case of a Remediation Applicant submitting for review total remediation costs of ~~\$100,000 or less~~ for a site located within a River Edge Redevelopment Zone ~~an enterprise zone~~ (as set forth in paragraph (i) of subsection (n) ~~(n)~~ of Section 201 of the Illinois Income Tax Act), the fee for an application for review of remediation costs shall be \$250 for each site reviewed. For those sites, there shall be no fee for review of a budget plan under subsection (d). The application fee shall be made payable to the State of Illinois, for deposit into the Hazardous Waste Fund.

Pursuant to appropriation, the Agency shall use the fees collected under this subsection for development and administration of the review program.

(f) The Agency shall have the authority to enter into any contracts or agreements that may be necessary to carry out its duties and responsibilities under this Section.

(g) Within 6 months after July 21, 1997, the Agency shall propose rules prescribing procedures and standards for its administration of this Section. Within 6 months after receipt of the Agency's proposed rules, the Board shall adopt on second notice, pursuant to Sections 27 and 28 of this Act and the Illinois Administrative Procedure Act, rules that are consistent with this Section. Prior to the effective date of rules adopted under this Section, the Agency may conduct reviews of applications under this Section and the Agency is further authorized to distribute guidance documents on costs that are eligible or ineligible as remediation costs.

(Source: P.A. 92-574, eff. 6-26-02; revised 12-6-03.)

ARTICLE 900. SEVERABILITY; EFFECTIVE DATE

Section 900-5. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 900-10. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 17**, with House Amendments numbered 1 and 3, was referred to the Secretary's Desk.

A message from the House by
Mr. Mahoney, 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. 49

A bill for AN ACT concerning 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. 49

Passed the House, as amended, May 1, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 49

AMENDMENT NO. 1. Amend Senate Bill 49 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 14-108.3, 15-155, 15-168.1, 16-128, 16-158, and 16-169.1 as follows:

(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.

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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 the present value of future benefits resulting from the granting of early retirement incentives under this Section and shall report that amount to the Governor and the Commission on Government Forecasting and Accountability on or after the effective date of this amendatory Act of the 93rd General Assembly and on or before November 15, 2004. Beginning with State fiscal year 2008, the increase reported under this subsection (f) shall be included in the calculation of the required State contribution under Section 14-131.

(g) In addition to the contributions otherwise required under this Article, the State shall appropriate and pay to the System an amount equal to \$70,000,000 in State fiscal years 2004 and 2005.

(h) The Commission on Government Forecasting and Accountability (i) shall hold one or more hearings on or before the last session day during the fall veto session of 2004 to review recommendations relating to funding of early retirement incentives under this Section and (ii) shall file its report with the General Assembly on or before December 31, 2004 making its recommendations relating to funding of early retirement incentives under this Section; the Commission's report may contain both majority recommendations and minority recommendations. The System shall recalculate and recertify to the Governor by January 31, 2005 the amount of the required State contribution to the System for State fiscal year 2005 with respect to those incentives. The Pension Laws Commission (or its successor, the Commission on Government Forecasting and Accountability) shall determine and report to the General Assembly, on or before January 1, 2004 and annually thereafter through the year ~~2006~~ ~~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. 93-632, eff. 2-1-04; 93-839, eff. 7-30-04; 93-1067, eff. 1-15-05; 94-4, eff. 6-1-05.)

(40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

Sec. 15-155. Employer contributions.

(a) The State of Illinois shall make contributions by appropriations of amounts which, together with the other employer contributions from trust, federal, and other funds, employee contributions, income from investments, and other income of this System, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (a-1).

(a-1) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$166,641,900.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$252,064,100.

For each of State fiscal years 2008 through 2010, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(b) If an employee is paid from trust or federal funds, the employer shall pay to the Board contributions from those funds which are sufficient to cover the accruing normal costs on behalf of the employee. However, universities having employees who are compensated out of local auxiliary funds, income funds, or service enterprise funds are not required to pay such contributions on behalf of those employees. The local auxiliary funds, income funds, and service enterprise funds of universities shall not

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be considered trust funds for the purpose of this Article, but funds of alumni associations, foundations, and athletic associations which are affiliated with the universities included as employers under this Article and other employers which do not receive State appropriations are considered to be trust funds for the purpose of this Article.

(b-1) The City of Urbana and the City of Champaign shall each make employer contributions to this System for their respective firefighter employees who participate in this System pursuant to subsection (h) of Section 15-107. The rate of contributions to be made by those municipalities shall be determined annually by the Board on the basis of the actuarial assumptions adopted by the Board and the recommendations of the actuary, and shall be expressed as a percentage of salary for each such employee. The Board shall certify the rate to the affected municipalities as soon as may be practical. The employer contributions required under this subsection shall be remitted by the municipality to the System at the same time and in the same manner as employee contributions.

(c) Through State fiscal year 1995: The total employer contribution shall be apportioned among the various funds of the State and other employers, whether trust, federal, or other funds, in accordance with actuarial procedures approved by the Board. State of Illinois contributions for employers receiving State appropriations for personal services shall be payable from appropriations made to the employers or to the System. The contributions for Class I community colleges covering earnings other than those paid from trust and federal funds, shall be payable solely from appropriations to the Illinois Community College Board or the System for employer contributions.

(d) Beginning in State fiscal year 1996, the required State contributions to the System shall be appropriated directly to the System and shall be payable through vouchers issued in accordance with subsection (c) of Section 15-165, except as provided in subsection (g).

(e) The State Comptroller shall draw warrants payable to the System upon proper certification by the System or by the employer in accordance with the appropriation laws and this Code.

(f) Normal costs under this Section means liability for pensions and other benefits which accrues to the System because of the credits earned for service rendered by the participants during the fiscal year and expenses of administering the System, but shall not include the principal of or any redemption premium or interest on any bonds issued by the Board or any expenses incurred or deposits required in connection therewith.

(g) If the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 6%, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in earnings that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection (g), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (h) or (i) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of subsection (h) or (i). Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

The employer contributions required under this subsection (g) shall be paid in the form of a lump sum within 30 days after receipt of the bill after the participant begins receiving benefits under this Article.

(h) This subsection (h) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by this amendatory Act of the 94th General Assembly shall not require the System to refund any payments received before the effective date of this amendatory Act.

When assessing payment for any amount due under subsection (g), the System shall exclude ~~The~~

provisions of this subsection (g) do not apply to earnings increases paid to participants under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005 the effective date of this amendatory Act of the 94th General Assembly.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to a participant at a time when the participant is 10 or more years from retirement eligibility under Section 15-135.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases resulting from overload work, including a contract for summer teaching, or overtime when the employer has certified to the System, and the System has approved the certification, that: (i) in the case of overloads (A) the overload work is for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid and (B) the earnings increases are equal to or less than the rate of pay for academic instruction computed using the participant's current salary rate and work schedule; and (ii) in the case of overtime, the overtime was necessary for the educational mission.

When assessing payment for any amount due under subsection (g), the System shall exclude any earnings increase resulting from (i) a promotion for which the employee moves from one classification to a higher classification under the State Universities Civil Service System, (ii) a promotion in academic rank for a tenured or tenure-track faculty position, or (iii) a promotion that the Illinois Community College Board has recommended in accordance with subsection (k) of this Section. These earnings increases shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions.

(i) When assessing payment for any amount due under subsection (g), the System shall exclude any salary increase described in subsection (h) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (g) of this Section.

(j) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

(1) The number of recalculations required by the changes made to this Section by this amendatory Act of the 94th General Assembly for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by this amendatory Act of the 94th General Assembly.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by this amendatory Act of the 94th General Assembly.

(k) The Illinois Community College Board shall adopt rules for recommending lists of promotional positions submitted to the Board by community colleges and for reviewing the promotional lists on an annual basis. When recommending promotional lists, the Board shall consider the similarity of the positions submitted to those positions recognized for State universities by the State Universities Civil Service System. The Illinois Community College Board shall file a copy of its findings with the System. The System shall consider the findings of the Illinois Community College Board when making determinations under this Section. The System shall not exclude any earnings increases resulting from a promotion when the promotion was not submitted by a community college. Nothing in this subsection (k) shall require any community college to submit any information to the Community College Board.

(Source: P.A. 93-2, eff. 4-7-03; 94-4, eff. 6-1-05.)

(40 ILCS 5/15-168.1)

Sec. 15-168.1. Testimony and the production of records. The secretary of the Board shall have the power to issue subpoenas to compel the attendance of witnesses and the production of documents and records, including law enforcement records maintained by law enforcement agencies, in conjunction with the determination of employer payments required under subsection (g) of Section 15-155, a disability claim, an administrative review proceeding, proceedings, or a felony forfeiture investigation. The fees of witnesses for attendance and travel shall be the same as the fees of witnesses before the circuit courts of this State and shall be paid by the party seeking the subpoena. The Board may apply to any circuit court in the State for an order requiring compliance with a subpoena issued under this Section. Subpoenas issued under this Section shall be subject to applicable provisions of the Code of

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Civil Procedure.

(Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

(40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

Sec. 16-128. Creditable service - required contributions.

(a) In order to receive the creditable service specified under subsection (b) of Section 16-127, a member is required to make the following contributions: (i) an amount equal to the contributions which would have been required had such service been rendered as a member under this System; (ii) for military service not immediately following employment and for service established under subdivision (b)(10) of Section 16-127, an amount determined by the Board to be equal to the employer's normal cost of the benefits accrued for such service; and (iii) interest from the date the contributions would have been due (or, in the case of a person establishing credit for military service under subdivision (b)(3) of Section 16-127, the date of first membership in the System, if that date is later) to the date of payment, at the following rate of interest, compounded annually: for periods prior to July 1, 1965, regular interest; from July 1, 1965 to June 30, 1977, 4% per year; on and after July 1, 1977, regular interest.

(b) In order to receive creditable service under paragraph (2) of subsection (b) of Section 16-127 for those who were not members on June 30, 1963, the minimum required contribution shall be \$420 per year of service together with interest at 4% per year compounded annually from July 1, preceding the date of membership until June 30, 1977 and at regular interest compounded annually thereafter to the date of payment.

(c) In determining the contribution required in order to receive creditable service under paragraph (3) of subsection (b) of Section 16-127, the salary rate for the remainder of the school term in which a member enters military service shall be assumed to be equal to the member's salary rate at the time of entering military service. However, for military service not immediately following employment, the salary rate on the last date as a participating teacher prior to such military service, or on the first date as a participating teacher after such military service, whichever is greater, shall be assumed to be equal to the member's salary rate at the time of entering military service. For each school term thereafter, the member's salary rate shall be assumed to be 5% higher than the salary rate in the previous school term.

(d) In determining the contribution required in order to receive creditable service under paragraph (5) of subsection (b) of Section 16-127, a member's salary rate during the period for which credit is being established shall be assumed to be equal to the member's last salary rate immediately preceding that period.

(d-5) For each year of service credit to be established under subsection (b-1) of Section 16-127, a member is required to contribute to the System (i) 16.5% of the annual salary rate during the first year of full-time employment as a teacher under this Article following the private school service, plus (ii) interest thereon from the date of first full-time employment as a teacher under this Article following the private school service to the date of payment, compounded annually, at the rate of 8.5% per year for periods before the effective date of this amendatory Act of the 92nd General Assembly, and for subsequent periods at a rate equal to the System's actuarially assumed rate of return on investments.

(d-10) For service credit established under paragraph (6) of subsection (b) of Section 16-127 for days granted by an employer in excess of the member's normal annual sick leave allotment, the employer is required to pay the normal cost of benefits based upon such service credit. This subsection (d-10) does not apply to sick leave granted to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005 (the effective date of Public Act 94-4) ~~this amendatory Act of the 94th General Assembly~~. The employer contributions required under this subsection (d-10) shall be paid in the form of a lump sum within 30 days after receipt of the bill after the teacher begins receiving benefits under this Article.

(e) ~~Except for contributions under subsection (d-10), the~~ contributions required under this Section may be made from the date the statement for such creditable service is issued until retirement date. All such required contributions must be made before any retirement annuity is granted.

(Source: P.A. 94-4, eff. 6-1-05.)

(40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

Sec. 16-158. Contributions by State and other employing units.

(a) The State shall make contributions to the System by means of appropriations from the Common School Fund and other State funds of amounts which, together with other employer contributions, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the

actuary, using the formula in subsection (b-3).

(a-1) Annually, on or before November 15, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

(b) Through State fiscal year 1995, the State contributions shall be paid to the System in accordance with Section 18-7 of the School Code.

(b-1) Beginning in State fiscal year 1996, on the 15th day of each month, or as soon thereafter as may be practicable, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a-1). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (a) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this subsection, the difference shall be paid from the Common School Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(b-2) Allocations from the Common School Fund apportioned to school districts not coming under this System shall not be diminished or affected by the provisions of this Article.

(b-3) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a), and notwithstanding any contrary certification made under subsection (a-1) before the effective date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$534,627,700.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$738,014,500.

For each of State fiscal years 2008 through 2010, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State

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contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(c) Payment of the required State contributions and of all pensions, retirement annuities, death benefits, refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State.

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System.

(d) Effective July 1, 1986, any employer of a teacher as defined in paragraph (8) of Section 16-106 shall pay the employer's normal cost of benefits based upon the teacher's service, in addition to employee contributions, as determined by the System. Such employer contributions shall be forwarded monthly in accordance with guidelines established by the System.

However, with respect to benefits granted under Section 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8) of Section 16-106, the employer's contribution shall be 12% (rather than 20%) of the member's highest annual salary rate for each year of creditable service granted, and the employer shall also pay the required employee contribution on behalf of the teacher. For the purposes of Sections 16-133.4 and 16-133.5, a teacher as defined in paragraph (8) of Section 16-106 who is serving in that capacity while on leave of absence from another employer under this Article shall not be considered an employee of the employer from which the teacher is on leave.

(e) Beginning July 1, 1998, every employer of a teacher shall pay to the System an employer contribution computed as follows:

- (1) Beginning July 1, 1998 through June 30, 1999, the employer contribution shall be equal to 0.3% of each teacher's salary.
- (2) Beginning July 1, 1999 and thereafter, the employer contribution shall be equal to 0.58% of each teacher's salary.

The school district or other employing unit may pay these employer contributions out of any source of funding available for that purpose and shall forward the contributions to the System on the schedule established for the payment of member contributions.

These employer contributions are intended to offset a portion of the cost to the System of the increases in retirement benefits resulting from this amendatory Act of 1998.

Each employer of teachers is entitled to a credit against the contributions required under this subsection (e) with respect to salaries paid to teachers for the period January 1, 2002 through June 30, 2003, equal to the amount paid by that employer under subsection (a-5) of Section 6.6 of the State Employees Group Insurance Act of 1971 with respect to salaries paid to teachers for that period.

The additional 1% employee contribution required under Section 16-152 by this amendatory Act of 1998 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

If an employer is required by a contract in effect on May 1, 1998 between the employer and an employee organization to pay, on behalf of all its full-time employees covered by this Article, all mandatory employee contributions required under this Article, then the employer shall be excused from paying the employer contribution required under this subsection (e) for the balance of the term of that contract. The employer and the employee organization shall jointly certify to the System the existence of the contractual requirement, in such form as the System may prescribe. This exclusion shall cease upon the termination, extension, or renewal of the contract at any time after May 1, 1998.

(f) If the amount of a teacher's salary for any school year used to determine final average salary exceeds the ~~member's annual full-time salary rate amount of his or her salary~~ with the same employer for the previous school year by more than 6%, the teacher's employer shall pay to the System, in addition to

all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (g) or (h) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill. ~~The employer contributions required under this subsection (f) shall be paid in the form of a lump sum within 30 days after receipt of the bill after the teacher begins receiving benefits under this Article.~~

(g) This subsection (g) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by this amendatory Act of the 94th General Assembly shall not require the System to refund any payments received before the effective date of this amendatory Act.

When assessing payment for any amount due under subsection (f), the System shall exclude ~~the provisions of this subsection (f) do not apply to~~ salary increases paid to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005 ~~the effective date of this amendatory Act of the 94th General Assembly.~~

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to a teacher at a time when the teacher is 10 or more years from retirement eligibility under Section 16-132 or 16-133.2.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

When assessing payment for any amount due under subsection (f), the System shall exclude a salary increase resulting from a promotion (i) for which the employee is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board that is a different certification or supervisory endorsement than is required for the teacher's previous position and (ii) to a position that has existed and been filled by a member for no less than one complete academic year and the salary increase from the promotion is an increase that results in an amount no greater than the lesser of the average salary paid for other similar positions in the district requiring the same certification or the amount stipulated in the collective bargaining agreement for a similar position requiring the same certification.

When assessing payment for any amount due under subsection (f), the System shall exclude any payment to the teacher from the State of Illinois or the State Board of Education over which the employer does not have discretion, notwithstanding that the payment is included in the computation of final average salary.

(h) When assessing payment for any amount due under subsection (f), the System shall exclude any salary increase described in subsection (g) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (f) of this Section.

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(i) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

(1) The number of recalculations required by the changes made to this Section by this amendatory Act of the 94th General Assembly for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by this amendatory Act of the 94th General Assembly.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by this amendatory Act of the 94th General Assembly.

(Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/16-169.1)

Sec. 16-169.1. Testimony and the production of records. The secretary of the Board shall have the power to issue subpoenas to compel the attendance of witnesses and the production of documents and records, including law enforcement records maintained by law enforcement agencies, in conjunction with the determination of employer payments required under subsection (f) of Section 16-158, a disability claim, an administrative review proceeding, or a felony forfeiture investigation. The fees of witnesses for attendance and travel shall be the same as the fees of witnesses before the circuit courts of this State and shall be paid by the party seeking the subpoena. The Board may apply to any circuit court in the State for an order requiring compliance with a subpoena issued under this Section. Subpoenas issued under this Section shall be subject to applicable provisions of the Code of Civil Procedure.

(Source: P.A. 90-448, eff. 8-16-97.)

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

Under the rules, the foregoing **Senate Bill No. 49**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, 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. 585

A bill for AN ACT concerning government.

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

House Amendment No. 1 to SENATE BILL NO. 585

Passed the House, as amended, May 1, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 585

AMENDMENT NO. 1. Amend Senate Bill 585 on page 2, by replacing lines 9 through 30 with the following:

"A quorum of members of a public body must be physically present at the location of an open meeting. If, however, an open meeting of a public body (except one with jurisdiction limited to a specific geographic area that is less than statewide) is held simultaneously at one of its offices and one or more other locations in a public building, which may include other of its offices, through an interactive video conference and the public body provides public notice and public access as required under this Act for all locations, then members physically present in those locations all count towards determining a quorum. "Public building", as used in this Section, means any building or portion thereof owned or leased by any public body. The requirement that a quorum be physically present at the location of an open meeting shall not apply, however, to State advisory boards or bodies that do not have authority to make binding recommendations or determinations or to take any other substantive action.

A quorum of members of a public body that is not a public body with statewide jurisdiction must be physically present at the location of a closed meeting. Other members who are not physically present at a closed meeting of such a public body may participate in the meeting by means of a video or audio

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conference".

Under the rules, the foregoing **Senate Bill No. 585**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Mahoney, 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. 619

A bill for AN ACT concerning State government.

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

House Amendment No. 1 to SENATE BILL NO. 619

Passed the House, as amended, May 1, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 619

AMENDMENT NO. 1. Amend Senate Bill 619 by replacing everything after the enacting clause with the following:

"Section 5. The Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is amended by changing Section 605-332 as follows:
(20 ILCS 605/605-332)

Sec. 605-332. Financial assistance to energy generation facilities.

(a) As used in this Section:

"New electric generating facility" means a newly-constructed electric generation plant or a newly constructed generation capacity expansion at an existing facility, including the transmission lines and associated equipment that transfers electricity from points of supply to points of delivery, and for which foundation construction commenced not sooner than July 1, 2001, which is designed to provide baseload electric generation operating on a continuous basis throughout the year and:

(1) has an aggregate rated generating capacity of at least 400 megawatts for all new

units at one site, uses coal or gases derived from coal as its primary fuel source, and supports the creation of at least 150 new Illinois coal mining jobs; or

(2) is funded through a federal Department of Energy grant before ~~December 31, 2007~~ July 1, 2006 and supports the

creation of Illinois coal-mining jobs; or

(3) uses coal gasification or integrated gasification-combined cycle units that generate electricity or chemicals, or both, and supports the creation of Illinois coal-mining jobs.

"New gasification facility" means a newly constructed coal gasification facility that generates chemical feedstocks or transportation fuels derived from coal (which may include, but are not limited to, methane, methanol, and nitrogen fertilizer), that supports the creation or retention of Illinois coal-mining jobs, and that qualifies for financial assistance from the Department before December 31, 2006. A new gasification facility does not include a pilot project located within Jefferson County or within a county adjacent to Jefferson County for synthetic natural gas from coal.

"New facility" means a new electric generating facility or a new gasification facility. A new facility does not include a pilot project located within Jefferson County or within a county adjacent to Jefferson County for synthetic natural gas from coal.

"Eligible business" means an entity that proposes to construct a new facility and that has applied to the Department to receive financial assistance pursuant to this Section. With respect to use and occupation taxes, wherever there is a reference to taxes, that reference means only those taxes paid on Illinois-mined coal used in a new facility.

"Department" means the Illinois Department of Commerce and Economic Opportunity.

(b) The Department is authorized to provide financial assistance to eligible businesses for new facilities from funds appropriated by the General Assembly as further provided in this Section.

An eligible business seeking qualification for financial assistance for a new facility, for purposes of this Section only, shall apply to the Department in the manner specified by the Department. Any

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projections provided by an eligible business as part of the application shall be independently verified in a manner as set forth by the Department. An application shall include, but not be limited to:

- (1) the projected or actual completion date of the new facility for which financial assistance is sought;
- (2) copies of documentation deemed acceptable by the Department establishing either (i) the total State occupation and use taxes paid on Illinois-mined coal used at the new facility for a minimum of 4 preceding calendar quarters or (ii) the projected amount of State occupation and use taxes paid on Illinois-mined coal used at the new facility in 4 calendar year quarters after completion of the new facility. Bond proceeds subject to this Section shall not be allocated to an eligible business until the eligible business has demonstrated the revenue stream sufficient to service the debt on the bonds; and
- (3) the actual or projected amount of capital investment by the eligible business in the new facility.

The Department shall determine the maximum amount of financial assistance for eligible businesses in accordance with this paragraph. The Department shall not provide financial assistance from general obligation bond funds to any eligible business unless it receives a written certification from the Director of the Bureau of the Budget (now Governor's Office of Management and Budget) that 80% of the State occupation and use tax receipts for a minimum of the preceding 4 calendar quarters for all eligible businesses or as included in projections on approved applications by eligible businesses equal or exceed 110% of the maximum annual debt service required with respect to general obligation bonds issued for that purpose. The Department may provide financial assistance not to exceed the amount of State general obligation debt calculated as above, the amount of actual or projected capital investment in the facility, or \$100,000,000, whichever is less. Financial assistance received pursuant to this Section may be used for capital facilities consisting of buildings, structures, durable equipment, and land at the new facility. Subject to the provisions of the agreement covering the financial assistance, a portion of the financial assistance may be required to be repaid to the State if certain conditions for the governmental purpose of the assistance were not met.

An eligible business shall file a monthly report with the Illinois Department of Revenue stating the amount of Illinois-mined coal purchased during the previous month for use in the new facility, the purchase price of that coal, the amount of State occupation and use taxes paid on that purchase to the seller of the Illinois-mined coal, and such other information as that Department may reasonably require. In sales of Illinois-mined coal between related parties, the purchase price of the coal must have been determined in an arms-length transaction. The report shall be filed with the Illinois Department of Revenue on or before the 20th day of each month on a form provided by that Department. However, no report need be filed by an eligible business in a month when it made no reportable purchases of coal in the previous month. The Illinois Department of Revenue shall provide a summary of such reports to the Governor's Office of Management and Budget.

Upon granting financial assistance to an eligible business, the Department shall certify the name of the eligible business to the Illinois Department of Revenue. Beginning with the receipt of the first report of State occupation and use taxes paid by an eligible business and continuing for a 25-year period, the Illinois Department of Revenue shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business.

(Source: P.A. 93-167, eff. 7-10-03; 93-1064, eff. 1-13-05; 94-65, eff. 6-21-05.)

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

Under the rules, the foregoing **Senate Bill No. 619**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, 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. 1445

A bill for AN ACT concerning elections.

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

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House Amendment No. 1 to SENATE BILL NO. 1445
 House Amendment No. 2 to SENATE BILL NO. 1445
 Passed the House, as amended, May 1, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1445

AMENDMENT NO. 1. Amend Senate Bill 1445 by replacing everything after the enacting clause with the following:

"Section 5. The Election Code is amended by changing Sections 4-50, 5-50, 6-100, 17-9, 18A-15, 19-2.1, 19-8, 19A-25.5, 19A-35, 19A-50, 20-8, 24A-10, 24A-10.1, 24B-10, 24B-10.1, and 24C-13 and by adding Section 1A-35 as follows:

(10 ILCS 5/1A-35 new)

Sec. 1A-35. Early and grace period voting education. Subject to appropriation, the State Board of Elections must develop and implement an educational program to inform the public about early voting and grace period voting. The State Board shall conduct the program beginning August 1, 2006, and until the 2006 general election.

(10 ILCS 5/4-50)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 4-50. Grace period. Notwithstanding any other provision of this Code to the contrary, each election authority shall establish procedures for the registration of voters and for change of address during the period from the close of registration for a primary or election and until the 14th day before the primary or election. During this grace period, an unregistered qualified elector may register to vote, and a registered voter may submit a change of address form, in person in the office of the election authority or at a voter registration location specifically designated for this purpose by the election authority. The election authority shall register that individual, or change a registered voter's address, in the same manner as otherwise provided by this Article for registration and change of address.

If a voter who registers or changes address during this grace period wishes to vote at the first election or primary occurring after the grace period, he or she must do so by grace period voting, either in person in the office of the election authority or at a location specifically designated for this purpose by the election authority, or by mail, at the discretion of the election authority. Grace period voting shall be in a manner substantially similar to voting under Article 19. A person who casts a grace period ballot shall not be permitted to revoke that ballot and vote another ballot with respect to that primary or election. Ballots cast by persons who register or change address during the grace period must be transmitted to and counted at the election authority's central ballot counting location and shall not be transmitted to and counted at precinct polling places. The grace period ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.

(Source: P.A. 93-1082, eff. 7-1-05.)

(10 ILCS 5/5-50)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 5-50. Grace period. Notwithstanding any other provision of this Code to the contrary, each election authority shall establish procedures for the registration of voters and for change of address during the period from the close of registration for a primary or election and until the 14th day before the primary or election. During this grace period, an unregistered qualified elector may register to vote, and a registered voter may submit a change of address form, in person in the office of the election authority or at a voter registration location specifically designated for this purpose by the election authority. The election authority shall register that individual, or change a registered voter's address, in the same manner as otherwise provided by this Article for registration and change of address.

If a voter who registers or changes address during this grace period wishes to vote at the first election or primary occurring after the grace period, he or she must do so by grace period voting, either in person in the office of the election authority or at a location specifically designated for this purpose by the election authority, or by mail, at the discretion of the election authority. Grace period voting shall be in a manner substantially similar to voting under Article 19. A person who casts a grace period ballot shall not be permitted to revoke that ballot and vote another ballot with respect to that primary or election. Ballots cast by persons who register or change address during the grace period must be transmitted to and counted at the election authority's central ballot counting location and shall not be transmitted to and counted at precinct polling places. The grace period ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.

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(Source: P.A. 93-1082, eff. 7-1-05.)

(10 ILCS 5/6-100)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 6-100. Grace period. Notwithstanding any other provision of this Code to the contrary, each election authority shall establish procedures for the registration of voters and for change of address during the period from the close of registration for a primary or election and until the 14th day before the primary or election. During this grace period, an unregistered qualified elector may register to vote, and a registered voter may submit a change of address form, in person in the office of the election authority or at a voter registration location specifically designated for this purpose by the election authority. The election authority shall register that individual, or change a registered voter's address, in the same manner as otherwise provided by this Article for registration and change of address.

If a voter who registers or changes address during this grace period wishes to vote at the first election or primary occurring after the grace period, he or she must do so by grace period voting, either in person in the office of the election authority or at a location specifically designated for this purpose by the election authority, or by mail, at the discretion of the election authority. Grace period voting shall be in a manner substantially similar to voting under Article 19. A person who casts a grace period ballot shall not be permitted to revoke that ballot and vote another ballot with respect to that primary or election. Ballots cast by persons who register or change address during the grace period must be transmitted to and counted at the election authority's central ballot counting location and shall not be transmitted to and counted at precinct polling places. The grace period ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.

(Source: P.A. 93-1082, eff. 7-1-05.)

(10 ILCS 5/17-9) (from Ch. 46, par. 17-9)

Sec. 17-9. Any person desiring to vote shall give his name and, if required to do so, his residence to the judges of election, one of whom shall thereupon announce the same in a loud and distinct tone of voice, clear, and audible; the judges of elections shall check each application for ballot against the list of voters registered in that precinct to whom absentee or early ballots have been issued for that election, which shall be provided by the election authority and which list shall be available for inspection by pollwatchers. A voter applying to vote in the precinct on election day whose name appears on the list as having been issued an absentee or early ballot shall not be permitted to vote in the precinct, except that a voter to whom an absentee ballot was issued may vote in the precinct if the voter submits to the election judges that absentee ballot for cancellation. If the voter is unable to submit the absentee ballot, it shall be sufficient for the voter to submit to the election judges (i) a portion of the absentee ballot if the absentee ballot was torn or mutilated or (ii) an affidavit executed before the election judges specifying that the voter never received an absentee ballot. All applicable provisions of Articles 4, 5 or 6 shall be complied with and if such name is found on the register of voters by the officer having charge thereof, he shall likewise repeat said name, and the voter shall be allowed to enter within the proximity of the voting booths, as above provided. One of the judges shall give the voter one, and only one of each ballot to be voted at the election, on the back of which ballots such judge shall indorse his initials in such manner that they may be seen when each such ballot is properly folded, and the voter's name shall be immediately checked on the register list. In those election jurisdictions where perforated ballot cards are utilized of the type on which write-in votes can be cast above the perforation, the election authority shall provide a space both above and below the perforation for the judge's initials, and the judge shall endorse his or her initials in both spaces. Whenever a proposal for a constitutional amendment or for the calling of a constitutional convention is to be voted upon at the election, the separate blue ballot or ballots pertaining thereto shall, when being handed to the voter, be placed on top of the other ballots to be voted at the election in such manner that the legend appearing on the back thereof, as prescribed in Section 16-6 of this Act, shall be plainly visible to the voter. At all elections, when a registry may be required, if the name of any person so desiring to vote at such election is not found on the register of voters, he or she shall not receive a ballot until he or she shall have complied with the law prescribing the manner and conditions of voting by unregistered voters. If any person desiring to vote at any election shall be challenged, he or she shall not receive a ballot until he or she shall have established his right to vote in the manner provided hereinafter; and if he or she shall be challenged after he has received his ballot, he shall not be permitted to vote until he or she has fully complied with such requirements of the law upon being challenged. Besides the election officer, not more than 2 voters in excess of the whole number of voting booths provided shall be allowed within the proximity of the voting booths at one time. The provisions of this Act, so far as they require the registration of voters as a condition to their being allowed to vote shall not apply to persons otherwise entitled to vote, who are, at the time of the election, or at any time within 60 days prior to such election have been engaged in the military or naval service of

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the United States, and who appear personally at the polling place on election day and produce to the judges of election satisfactory evidence thereof, but such persons, if otherwise qualified to vote, shall be permitted to vote at such election without previous registration.

All such persons shall also make an affidavit which shall be in substantially the following form:

State of Illinois,)

) ss.

County of)

..... Precinct Ward

I, ..., do solemnly swear (or affirm) that I am a citizen of the United States, of the age of 18 years or over, and that within the past 60 days prior to the date of this election at which I am applying to vote, I have been engaged in the (military or naval) service of the United States; and I am qualified to vote under and by virtue of the Constitution and laws of the State of Illinois, and that I am a legally qualified voter of this precinct and ward except that I have, because of such service, been unable to register as a voter; that I now reside at (insert street and number, if any) in this precinct and ward; that I have maintained a legal residence in this precinct and ward for 30 days and in this State 30 days next preceding this election.

Subscribed and sworn to before me on (insert date).

.....
Judge of Election.

The affidavit of any such person shall be supported by the affidavit of a resident and qualified voter of any such precinct and ward, which affidavit shall be in substantially the following form:

State of Illinois,)

) ss.

County of)

..... Precinct Ward

I, ..., do solemnly swear (or affirm), that I am a resident of this precinct and ward and entitled to vote at this election; that I am acquainted with (name of the applicant); that I verily believe him to be an actual bona fide resident of this precinct and ward and that I verily believe that he or she has maintained a legal residence therein 30 days and in this State 30 days next preceding this election.

Subscribed and sworn to before me on (insert date).

.....
Judge of Election.

All affidavits made under the provisions of this Section shall be enclosed in a separate envelope securely sealed, and shall be transmitted with the returns of the elections to the county clerk or to the board of election commissioners, who shall preserve the said affidavits for the period of 6 months, during which period such affidavits shall be deemed public records and shall be freely open to examination as such.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/18A-15)

Sec. 18A-15. Validating and counting provisional ballots.

(a) The county clerk or board of election commissioners shall complete the validation and counting of provisional ballots within 14 calendar days of the day of the election. The county clerk or board of election commissioners shall have 7 calendar days from the completion of the validation and counting of provisional ballots to conduct its final canvass. The State Board of Elections shall complete within 31 calendar days of the election or sooner if all the returns are received, its final canvass of the vote for all public offices.

(b) If a county clerk or board of election commissioners determines that all of the following apply, then a provisional ballot is valid and shall be counted as a vote:

(1) The provisional voter cast the provisional ballot in the correct precinct based on the address provided by the provisional voter. The provisional voter's affidavit shall serve as a change of address request by that voter for registration purposes for the next ensuing election if it bears an address different from that in the records of the election authority;

(2) The affidavit executed by the provisional voter pursuant to subsection (b)(2) of Section 18A-5 contains, at a minimum, the provisional voter's first and last name, house number and street name, and signature or mark; and

(3) the provisional voter is a registered voter based on information available to the county clerk or board of election commissioners provided by or obtained from any of the following:

- i. the provisional voter;
- ii. an election judge;
- iii. the statewide voter registration database maintained by the State Board of Elections;
- iv. the records of the county clerk or board of election commissioners' database; or
- v. the records of the Secretary of State.

(c) With respect to subsection (b)(3) of this Section, the county clerk or board of election commissioners shall investigate and record whether or not the specified information is available from each of the 5 identified sources. If the information is available from one or more of the identified sources, then the county clerk or board of election commissioners shall seek to obtain the information from each of those sources until satisfied, with information from at least one of those sources, that the provisional voter is registered and entitled to vote. The county clerk or board of election commissioners shall use any information it obtains as the basis for determining the voter registration status of the provisional voter. If a conflict exists among the information available to the county clerk or board of election commissioners as to the registration status of the provisional voter, then the county clerk or board of election commissioners shall make a determination based on the totality of the circumstances. In a case where the above information equally supports or opposes the registration status of the voter, the county clerk or board of election commissioners shall decide in favor of the provisional voter as being duly registered to vote. If the statewide voter registration database maintained by the State Board of Elections indicates that the provisional voter is registered to vote, but the county clerk's or board of election commissioners' voter registration database indicates that the provisional voter is not registered to vote, then the information found in the statewide voter registration database shall control the matter and the provisional voter shall be deemed to be registered to vote. If the records of the county clerk or board of election commissioners indicates that the provisional voter is registered to vote, but the statewide voter registration database maintained by the State Board of Elections indicates that the provisional voter is not registered to vote, then the information found in the records of the county clerk or board of election commissioners shall control the matter and the provisional voter shall be deemed to be registered to vote. If the provisional voter's signature on his or her provisional ballot request varies from the signature on an otherwise valid registration application solely because of the substitution of initials for the first or middle name, the election authority may not reject the provisional ballot.

(d) In validating the registration status of a person casting a provisional ballot, the county clerk or board of election commissioners shall not require a provisional voter to complete any form other than the affidavit executed by the provisional voter under subsection (b)(2) of Section 18A-5. In addition, the county clerk or board of election commissioners shall not require all provisional voters or any particular class or group of provisional voters to appear personally before the county clerk or board of election commissioners or as a matter of policy require provisional voters to submit additional information to verify or otherwise support the information already submitted by the provisional voter. The provisional voter may, within 2 calendar days after the election, submit additional information to the county clerk or board of election commissioners. This information must be received by the county clerk or board of election commissioners within the 2-calendar-day period.

(e) If the county clerk or board of election commissioners determines that subsection (b)(1), (b)(2), or (b)(3) does not apply, then the provisional ballot is not valid and may not be counted. The provisional ballot envelope containing the ballot cast by the provisional voter may not be opened. The county clerk or board of election commissioners shall write on the provisional ballot envelope the following: "Provisional ballot determined invalid."

(f) If the county clerk or board of election commissioners determines that a provisional ballot is valid under this Section, then the provisional ballot envelope shall be opened. The outside of each provisional ballot envelope shall also be marked to identify the precinct and the date of the election.

(g) Provisional ballots determined to be valid shall be counted at the election authority's central ballot counting location and shall not be counted in precincts. The provisional ballots determined to be valid shall be added to the vote totals for the precincts from which they were cast in the order in which the ballots were opened. ~~The county clerk or board of election commissioners may, in the alternative, create a separate provisional voter precinct for the purpose of counting and recording provisional ballots and adding the recorded votes to its official canvass.~~ The validation and counting of provisional ballots shall be subject to the provisions of this Code that apply to pollwatchers. If the provisional ballots are a ballot of a punch card voting system, then the provisional ballot shall be counted in a manner consistent with Article 24A. If the provisional ballots are a ballot of optical scan or other type of approved electronic

voting system, then the provisional ballots shall be counted in a manner consistent with Article 24B.

(h) As soon as the ballots have been counted, the election judges or election officials shall, in the presence of the county clerk or board of election commissioners, place each of the following items in a separate envelope or bag: (1) all provisional ballots, voted or spoiled; (2) all provisional ballot envelopes of provisional ballots voted or spoiled; and (3) all executed affidavits of the provisional ballots voted or spoiled. All provisional ballot envelopes for provisional voters who have been determined not to be registered to vote shall remain sealed. The county clerk or board of election commissioners shall treat the provisional ballot envelope containing the written affidavit as a voter registration application for that person for the next election and process that application. The election judges or election officials shall then securely seal each envelope or bag, initial the envelope or bag, and plainly mark on the outside of the envelope or bag in ink the precinct in which the provisional ballots were cast. The election judges or election officials shall then place each sealed envelope or bag into a box, secure and seal it in the same manner as described in item (6) of subsection (b) of Section 18A-5. Each election judge or election official shall take and subscribe an oath before the county clerk or board of election commissioners that the election judge or election official securely kept the ballots and papers in the box, did not permit any person to open the box or otherwise touch or tamper with the ballots and papers in the box, and has no knowledge of any other person opening the box. For purposes of this Section, the term "election official" means the county clerk, a member of the board of election commissioners, as the case may be, and their respective employees.

(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/19-2.1) (from Ch. 46, par. 19-2.1)

Sec. 19-2.1. At the consolidated primary, general primary, consolidated, and general elections, electors entitled to vote by absentee ballot under the provisions of Section 19-1 may vote in person at the office of the municipal clerk, if the elector is a resident of a municipality not having a board of election commissioners, or at the office of the township clerk or, in counties not under township organization, at the office of the road district clerk if the elector is not a resident of a municipality; provided, in each case that the municipal, township or road district clerk, as the case may be, is authorized to conduct in-person absentee voting pursuant to this Section. Absentee voting in such municipal and township clerk's offices under this Section shall be conducted from the 22nd day through the day before the election.

Municipal and township clerks (or road district clerks) who have regularly scheduled working hours at regularly designated offices other than a place of residence and whose offices are open for business during the same hours as the office of the election authority shall conduct in-person absentee voting for said elections. Municipal and township clerks (or road district clerks) who have no regularly scheduled working hours but who have regularly designated offices other than a place of residence shall conduct in-person absentee voting for said elections during the hours of 8:30 a.m. to 4:30 p.m. or 9:00 a.m. to 5:00 p.m., weekdays, and 9:00 a.m. to 12:00 noon on Saturdays, but not during such hours as the office of the election authority is closed, unless the clerk files a written waiver with the election authority not later than July 1 of each year stating that he or she is unable to conduct such voting and the reasons therefor. Such clerks who conduct in-person absentee voting may extend their hours for that purpose to include any hours in which the election authority's office is open. Municipal and township clerks (or road district clerks) who have no regularly scheduled office hours and no regularly designated offices other than a place of residence may not conduct in-person absentee voting for said elections. The election authority may devise alternative methods for in-person absentee voting before said elections for those precincts located within the territorial area of a municipality or township (or road district) wherein the clerk of such municipality or township (or road district) has waived or is not entitled to conduct such voting. In addition, electors may vote by absentee ballot under the provisions of Section 19-1 at the office of the election authority having jurisdiction over their residence. Unless specifically authorized by the election authority, municipal, township, and road district clerks shall not conduct in-person absentee voting. The election authority shall notify the municipal, township, and road district clerks within its jurisdiction that they are not to conduct in-person absentee voting no less than 45 days before the date of any such election. Election authorities, however, may conduct in-person absentee voting in one or more designated appropriate public buildings from the fourth day before the election through the day before the election.

In conducting absentee voting under this Section, the respective clerks shall not be required to verify the signature of the absentee voter by comparison with the signature on the official registration record card. However, the clerk shall reasonably ascertain the identity of such applicant, shall verify that each such applicant is a registered voter, and shall verify the precinct in which he or she is registered and the proper ballots of the political subdivisions in which the applicant resides and is entitled to vote, prior to providing any absentee ballot to such applicant. The clerk shall verify the applicant's registration and

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from the most recent poll list provided by the county clerk, and if the applicant is not listed on that poll list then by telephoning the office of the county clerk.

Absentee voting procedures in the office of the municipal, township and road district clerks shall be subject to all of the applicable provisions of this Article 19. Pollwatchers may be appointed to observe in-person absentee voting procedures and view all reasonably requested records relating to the conduct of the election, provided the secrecy of the ballot is not impinged, at the office of the municipal, township or road district clerks' offices where such absentee voting is conducted. Such pollwatchers shall qualify and be appointed in the same manner as provided in Sections 7-34 and 17-23, except each candidate, political party or organization of citizens may appoint only one pollwatcher for each location where in-person absentee voting is conducted. Pollwatchers must be registered to vote in Illinois and possess valid pollwatcher credentials. All requirements in this Article applicable to election authorities shall apply to the respective local clerks, except where inconsistent with this Section.

The sealed absentee ballots in their carrier envelope shall be delivered by the respective clerks, or by the election authority on behalf of a clerk if the clerk and the election authority agree, to the election authority's central ballot counting location ~~proper polling place~~ before the close of the polls on the day of the general primary, consolidated primary, consolidated, or general election.

Not more than 23 days before the ~~nonpartisan~~, general and consolidated elections, the county clerk shall make available to those municipal, township and road district clerks conducting in-person absentee voting within such county, a sufficient number of applications, absentee ballots, envelopes, and printed voting instruction slips for use by absentee voters in the offices of such clerks. The respective clerks shall receipt for all ballots received, shall return all unused or spoiled ballots to the county clerk on the day of the election and shall strictly account for all ballots received.

The ballots delivered to the respective clerks shall include absentee ballots for each precinct in the municipality, township or road district, or shall include such separate ballots for each political subdivision conducting an election of officers or a referendum on that election day as will permit any resident of the municipality, township or road district to vote absentee in the office of the proper clerk.

The clerks of all municipalities, townships and road districts may distribute applications for absentee ballot for the use of voters who wish to mail such applications to the appropriate election authority. Such applications for absentee ballots shall be made on forms provided by the election authority. Duplication of such forms by the municipal, township or road district clerk is prohibited.

(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/19-8) (from Ch. 46, par. 19-8)

Sec. 19-8. Time and place of counting ballots.

(a) ~~(Blank.) Each absent voter's ballot returned to an election authority, by any means authorized by this Article, and received by that election authority in time to be delivered to the polling place of the precinct where the elector resides and to be counted by the judges of election at that polling place shall be handled in accordance with this subsection. If an absent voter's ballot is received prior to the delivery of the official ballots to the judges of election of the precinct where the elector resides, then the absent voter's ballot envelope and application, sealed in the carrier envelope, shall be enclosed in the same package with the official ballots and delivered to the judges of that precinct. If the official ballots for that precinct have already been delivered to the judges of election when the election authority receives the absent voter's ballot, then the authority shall immediately enclose the envelope containing the absent voter's ballot, together with the voter's application, in a larger or carrier envelope which shall be securely sealed and addressed on the face to the judges of election, giving the name or number of precinct, street and number of polling place, city or town in which the absent voter is a qualified elector, and the words "This envelope contains an absent voter's ballot and must be opened only on election day at the polls immediately after the polls are closed". The election authority shall mail the ballot, postage prepaid, to the judges of election, or if more convenient, the election authority may deliver the absent voter's ballot to the judges of election in person or by duly deputized agent, the authority to secure a receipt for delivery of the ballot or ballots. An absent voter's ballot delivered in error to the wrong precinct polling place shall be returned to the election authority and counted as provided in subsection (b).~~

(b) Each absent voter's ballot returned to an election authority, by any means authorized by this Article, and received by that election authority before the closing of the polls on election day ~~but too late to be delivered to and counted at the proper precinct polling place~~ shall be endorsed by the receiving election authority with the day and hour of receipt and shall be counted in the central ballot counting location ~~office~~ of the election authority on the day of the election after 7:00 p.m.

(c) Each absent voter's ballot that is mailed to an election authority and postmarked by the midnight preceding the opening of the polls on election day, but that is received by the election authority after the polls close on election day and before the close of the period for counting provisional ballots cast at that

election, shall be endorsed by the receiving authority with the day and hour of receipt and shall be counted at the central ballot counting location ~~office~~ of the election authority during the period for counting provisional ballots.

(d) Special write-in absentee voter's blank ballots returned to an election authority, by any means authorized by this Article, and received by the election authority at any time before the closing of the polls on election day shall be endorsed by the receiving election authority with the day and hour of receipt and shall be counted at the central ballot counting location ~~office~~ of the election authority during the same period provided for counting absent voters' ballots under subsection (b). Special write-in absentee voter's blank ballots that are mailed to an election authority and postmarked by the midnight preceding the opening of the polls on election day, but that are received by the election authority after the polls close on election day and before the closing of the period for counting provisional ballots cast at that election, shall be endorsed by the receiving authority with the day and hour of receipt and shall be counted at the central ballot counting location ~~office~~ of the election authority during the same periods provided for counting absent voters' ballots under subsection (c).

(e) Except as otherwise provided in this Section, absent voters' ballots and special write-in absentee voter's blank ballots received by the election authority after the closing of the polls on an election day shall be endorsed by the election authority receiving them with the day and hour of receipt and shall be safely kept unopened by the election authority for the period of time required for the preservation of ballots used at the election, and shall then, without being opened, be destroyed in like manner as the used ballots of that election.

(f) Counting required under this Section to begin on election day after the closing of the polls shall commence no later than 8:00 p.m. and shall be conducted by a panel or panels of election judges appointed in the manner provided by law. The counting shall continue until all absent voters' ballots and special write-in absentee voter's blank ballots required to be counted on election day have been counted.

(g) ~~The procedures set forth in Section 19-9 of this Act and~~ Articles 17 and 18 of this Code shall apply to all ballots counted under this Section, including comparing the signature on the ballot envelope with the signature of the voter on the permanent voter registration record card taken from the master file; ~~except that votes shall be recorded without regard to precinct designation, except for precinct offices. The ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.~~

~~(h) Each~~ ~~Where ballots are counted in the office of the election authority as provided in this Section,~~ ~~each~~ political party, candidate, and qualified civic organization shall be entitled to have present one pollwatcher for each panel of election judges therein assigned.

(Source: P.A. 94-557, eff. 8-12-05.)

(10 ILCS 5/19A-25.5)

Sec. 19A-25.5. Voting machines, automatic tabulating equipment, and precinct tabulation optical scan technology voting equipment.

(a) In all jurisdictions in which voting machines are used, the provisions of this Code that are not inconsistent with this Article relating to the furnishing of ballot boxes, printing and furnishing ballots and supplies, the canvassing of ballots, and the making of returns, apply with full force and effect to the extent necessary to make this Article effective, provided that the number of ballots to be printed shall be in the discretion of the election authority, and provided further that early ballots shall not be counted until after the polls are closed on election day.

(b) If the election authority has adopted the use of automatic tabulating equipment under Article 24A of this Code, and the provisions of that Article are in conflict with the provisions of this Article 19A, the provisions of Article 24A shall govern the procedures followed by the election authority, its judges of election, and all employees and agents; provided that early ballots shall be counted at the election authority's central ballot counting location and shall not be counted until after the polls are closed on election day.

(c) If the election authority has adopted the use of ~~precinct~~ tabulation optical scan technology voting equipment under Article 24B of this Code, and the provisions of that Article are in conflict with the provisions of this Article 19A, the provisions of Article 24B shall govern the procedures followed by the election authority, its judges of election, and all employees and agents; provided that early ballots shall be counted at the election authority's central ballot counting location and shall not be counted until after the polls are closed on election day.

(d) If the election authority has adopted the use of Direct Recording Electronic Voting Systems under Article 24C of this Code, and the provisions of that Article are in conflict with the provisions of this Article 19A, the provisions of Article 24C shall govern the procedures followed by the election authority, its judges of election, and all employees and agents; provided that early ballots shall be

counted at the election authority's central ballot counting location and shall not be counted until after the polls are closed on election day.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/19A-35)

Sec. 19A-35. Procedure for voting.

(a) Not more than 23 days before the start of early voting, the county clerk shall make available to the election authority conducting early voting by personal appearance a sufficient number of early ballots, envelopes, and printed voting instruction slips for the use of early voters. The election authority shall receipt for all ballots received and shall return unused or spoiled ballots at the close of the early voting period to the county clerk and must strictly account for all ballots received. The ballots delivered to the election authority must include early ballots for each precinct in the election authority's jurisdiction and must include separate ballots for each political subdivision conducting an election of officers or a referendum at that election.

(b) In conducting early voting under this Article, the election judge or official is ~~not~~ required to verify the signature of the early voter by comparison with the signature on the official registration card, and however, the judge or official must verify (i) the identity of the applicant, (ii) that the applicant is a registered voter, (iii) the precinct in which the applicant is registered, and (iv) the proper ballots of the political subdivision in which the applicant resides and is entitled to vote before providing an early ballot to the applicant. The applicant's identity must be verified by the applicant's presentation of an Illinois driver's license, a non-driver identification card issued by the Illinois Secretary of State, or another government-issued identification document containing the applicant's photograph. The election judge or official must verify the applicant's registration from the most recent poll list provided by the election authority, and if the applicant is not listed on that poll list, by telephoning the office of the election authority.

(b-5) A person requesting an early voting ballot to whom an absentee ballot was issued may vote early if the person submits that absentee ballot to the judges of election or official conducting early voting for cancellation. If the voter is unable to submit the absentee ballot, it shall be sufficient for the voter to submit to the judges or official (i) a portion of the absentee ballot if the absentee ballot was torn or mutilated or (ii) an affidavit executed before the judges or official specifying that the voter never received an absentee ballot.

(b-10) Within one business day after a voter casts an early voting ballot, the election authority shall transmit the voter's name, street address, ward and precinct number or township and district number, as the case may be, to the State Board of Elections, which shall maintain those names and that information in an electronic format on its website, arranged by county and accessible to State and local political committees.

(b-15) This subsection applies to early voting polling places using optical scan technology voting equipment subject to Article 24B. A voter whose early voting ballot is not accepted by the voting equipment may, upon surrendering the ballot, request and vote another early voting ballot. The voter's ballot that was not accepted shall be initiated by the election judge or official conducting the early voting and handled as provided in Article 24B.

(c) The sealed early ballots in their carrier envelope shall be delivered by the election authority to the central ballot counting location ~~proper polling place~~ before the close of the polls on the day of the election.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/19A-50)

Sec. 19A-50. Receipt of ballots. Upon receipt of the voter's ballot, the election judge or official shall enclose the unopened ballot in a large or carrier envelope that shall be securely sealed and endorsed with the name and official title of the election judge or official and the words, "This envelope contains a ballot and must be opened on election day", together with the number and description of the precinct in which the ballot is to be voted, and the election authority shall safely keep the envelope in its office until delivered to the central ballot counting location ~~judges of election as provided in Section 19A-35. The ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.~~

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/20-8) (from Ch. 46, par. 20-8)

Sec. 20-8. Time and place of counting ballots.

(a) ~~(Blank.) Each absent voter's ballot returned to an election authority, by any means authorized by this Article, and received by that election authority in time to be delivered to the polling place of the precinct where the absent voter is a qualified elector and to be counted by the judges of election of that~~

polling place shall be handled in accordance with this subsection. If the ballot is received by the election authority prior to the delivery of the official ballots to the judges of election of the precinct where the absent voter is a qualified elector, then the absent voter's ballot envelope and application, sealed in the carrier envelope, shall be enclosed in the same package with the official ballots and delivered to the judges of that precinct. If the official ballots for the precinct have already been delivered to the judges of election when the election authority receives the absent voter's ballot, then the election authority shall immediately enclose the envelope containing the absent voter's ballot, together with the voter's application, in a larger or carrier envelope which shall be securely sealed and addressed on the face to the judges of election, giving the name or number of precinct, street and number of polling place, city or town in which the absent voter is a qualified elector, and the words, "This envelope contains an absent voter's ballot and must be opened only on election day at the polls immediately after the polls are closed". The election authority shall mail the ballot, postage prepaid, to the judges of election, or if more convenient then the election authority may deliver the absent voter's ballot to the judges of election in person or by duly deputized agent and secure a receipt for delivery of the ballot or ballots. An absent voter's ballot delivered in error to the wrong precinct polling place shall be returned to the election authority and counted as provided in subsection (b).

(b) Each absent voter's ballot returned to an election authority, by any means authorized by this Article, and received by that election authority before the closing of the polls on election day ~~but too late to be delivered to and counted at the proper precinct polling place~~ shall be endorsed by the receiving election authority with the day and hour of receipt and shall be counted in the central ballot counting location office of the election authority on the day of the election after 7:00 p.m.

(c) Each absent voter's ballot that is mailed to an election authority and postmarked by the midnight preceding the opening of the polls on election day, but that is received by the election authority after the polls close on election day and before the close of the period for counting provisional ballots cast at that election, shall be endorsed by the receiving authority with the day and hour of receipt and shall be counted at the central ballot counting location office of the election authority during the period for counting provisional ballots.

(d) Special write-in absentee voter's blank ballots returned to an election authority, by any means authorized by this Article, and received by the election authority at any time before the closing of the polls on election day shall be endorsed by the receiving election authority with the day and hour of receipt and shall be counted at the central ballot counting location office of the election authority during the same period provided for counting absent voters' ballots under subsection (b). Special write-in absentee voter's blank ballot that are mailed to an election authority and postmarked by midnight preceding the opening of the polls on election day, but that are received by the election authority after the polls close on election day and before the closing of the period for counting provisional ballots cast at that election, shall be endorsed by the receiving authority with the day and hour of receipt and shall be counted at the central ballot counting location office of the election authority during the same periods provided for counting absent voters' ballots under subsection (c).

(e) Except as otherwise provided in this Section, absent voters' ballots and special write-in absentee voter's blank ballots received by the election authority after the closing of the polls on the day of election shall be endorsed by the person receiving the ballots with the day and hour of receipt and shall be safely kept unopened by the election authority for the period of time required for the preservation of ballots used at the election, and shall then, without being opened, be destroyed in like manner as the used ballots of that election.

(f) Counting required under this Section to begin on election day after the closing of the polls shall commence no later than 8:00 p.m. and shall be conducted by a panel or panels of election judges appointed in the manner provided by law. The counting shall continue until all absent voters' ballots and special write-in absentee voter's blank ballots required to be counted on election day have been counted.

(g) The procedures set forth in ~~Section 19-9 of this Act and~~ Articles 17 and 18 of this Code shall apply to all ballots counted under this Section; ~~except that votes shall be recorded without regard to precinct designation. The ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.~~

(h) ~~Each~~ ~~Where ballots are counted in the office of the election authority as provided in this Section,~~ each political party, candidate, and qualified civic organization shall be entitled to have present one pollwatcher for each panel of election judges therein assigned.

(Source: P.A. 94-557, eff. 8-12-05.)

(10 ILCS 5/24A-10) (from Ch. 46, par. 24A-10)

Sec. 24A-10. (1) In an election jurisdiction which has adopted an electronic voting system, the election official in charge of the election shall select one of the 3 following procedures for receiving,

[May 2, 2006]

counting, tallying, and return of the ballots:

(a) Two ballot boxes shall be provided for each polling place. The first ballot box is for the depositing of votes cast on the electronic voting system; and the second ballot box is for all votes cast on paper ballots, including absentee paper and early paper ballots and any other paper ballots required to be voted other than on the electronic voting system. Ballots, ~~except absentee and early ballots for candidates and propositions which are listed on the electronic voting system,~~ deposited in the second ballot box shall be counted, tallied, and returned as is elsewhere provided in "The Election Code," as amended, for the counting and handling of paper ballots. Immediately after the closing of the polls ~~the absentee and early ballots delivered to the precinct judges of election by the election official in charge of the election shall be examined to determine that such ballots comply with Sections 19.9, 19A.55, and 20.9 of "The Election Code," as amended, and are entitled to be deposited in the ballot box provided therefor; those entitled to be deposited in this ballot box shall be initialed by the precinct judges of election and deposited therein. Those not entitled to be deposited in this ballot box shall be marked "Rejected" and disposed of as provided in Sections 19.9, 19A.55, and 20.9. The precinct judges of election shall then open the second ballot box and examine all paper absentee and early ballots which are in the ballot box to determine whether the absentee and early ballots bear the initials of a precinct judge of election. If any absentee or early ballot is not so initialed, it shall be marked on the back "Defective," initialed as to such label by all judges immediately under such word "Defective," and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope." The judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall examine the paper absentee and early ballots which were in such ballot box and properly initialed so as to determine whether the same contain write in votes. Write in votes, not causing an overvote for an office otherwise voted for on the paper absentee or early ballot, and otherwise properly voted, shall be counted, tallied and recorded on the tally sheet provided for such record. A write in vote causing an overvote for an office shall not be counted for that office, but the precinct judges shall mark such paper or early absentee ballot "Objected To" on the back thereof and write on its back the manner in which such ballot is counted and initial the same. An overvote for one office shall invalidate only the vote or count of that particular office. After counting, tallying and recording the write in votes on absentee and early ballots, the judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall make a true duplicate ballot of the remaining valid votes on each paper absentee or early ballot which was in the ballot box and properly initialed, by using the electronic voting system used in the precinct and one of the marking devices of the precinct so as to transfer the remaining valid votes of the voter on the paper absentee ballot to an official ballot or a ballot card of that kind used in the precinct at that election. The original paper absentee or early ballot shall be clearly labeled "Absentee Ballot" or "Early Ballot", as the case may be, and the ballot card so produced "Duplicate Absentee Ballot" or "Duplicate Early Ballot", as the case may be, and each shall bear the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Absentee Ballot" and "Duplicate Early Ballot" ballots or ballot cards and shall place them in the first ballot box provided for return of the ballots to be counted at the central counting location in lieu of the paper absentee and early ballots. The paper absentee and early ballots shall be placed in an envelope provided for that purpose labeled "Duplicate Ballots."~~

As soon as the absentee and early ballots have been deposited in the first ballot box, the judges of election shall make out a slip indicating the number of persons who voted in the precinct at the election. Such slip shall be signed by all the judges of election and shall be inserted by them in the first ballot box. The judges of election shall thereupon immediately lock each the first ballot box; provided, that if such box is not of a type which may be securely locked, such box shall be sealed with filament tape provided for such purpose which shall be wrapped around the box lengthwise and crosswise, at least twice each way, and in such manner that the seal completely covers the slot in the ballot box, and each of the judges shall sign such seal. Thereupon two of the judges of election, of different political parties, shall forthwith and by the most direct route transport both ballot boxes to the counting location designated by the county clerk or board of election commissioners.

Before the ballots of a precinct are fed to the electronic tabulating equipment, the first ballot box shall be opened at the central counting station by the two precinct transport judges. Upon opening a ballot box, such team shall first count the number of ballots in the box. If 2 or more are folded together so as to appear to have been cast by the same person, all of the ballots so folded together shall be marked and returned with the other ballots in the same condition, as near as may be, in which they were found when first opened, but shall not be counted. If the remaining ballots are found to exceed the number of persons voting in the precinct as shown by the slip signed by the judges of election, the ballots shall be replaced

in the box, and the box closed and well shaken and again opened and one of the precinct transport judges shall publicly draw out so many ballots unopened as are equal to such excess.

Such excess ballots shall be marked "Excess-Not Counted" and signed by the two precinct transport judges and shall be placed in the "After 7:00 p.m. Defective Ballots Envelope". The number of excess ballots shall be noted in the remarks section of the Certificate of Results. "Excess" ballots shall not be counted in the total of "defective" ballots.

The precinct transport judges shall then examine the remaining ballots for write-in votes and shall count and tabulate the write-in vote; or

(b) A single ballot box, for the deposit of all votes cast, shall be used. All ballots which are not to be tabulated on the electronic voting system shall be counted, tallied, and returned as elsewhere provided in "The Election Code," as amended, for the counting and handling of paper ballots.

All ballots to be processed and tabulated with the electronic voting system shall be processed as follows:

~~Immediately after the closing of the polls, the absentee and early ballots delivered to the precinct judges of election by the election official in charge of the election shall be examined to determine that such ballots comply with Sections 19-9, 19A-55, and 20-9 of "The Election Code," as amended, and are entitled to be deposited in the ballot box; those entitled to be deposited in the ballot box shall be initialed by the precinct judges of election and deposited in the ballot box. Those not entitled to be deposited in the ballot box shall be marked "Rejected" and disposed of as provided in said Sections 19-9, 19A-55, and 20-9. The precinct judges of election then shall open the ballot box and canvass the votes polled to determine that the number of ballots therein agree with the number of voters voting as shown by the applications for ballot or if the same do not agree the judges of election shall make such ballots agree with the applications for ballot in the manner provided by Section 17-18 of "The Election Code." The judges of election shall then examine all paper absentee and early ballots, ballot cards and ballot card envelopes which are in the ballot box to determine whether the paper ballots, ballot cards and ballot card envelopes bear the initials of a precinct judge of election. If any paper ballot, ballot card or ballot card envelope is not initialed, it shall be marked on the back "Defective," initialed as to such label by all judges immediately under such word "Defective," and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope." The judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall examine the paper absentee and early ballots which were in the ballot box and properly initialed so as to determine whether the same contain write-in votes. Write-in votes, not causing an overvote for an office otherwise voted for on the paper absentee or early ballot, and otherwise properly voted, shall be counted, tallied and recorded on the tally sheet provided for such record. A write-in vote causing an overvote for an office shall not be counted for that office, but the precinct judges shall mark such paper absentee or early ballot "Objected To" on the back thereof and write on its back the manner in which such ballot is counted and initial the same. An overvote for one office shall invalidate only the vote or count of that particular office. After counting, tallying and recording the write-in votes on absentee and early ballots, the judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall make a true duplicate ballot of the remaining valid votes on each paper absentee and early ballot which was in the ballot box and properly initialed, by using the electronic voting system used in the precinct and one of the marking devices of the precinct so as to transfer the remaining valid votes of the voter on the paper absentee or early ballot to an official ballot or a ballot card of that kind used in the precinct at that election. The original paper absentee ballot shall be clearly labeled "Absentee Ballot" or "Early Ballot", as the case may be, and the ballot card so produced "Duplicate Absentee Ballot" or "Duplicate Early Ballot", as the case may be, and each shall bear the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Absentee Ballot" and "Duplicate Early Ballot" ballots or ballot cards, and shall place them in the box for return of the ballots with all other ballots or ballot cards to be counted at the central counting location in lieu of the paper absentee and early ballots. The paper absentee and early ballots shall be placed in an envelope provided for that purpose labeled "Duplicate Ballots."~~

When an electronic voting system is used which utilizes a ballot card, before separating the remaining ballot cards from their respective covering envelopes, the judges of election shall examine the ballot card envelopes for write-in votes. When the voter has voted a write-in vote, the judges of election shall compare the write-in vote with the votes on the ballot card to determine whether such write-in results in an overvote for any office. In case of an overvote for any office, the judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall make a true duplicate ballot of all votes on such ballot card except for the office which is overvoted, by using the

ballot label booklet of the precinct and one of the marking devices of the precinct so as to transfer all votes of the voter except for the office overvoted, to an official ballot card of that kind used in the precinct at that election. The original ballot card and envelope upon which there is an overvote shall be clearly labeled "Overvoted Ballot", and each shall bear the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Overvoted Ballot" ballot cards and shall place them in the box for return of the ballots. The "Overvoted Ballot" ballots and their envelopes shall be placed in the "Duplicate Ballots" envelope. Envelopes bearing write-in votes marked in the place designated therefor and bearing the initials of a precinct judge of election and not resulting in an overvote and otherwise complying with the election laws as to marking shall be counted, tallied, and their votes recorded on a tally sheet provided by the election official in charge of the election. The ballot cards and ballot card envelopes shall be separated and all except any defective or overvoted shall be placed separately in the box for return of the ballots ~~, along with all "Duplicate Absentee Ballots", "Duplicate Early Ballots", and "Duplicate Overvoted Ballots."~~ The judges of election shall examine the ballots and ballot cards to determine if any is damaged or defective so that it cannot be counted by the automatic tabulating equipment. If any ballot or ballot card is damaged or defective so that it cannot properly be counted by the automatic tabulating equipment, the judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall make a true duplicate ballot of all votes on such ballot card by using the ballot label booklet of the precinct and one of the marking devices of the precinct. The original ballot or ballot card and envelope shall be clearly labeled "Damaged Ballot" and the ballot or ballot card so produced "Duplicate Damaged Ballot," and each shall bear the same number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in the precinct. The judges of election shall initial the "Duplicate Damaged Ballot" ballot or ballot cards, and shall place them in the box for return of the ballots. The "Damaged Ballot" ballots or ballot cards and their envelopes shall be placed in the "Duplicated Ballots" envelope. A slip indicating the number of voters voting in person, ~~number of absentee votes deposited in the ballot box, and the total number of voters of the precinct who voted at the election~~ shall be made out, signed by all judges of election, and inserted in the box for return of the ballots. The tally sheets recording the write-in votes shall be placed in this box. The judges of election thereupon immediately shall securely lock the ballot box or other suitable box furnished for return of the ballots by the election official in charge of the election; provided that if such box is not of a type which may be securely locked, such box shall be sealed with filament tape provided for such purpose which shall be wrapped around the box lengthwise and crosswise, at least twice each way. A separate adhesive seal label signed by each of the judges of election of the precinct shall be affixed to the box so as to cover any slot therein and to identify the box of the precinct; and if such box is sealed with filament tape as provided herein rather than locked, such tape shall be wrapped around the box as provided herein, but in such manner that the separate adhesive seal label affixed to the box and signed by the judges may not be removed without breaking the filament tape and disturbing the signature of the judges. Thereupon, 2 of the judges of election, of different major political parties, forthwith shall by the most direct route transport the box for return of the ballots and enclosed ballots and returns to the central counting location designated by the election official in charge of the election. If, however, because of the lack of adequate parking facilities at the central counting location or for any other reason, it is impossible or impracticable for the boxes from all the polling places to be delivered directly to the central counting location, the election official in charge of the election may designate some other location to which the boxes shall be delivered by the 2 precinct judges. While at such other location the boxes shall be in the care and custody of one or more teams, each consisting of 4 persons, 2 from each of the two major political parties, designated for such purpose by the election official in charge of elections from recommendations by the appropriate political party organizations. As soon as possible, the boxes shall be transported from such other location to the central counting location by one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for such purpose by the election official in charge of elections from recommendations by the appropriate political party organizations.

The "Defective Ballots" envelope, and "Duplicated Ballots" envelope each shall be securely sealed and the flap or end thereof of each signed by the precinct judges of election and returned to the central counting location with the box for return of the ballots, enclosed ballots and returns.

At the central counting location, a team of tally judges designated by the election official in charge of the election shall check the box returned containing the ballots to determine that all seals are intact, and thereupon shall open the box, check the voters' slip and compare the number of ballots so delivered against the total number of voters of the precinct who voted, remove the ballots or ballot cards and

deliver them to the technicians operating the automatic tabulating equipment. Any discrepancies between the number of ballots and total number of voters shall be noted on a sheet furnished for that purpose and signed by the tally judges; or

(c) A single ballot box, for the deposit of all votes cast, shall be used. Immediately after the closing of the polls ~~the judges of election shall examine the absentee and early ballots received by the precinct judges of election from the election authority of voters in that precinct to determine that they comply with the provisions of Sections 19.9, 19A.55, 20.8, and 20.9 of the Election Code, as amended, and are entitled to be deposited in the ballot box; those entitled to be deposited in the ballot box shall be initialed by the precinct judges and deposited in the ballot box. Those not entitled to be deposited in the ballot box, in accordance with Sections 19.9, 19A.55, 20.8, and 20.9 of the Election Code, as amended, shall be marked "Rejected" and preserved in the manner provided in The Election Code for the retention and preservation of official ballots rejected at such election. Immediately upon the completion of the absentee and early balloting,~~ the precinct judges of election shall securely lock the ballot box; provided that if such box is not of a type which may be securely locked, such box shall be sealed with filament tape provided for such purpose which shall be wrapped around the box lengthwise and crosswise, at least twice each way. A separate adhesive seal label signed by each of the judges of election of the precinct shall be affixed to the box so as to cover any slot therein and to identify the box of the precinct; and if such box is sealed with filament tape as provided herein rather than locked, such tape shall be wrapped around the box as provided herein, but in such manner that the separate adhesive seal label affixed to the box and signed by the judges may not be removed without breaking the filament tape and disturbing the signature of the judges. Thereupon, 2 of the judges of election, of different major political parties, shall forthwith by the most direct route transport the box for return of the ballots and enclosed absentee and early ballots and returns to the central counting location designated by the election official in charge of the election. If however, because of the lack of adequate parking facilities at the central counting location or for some other reason, it is impossible or impracticable for the boxes from all the polling places to be delivered directly to the central counting location, the election official in charge of the election may designate some other location to which the boxes shall be delivered by the 2 precinct judges. While at such other location the boxes shall be in the care and custody of one or more teams, each consisting of 4 persons, 2 from each of the two major political parties, designated for such purpose by the election official in charge of elections from recommendations by the appropriate political party organizations. As soon as possible, the boxes shall be transported from such other location to the central counting location by one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for such purpose by the election official in charge of the election from recommendations by the appropriate political party organizations.

At the central counting location there shall be one or more teams of tally judges who possess the same qualifications as tally judges in election jurisdictions using paper ballots. The number of such teams shall be determined by the election authority. Each team shall consist of 5 tally judges, 3 selected and approved by the county board from a certified list furnished by the chairman of the county central committee of the party with the majority of members on the county board and 2 selected and approved by the county board from a certified list furnished by the chairman of the county central committee of the party with the second largest number of members on the county board. At the central counting location a team of tally judges shall open the ballot box and canvass the votes polled to determine that the number of ballot sheets therein agree with the number of voters voting as shown by the applications for ballot ~~and for absentee and early ballot~~; and, if the same do not agree, the tally judges shall make such ballots agree with the number of applications for ballot in the manner provided by Section 17-18 of the Election Code. The tally judges shall then examine all ballot sheets which are in the ballot box to determine whether they bear the initials of the precinct judge of election. If any ballot is not initialed, it shall be marked on the back "Defective", initialed as to such label by all tally judges immediately under such word "Defective", and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope". ~~Write in votes, not causing an overvote for an office otherwise voted for on the absentee and early ballot sheet, and otherwise properly voted, shall be counted, tallied and recorded by the central counting location judges on the tally sheet provided for such record. A write in vote causing an overvote for an office shall not be counted for that office, but the tally judges shall mark such absentee ballot sheet "Objected To" on the back thereof and write on its back the manner in which such ballot is counted and initial the same.~~ An overvote for one office shall invalidate only the vote or count of that particular office.

At the central counting location, a team of tally judges designated by the election official in charge of the election shall deliver the ballot sheets to the technicians operating the automatic tabulating equipment. Any discrepancies between the number of ballots and total number of voters shall be noted

on a sheet furnished for that purpose and signed by the tally judges.

(2) Regardless of which procedure described in subsection (1) of this Section is used, the judges of election designated to transport the ballots, properly signed and sealed as provided herein, shall ensure that the ballots are delivered to the central counting station no later than 12 hours after the polls close. At the central counting station a team of tally judges designated by the election official in charge of the election shall examine the ballots so transported and shall not accept ballots for tabulating which are not signed and sealed as provided in subsection (1) of this Section until the judges transporting the same make and sign the necessary corrections. Upon acceptance of the ballots by a team of tally judges at the central counting station, the election judges transporting the same shall take a receipt signed by the election official in charge of the election and stamped with the date and time of acceptance. The election judges whose duty it is to transport any ballots shall, in the event such ballots cannot be found when needed, on proper request, produce the receipt which they are to take as above provided.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/24A-10.1) (from Ch. 46, par. 24A-10.1)

Sec. 24A-10.1. In an election jurisdiction where in-precinct counting equipment is utilized, the following procedures for counting and tallying the ballots shall apply:

~~Immediately after the closing of the polls, the absentee and early ballots delivered to the precinct judges of election by the election authority shall be examined to determine that such ballots comply with Sections 19.9 and 20.9 of this Act and are entitled to be deposited in the ballot box; those entitled to be deposited in the ballot box shall be initialed by the precinct judges of election and deposited in the ballot box. Those not entitled to be deposited in the ballot box shall be marked "Rejected" and disposed of as provided in said Sections 19.9, 19A.55, and 20.9.~~

The precinct judges of election shall open the ballot box and count the number of ballots therein to determine if such number agrees with the number of voters voting as shown by the applications for ballot or, if the same do not agree, the judges of election shall make such ballots agree with the applications for ballot in the manner provided by Section 17-18 of this Act. The judges of election shall then examine all ballot cards and ballot card envelopes which are in the ballot box to determine whether the ballot cards and ballot card envelopes contain the initials of a precinct judge of election. If any ballot card or ballot card envelope is not initialed, it shall be marked on the back "Defective", initialed as to such label by all judges immediately under the word "Defective" and not counted. The judges of election shall place an initialed blank official ballot card in the place of the defective ballot card, so that the count of the ballot cards to be counted on the automatic tabulating equipment will be the same, and each "Defective Ballot" card and "Replacement" card shall contain the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The original "Defective" card shall be placed in the "Defective Ballot Envelope" provided for that purpose.

When an electronic voting system is used which utilizes a ballot card, before separating the remaining ballot cards from their respective covering envelopes, the judges of election shall examine the ballot card envelopes for write-in votes. When the voter has cast a write-in vote, the judges of election shall compare the write-in vote with the votes on the ballot card to determine whether such write-in results in an overvote for any office. In case of an overvote for any office, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on such ballot card except for the office which is overvoted, by using the ballot label booklet of the precinct and one of the marking devices of the precinct so as to transfer all votes of the voter, except for the office overvoted, to a duplicate card. The original ballot card and envelope upon which there is an overvote shall be clearly labeled "Overvoted Ballot", and each such "Overvoted Ballot" as well as its "Replacement" shall contain the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The "Overvoted Ballot" card and ballot envelope shall be placed in an envelope provided for that purpose labeled "Duplicate Ballot" envelope, and the judges of election shall initial the "Replacement" ballot cards and shall place them with the other ballot cards to be counted on the automatic tabulating equipment. Envelopes containing write-in votes marked in the place designated therefor and containing the initials of a precinct judge of election and not resulting in an overvote and otherwise complying with the election laws as to marking shall be counted and tallied and their votes recorded on a tally sheet provided by the election authority.

The ballot cards and ballot card envelopes shall be separated in preparation for counting by the automatic tabulating equipment provided for that purpose by the election authority.

Before the ballots are entered into the automatic tabulating equipment, a precinct identification card provided by the election authority shall be entered into the device to ensure that the totals are all zeroes

in the count column on the printing unit. A precinct judge of election shall then count the ballots by entering each ballot card into the automatic tabulating equipment, and if any ballot or ballot card is damaged or defective so that it cannot properly be counted by the automatic tabulating equipment, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on such ballot card by using the ballot label booklet of the precinct and one of the marking devices of the precinct. The original ballot or ballot card and envelope shall be clearly labeled "Damaged Ballot" and the ballot or ballot card so produced shall be clearly labeled "Duplicate Damaged Ballot", and each shall contain the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in the precinct. The judges of election shall initial the "Duplicate Damaged Ballot" ballot or ballot cards and shall enter the duplicate damaged cards into the automatic tabulating equipment. The "Damaged Ballot" cards shall be placed in the "Duplicated Ballots" envelope; after all ballot cards have been successfully read, the judges of election shall check to make certain that the last number printed by the printing unit is the same as the number of voters making application for ballot in that precinct. The number shall be listed on the "Statement of Ballots" form provided by the election authority.

The totals for all candidates and propositions shall be tabulated; 4 sets shall be attached to the 4 sets of "Certificate of Results" provided by the election authority; one set shall be posted in a conspicuous place inside the polling place; and every effort shall be made by the judges of election to provide a set for each authorized pollwatcher or other official authorized to be present in the polling place to observe the counting of ballots; but in no case shall the number of sets to be made available to pollwatchers be fewer than 4, chosen by lot by the judges of election. In addition, sufficient time shall be provided by the judges of election to the pollwatchers to allow them to copy information from the set which has been posted.

The judges of election shall count all unused ballot cards and enter the number on the "Statement of Ballots". All "Spoiled", "Defective" and "Duplicated" ballot cards shall be counted and the number entered on the "Statement of Ballots".

The precinct judges of election shall select a bi-partisan team of 2 judges, who shall immediately return the ballots in a sealed container, along with all other election materials as instructed by the election authority; provided, however, that such container must first be sealed by the election judges with filament tape provided for such purpose which shall be wrapped around the container lengthwise and crosswise, at least twice each way, in such manner that the ballots cannot be removed from such container without breaking the seal and filament tape and disturbing any signatures affixed by the election judges to the container. The election authority shall keep the office of the election authority, or any receiving stations designated by such authority, open for at least 12 consecutive hours after the polls close or until the ballots from all precincts with in-precinct counting equipment within the jurisdiction of the election authority have been returned to the election authority. Ballots returned to the office of the election authority which are not signed and sealed as required by law shall not be accepted by the election authority until the judges returning the same make and sign the necessary corrections. Upon acceptance of the ballots by the election authority, the judges returning the same shall take a receipt signed by the election authority and stamped with the time and date of such return. The election judges whose duty it is to return any ballots as herein provided shall, in the event such ballots cannot be found when needed, on proper request, produce the receipt which they are to take as above provided.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/24B-10)

Sec. 24B-10. Receiving, Counting, Tallying and Return of Ballots; Acceptance of Ballots by Election Authority.

(a) In an election jurisdiction which has adopted an electronic Precinct Tabulation Optical Scan Technology voting system, the election official in charge of the election shall select one of the 3 following procedures for receiving, counting, tallying, and return of the ballots:

(1) Two ballot boxes shall be provided for each polling place. The first ballot box is for the depositing of votes cast on the electronic voting system; and the second ballot box is for all votes cast on other ballots, including ~~absentee paper and early paper ballots~~ and any other paper ballots required to be voted other than on the Precinct Tabulation Optical Scan Technology electronic voting system. Ballots, ~~except absentee and early ballots for candidates and propositions which are listed on the Precinct Tabulation Optical Scan Technology electronic voting system,~~ deposited in the second ballot box shall be counted, tallied, and returned as is elsewhere provided in this Code for the counting and handling of paper ballots. Immediately after the closing of the polls, ~~the absentee and early ballots delivered to the precinct judges of election by the election official in charge of the~~

election shall be examined to determine that the ballots comply with Sections 19-9, 19A-55, and 20-9 of this Code and are entitled to be inserted into the counting equipment and deposited into the ballot box provided; those entitled to be deposited in this ballot box shall be initialed by the precinct judges of election and deposited. Those not entitled to be deposited in this ballot box shall be marked "Rejected" and disposed of as provided in Sections 19-9, 19A-55, and 20-9. The precinct judges of election shall then open the second ballot box and examine all paper absentee and early ballots which are in the ballot box to determine whether the absentee or early ballots bear the initials of a precinct judge of election. If any absentee or early ballot is not so initialed, it shall be marked on the back "Defective", initialed as to the label by all judges immediately under the word "Defective", and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope". The judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall examine the paper absentee and early ballots which were in such ballot box and properly initialed to determine whether the same contain write in votes. Write in votes, not causing an overvote for an office otherwise voted for on the paper absentee or early ballot, and otherwise properly voted, shall be counted, tallied and recorded on the tally sheet provided for the record. A write in vote causing an overvote for an office shall not be counted for that office, but the precinct judges shall mark such paper absentee or early ballot "Objected To" on the back and write on its back the manner in which the ballot is counted and initial the same. An overvote for one office shall invalidate only the vote or count of that particular office. After counting, tallying and recording the write in votes on absentee and early ballots, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of the remaining valid votes on each paper absentee and early ballot which was in the ballot box and properly initialed, by using the electronic Precinct Tabulation Optical Scan Technology voting system used in the precinct and one of the marking devices, or equivalent marking device or equivalent ballot, of the precinct to transfer the remaining valid votes of the voter on the paper absentee or early ballot to an official ballot or a ballot card of that kind used in the precinct at that election. The original paper absentee ballot shall be clearly labeled "Absentee Ballot" or "Early Ballot", as the case may be, and the ballot card so produced "Duplicate Absentee Ballot" or "Duplicate Early Ballot", as the case may be, and each shall bear the same serial number which shall be placed thereon by the judges of election, beginning with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Absentee Ballot" and "Duplicate Early Ballot" ballots and shall place them in the first ballot box provided for return of the ballots to be counted at the central counting location in lieu of the paper absentee and early ballots. The paper absentee and early ballots shall be placed in an envelope provided for that purpose labeled "Duplicate Ballots".

As soon as the absentee and early ballots have been deposited in the first ballot box, the judges of election shall make out a slip indicating the number of persons who voted in the precinct at the election. The slip shall be signed by all the judges of election and shall be inserted by them in the first ballot box. The judges of election shall thereupon immediately lock ~~each~~ the first ballot box; provided, that if the box is not of a type which may be securely locked, the box shall be sealed with filament tape provided for the purpose that shall be wrapped around the box lengthwise and crosswise, at least twice each way, and in a manner that the seal completely covers the slot in the ballot box, and each of the judges shall sign the seal. Two of the judges of election, of different political parties, shall by the most direct route transport both ballot boxes to the counting location designated by the county clerk or board of election commissioners.

Before the ballots of a precinct are fed to the electronic Precinct Tabulation Optical Scan Technology tabulating equipment, the first ballot box shall be opened at the central counting station by the 2 precinct transport judges. Upon opening a ballot box, the team shall first count the number of ballots in the box. If 2 or more are folded together to appear to have been cast by the same person, all of the ballots folded together shall be marked and returned with the other ballots in the same condition, as near as may be, in which they were found when first opened, but shall not be counted. If the remaining ballots are found to exceed the number of persons voting in the precinct as shown by the slip signed by the judges of election, the ballots shall be replaced in the box, and the box closed and well shaken and again opened and one of the precinct transport judges shall publicly draw out so many ballots unopened as are equal to the excess.

The excess ballots shall be marked "Excess-Not Counted" and signed by the 2 precinct transport judges and shall be placed in the "After 7:00 p.m. Defective Ballots Envelope". The number of excess ballots shall be noted in the remarks section of the Certificate of Results. "Excess" ballots shall not be counted in the total of "defective" ballots.

The precinct transport judges shall then examine the remaining ballots for write-in

votes and shall count and tabulate the write-in vote.

(2) A single ballot box, for the deposit of all votes cast, shall be used. All ballots which are not to be tabulated on the electronic voting system shall be counted, tallied, and returned as elsewhere provided in this Code for the counting and handling of paper ballots.

All ballots to be processed and tabulated with the electronic Precinct Tabulation Optical Scan Technology voting system shall be processed as follows:

~~Immediately after the closing of the polls, the absentee and early ballots delivered to the precinct judges of election by the election official in charge of the election shall be examined to determine that such ballots comply with Sections 19-9, 19A-55, and 20-9 of this Code and are entitled to be deposited in the ballot box; those entitled to be deposited in the ballot box shall be initialed by the precinct judges of election and deposited in the ballot box. Those not entitled to be deposited in the ballot box shall be marked "Rejected" and disposed of as provided in Sections 19-9, 19A-55, and 20-9. The precinct judges~~ then shall open

the ballot box and canvass the votes polled to determine that the number of ballots agree with the number of voters voting as shown by the applications for ballot, or if the same do not agree the judges of election shall make such ballots agree with the applications for ballot in the manner provided by Section 17-18 of this Code. ~~The judges of election shall then examine all paper absentee and early ballots and ballot envelopes which are in the ballot box to determine whether the ballots and ballot envelopes bear the initials of a precinct judge of election. If any ballot or ballot envelope is not initialed, it shall be marked on the back "Defective", initialed as to the label by all judges immediately under the word "Defective", and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope". The judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall examine the paper absentee and early ballots which were in the ballot box and properly initialed to determine whether the same contain write-in votes. Write-in votes, not causing an overvote for an office otherwise voted for on the paper absentee or early ballot, and otherwise properly voted, shall be counted, tallied and recorded on the tally sheet provided for the record. A write-in vote causing an overvote for an office shall not be counted for that office, but the precinct judges shall mark the paper absentee or early ballot "Objected To" on the back and write on its back the manner the ballot is counted and initial the same. An overvote for one office shall invalidate only the vote or count of that particular office. After counting, tallying and recording the write-in votes on absentee and early ballots, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of the remaining valid votes on each paper absentee and early ballot which was in the ballot box and properly initialed, by using the electronic voting system used in the precinct and one of the marking devices of the precinct to transfer the remaining valid votes of the voter on the paper absentee or early ballot to an official ballot of that kind used in the precinct at that election. The original paper absentee or early ballot shall be clearly labeled "Absentee Ballot" or "Early Ballot", as the case may be, and the ballot so produced "Duplicate Absentee Ballot" or "Duplicate Early Ballot", as the case may be, and each shall bear the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Absentee Ballot" and "Duplicate Early Ballot" ballots and shall place them in the box for return of the ballots with all other ballots to be counted at the central counting location in lieu of the paper absentee and early ballots. The paper absentee ballots shall be placed in an envelope provided for that purpose labeled "Duplicate Ballots".~~

In case of an overvote for any office, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on the ballot except for the office which is overvoted, by using the ballot of the precinct and one of the marking devices, or equivalent ballot, of the precinct to transfer all votes of the voter except for the office overvoted, to an official ballot of that kind used in the precinct at that election. The original ballot upon which there is an overvote shall be clearly labeled "Overvoted Ballot", and each shall bear the same serial number which shall be placed thereon by the judges of election, beginning with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Overvoted Ballot" ballots and shall place them in the box for return of the ballots. The "Overvoted Ballot" ballots shall be placed in the "Duplicate Ballots" envelope. The ballots except any defective or overvoted ballot shall be placed separately in the box for return of the ballots, ~~along with all "Duplicate Absentee Ballots", "Duplicate Early Ballots", and "Duplicate Overvoted Ballots".~~ The judges of election shall examine the ballots to determine if any is damaged or defective so that it cannot be counted by the automatic tabulating

equipment. If any ballot is damaged or defective so that it cannot properly be counted by the automatic tabulating equipment, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on such ballot by using the ballot of the precinct and one of the marking devices, or equivalent ballot, of the precinct. The original ballot and ballot envelope shall be clearly labeled "Damaged Ballot" and the ballot so produced "Duplicate Damaged Ballot", and each shall bear the same number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in the precinct. The judges of election shall initial the "Duplicate Damaged Ballot" ballot and shall place them in the box for return of the ballots. The "Damaged Ballot" ballots shall be placed in the "Duplicated Ballots" envelope. A slip indicating the number of voters voting in person, ~~number of absentee and early votes deposited in the ballot box,~~ and the total number of voters of the precinct who voted at the election shall be made out, signed by all judges of election, and inserted in the box for return of the ballots. The tally sheets recording the write-in votes shall be placed in this box. The judges of election immediately shall securely lock the ballot box or other suitable box furnished for return of the ballots by the election official in charge of the election; provided that if the box is not of a type which may be securely locked, the box shall be sealed with filament tape provided for the purpose which shall be wrapped around the box lengthwise and crosswise, at least twice each way. A separate adhesive seal label signed by each of the judges of election of the precinct shall be affixed to the box to cover any slot therein and to identify the box of the precinct; and if the box is sealed with filament tape as provided rather than locked, such tape shall be wrapped around the box as provided, but in such manner that the separate adhesive seal label affixed to the box and signed by the judges may not be removed without breaking the filament tape and disturbing the signature of the judges. Two of the judges of election, of different major political parties, shall by the most direct route transport the box for return of the ballots and enclosed ballots and returns to the central counting location designated by the election official in charge of the election. If, however, because of the lack of adequate parking facilities at the central counting location or for any other reason, it is impossible or impracticable for the boxes from all the polling places to be delivered directly to the central counting location, the election official in charge of the election may designate some other location to which the boxes shall be delivered by the 2 precinct judges. While at the other location the boxes shall be in the care and custody of one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for such purpose by the election official in charge of elections from recommendations by the appropriate political party organizations. As soon as possible, the boxes shall be transported from the other location to the central counting location by one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for the purpose by the election official in charge of elections from recommendations by the appropriate political party organizations.

The "Defective Ballots" envelope, and "Duplicated Ballots" envelope each shall be securely sealed and the flap or end of each envelope signed by the precinct judges of election and returned to the central counting location with the box for return of the ballots, enclosed ballots and returns.

At the central counting location, a team of tally judges designated by the election official in charge of the election shall check the box returned containing the ballots to determine that all seals are intact, and shall open the box, check the voters' slip and compare the number of ballots so delivered against the total number of voters of the precinct who voted, remove the ballots and deliver them to the technicians operating the automatic tabulating equipment. Any discrepancies between the number of ballots and total number of voters shall be noted on a sheet furnished for that purpose and signed by the tally judges.

(3) A single ballot box, for the deposit of all votes cast, shall be used. Immediately after the closing of the polls, ~~the judges of election shall examine the absentee and early ballots received by the precinct judges of election from the election authority of voters in that precinct to determine that they comply with the provisions of Sections 19-9, 19A-55, 20-8, and 20-9 of this Code and are entitled to be deposited in the ballot box; those entitled to be deposited in the ballot box shall be initialed by the precinct judges and deposited in the ballot box. Those not entitled to be deposited in the ballot box, in accordance with Sections 19-9, 19A-55, 20-8, and 20-9 of this Code shall be marked "Rejected" and preserved in the manner provided in this Code for the retention and preservation of official ballots rejected at such election. Immediately upon the completion of the absentee and early balloting,~~ the precinct judges of election shall securely lock the ballot box; provided that if such box is not of a type which may be securely locked, the box shall be sealed with filament tape provided for the purpose which shall be wrapped around the box lengthwise and

crosswise, at least twice each way. A separate adhesive seal label signed by each of the judges of election of the precinct shall be affixed to the box to cover any slot therein and to identify the box of the precinct; and if the box is sealed with filament tape as provided rather than locked, such tape shall be wrapped around the box as provided, but in a manner that the separate adhesive seal label affixed to the box and signed by the judges may not be removed without breaking the filament tape and disturbing the signature of the judges. Two of the judges of election, of different major political parties, shall by the most direct route transport the box for return of the ballots and enclosed absentee and early ballots and returns to the central counting location designated by the election official in charge of the election. If however, because of the lack of adequate parking facilities at the central counting location or for some other reason, it is impossible or impracticable for the boxes from all the polling places to be delivered directly to the central counting location, the election official in charge of the election may designate some other location to which the boxes shall be delivered by the 2 precinct judges. While at the other location the boxes shall be in the care and custody of one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for the purpose by the election official in charge of elections from recommendations by the appropriate political party organizations. As soon as possible, the boxes shall be transported from the other location to the central counting location by one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for the purpose by the election official in charge of the election from recommendations by the appropriate political party organizations.

At the central counting location there shall be one or more teams of tally judges who possess the same qualifications as tally judges in election jurisdictions using paper ballots. The number of the teams shall be determined by the election authority. Each team shall consist of 5 tally judges, 3 selected and approved by the county board from a certified list furnished by the chairman of the county central committee of the party with the majority of members on the county board and 2 selected and approved by the county board from a certified list furnished by the chairman of the county central committee of the party with the second largest number of members on the county board. At the central counting location a team of tally judges shall open the ballot box and canvass the votes polled to determine that the number of ballot sheets therein agree with the number of voters voting as shown by the applications for ballot ~~and for absentee and early ballot~~; and, if the same do not agree, the tally judges shall make such ballots agree with the number of applications for ballot in the manner provided by Section 17-18 of this Code. The tally judges shall then examine all ballot sheets that are in the ballot box to determine whether they bear the initials of the precinct judge of election. If any ballot is not initialed, it shall be marked on the back "Defective", initialed as to that label by all tally judges immediately under the word "Defective", and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope". ~~Write in votes, not causing an overvote for an office otherwise voted for on the absentee or early ballot sheet, and otherwise properly voted, shall be counted, tallied, and recorded by the central counting location judges on the tally sheet provided for the record. A write-in vote causing an overvote for an office shall not be counted for that office, but the tally judges shall mark the absentee or early ballot sheet "Objected To" and write the manner in which the ballot is counted on its back and initial the sheet.~~ An overvote for one office shall invalidate only the vote or count for that particular office.

At the central counting location, a team of tally judges designated by the election official in charge of the election shall deliver the ballot sheets to the technicians operating the automatic Precinct Tabulation Optical Scan Technology tabulating equipment. Any discrepancies between the number of ballots and total number of voters shall be noted on a sheet furnished for that purpose and signed by the tally judges.

(b) Regardless of which procedure described in subsection (a) of this Section is used, the judges of election designated to transport the ballots properly signed and sealed, shall ensure that the ballots are delivered to the central counting station no later than 12 hours after the polls close. At the central counting station, a team of tally judges designated by the election official in charge of the election shall examine the ballots so transported and shall not accept ballots for tabulating which are not signed and sealed as provided in subsection (a) of this Section until the judges transporting the ballots make and sign the necessary corrections. Upon acceptance of the ballots by a team of tally judges at the central counting station, the election judges transporting the ballots shall take a receipt signed by the election official in charge of the election and stamped with the date and time of acceptance. The election judges whose duty it is to transport any ballots shall, in the event the ballots cannot be found when needed, on proper request, produce the receipt which they are to take as above provided.

(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/24B-10.1)

[May 2, 2006]

Sec. 24B-10.1. In-Precinct Counting Equipment; Procedures for Counting and Tallying Ballots. In an election jurisdiction where Precinct Tabulation Optical Scan Technology counting equipment is used, the following procedures for counting and tallying the ballots shall apply:

Before the opening of the polls, and before the ballots are entered into the automatic tabulating equipment, the judges of election shall be sure that the totals are all zeros in the counting column. Ballots may then be counted by entering or scanning each ballot into the automatic tabulating equipment. Throughout the election day and before the closing of the polls, no person may check any vote totals for any candidate or proposition on the automatic tabulating equipment. Such automatic tabulating equipment shall be programmed so that no person may reset the equipment for refeeding of ballots unless provided a code from an authorized representative of the election authority. At the option of the election authority, the ballots may be fed into the Precinct Tabulation Optical Scan Technology equipment by the voters under the direct supervision of the judges of elections.

~~Immediately after the closing of the polls, the absentee or early ballots delivered to the precinct judges of election by the election authority shall be examined to determine that the ballots comply with Sections 19-9, 19A-55, and 20-9 of this Code and are entitled to be scanned by the Precinct Tabulation Optical Scan Technology equipment and then deposited in the ballot box; those entitled to be scanned and deposited in the ballot box shall be initialed by the precinct judges of election and then scanned and deposited in the ballot box. Those not entitled to be deposited in the ballot box shall be marked "Rejected" and disposed of as provided in said Sections 19-9, 19A-55, and 20-9.~~

The precinct judges of election shall open the ballot box and count the number of ballots to determine if the number agrees with the number of voters voting as shown on the Precinct Tabulation Optical Scan Technology equipment and by the applications for ballot or, if the same do not agree, the judges of election shall make the ballots agree with the applications for ballot in the manner provided by Section 17-18 of this Code. The judges of election shall then examine all ballots which are in the ballot box to determine whether the ballots contain the initials of a precinct judge of election. If any ballot is not initialed, it shall be marked on the back "Defective", initialed as to such label by all judges immediately under the word "Defective" and not counted. The judges of election shall place an initialed blank official ballot in the place of the defective ballot, so that the count of the ballots to be counted on the automatic tabulating equipment will be the same, and each "Defective Ballot" and "Replacement" ballot shall contain the same serial number which shall be placed thereon by the judges of election, beginning with number 1 and continuing consecutively for the ballots of that kind in that precinct. The original "Defective" ballot shall be placed in the "Defective Ballot Envelope" provided for that purpose.

If the judges of election have removed a ballot pursuant to Section 17-18, have labeled "Defective" a ballot which is not initialed, or have otherwise determined under this Code to not count a ballot originally deposited into a ballot box, the judges of election shall be sure that the totals on the automatic tabulating equipment are reset to all zeros in the counting column. Thereafter the judges of election shall enter or otherwise scan each ballot to be counted in the automatic tabulating equipment. Resetting the automatic tabulating equipment to all zeros and re-entering of ballots to be counted may occur at the precinct polling place, the office of the election authority, or any receiving station designated by the election authority. The election authority shall designate the place for resetting and re-entering or re-scanning.

When a Precinct Tabulation Optical Scan Technology electronic voting system is used which uses a paper ballot, the judges of election shall examine the ballot for write-in votes. When the voter has cast a write-in vote, the judges of election shall compare the write-in vote with the votes on the ballot to determine whether the write-in results in an overvote for any office, unless the Precinct Tabulation Optical Scan Technology equipment has already done so. In case of an overvote for any office, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on such ballot except for the office which is overvoted, by using the ballot of the precinct and one of the marking devices, or equivalent ballot, of the precinct so as to transfer all votes of the voter, except for the office overvoted, to a duplicate ballot. The original ballot upon which there is an overvote shall be clearly labeled "Overvoted Ballot", and each such "Overvoted Ballot" as well as its "Replacement" shall contain the same serial number which shall be placed thereon by the judges of election, beginning with number 1 and continuing consecutively for the ballots of that kind in that precinct. The "Overvoted Ballot" shall be placed in an envelope provided for that purpose labeled "Duplicate Ballot" envelope, and the judges of election shall initial the "Replacement" ballots and shall place them with the other ballots to be counted on the automatic tabulating equipment.

If any ballot is damaged or defective, or if any ballot contains a Voting Defect, so that it cannot properly be counted by the automatic tabulating equipment, the voter or the judges of election,

consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on such ballot by using the ballot of the precinct and one of the marking devices of the precinct, or equivalent. If a damaged ballot, the original ballot shall be clearly labeled "Damaged Ballot" and the ballot so produced shall be clearly labeled "Damaged Ballot" and the ballot so produced shall be clearly labeled "Duplicate Damaged Ballot", and each shall contain the same serial number which shall be placed by the judges of election, beginning with number 1 and continuing consecutively for the ballots of that kind in the precinct. The judges of election shall initial the "Duplicate Damaged Ballot" ballot and shall enter or otherwise scan the duplicate damaged ballot into the automatic tabulating equipment. The "Damaged Ballots" shall be placed in the "Duplicated Ballots" envelope; after all ballots have been successfully read, the judges of election shall check to make certain that the Precinct Tabulation Optical Scan Technology equipment readout agrees with the number of voters making application for ballot in that precinct. The number shall be listed on the "Statement of Ballots" form provided by the election authority.

The totals for all candidates and propositions shall be tabulated; and 4 copies of a "Certificate of Results" shall be generated by the automatic tabulating equipment; one copy shall be posted in a conspicuous place inside the polling place; and every effort shall be made by the judges of election to provide a copy for each authorized pollwatcher or other official authorized to be present in the polling place to observe the counting of ballots; but in no case shall the number of copies to be made available to pollwatchers be fewer than 4, chosen by lot by the judges of election. In addition, sufficient time shall be provided by the judges of election to the pollwatchers to allow them to copy information from the copy which has been posted.

The judges of election shall count all unused ballots and enter the number on the "Statement of Ballots". All "Spoiled", "Defective" and "Duplicated" ballots shall be counted and the number entered on the "Statement of Ballots".

The precinct judges of election shall select a bi-partisan team of 2 judges, who shall immediately return the ballots in a sealed container, along with all other election materials as instructed by the election authority; provided, however, that such container must first be sealed by the election judges with filament tape or other approved sealing devices provided for the purpose which shall be wrapped around the container lengthwise and crosswise, at least twice each way, in a manner that the ballots cannot be removed from the container without breaking the seal and filament tape and disturbing any signatures affixed by the election judges to the container, or which other approved sealing devices are affixed in a manner approved by the election authority. The election authority shall keep the office of the election authority or any receiving stations designated by the authority, open for at least 12 consecutive hours after the polls close or until the ballots from all precincts with in-precinct counting equipment within the jurisdiction of the election authority have been returned to the election authority. Ballots returned to the office of the election authority which are not signed and sealed as required by law shall not be accepted by the election authority until the judges returning the ballots make and sign the necessary corrections. Upon acceptance of the ballots by the election authority, the judges returning the ballots shall take a receipt signed by the election authority and stamped with the time and date of the return. The election judges whose duty it is to return any ballots as provided shall, in the event the ballots cannot be found when needed, on proper request, produce the receipt which they are to take as above provided. The precinct judges of election shall also deliver the Precinct Tabulation Optical Scan Technology equipment to the election authority.

(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/24C-13)

Sec. 24C-13. Absentee ballots; Early voting ballots; Proceedings at Location for Central Counting; Employees; Approval of List.

(a) All jurisdictions using Direct Recording Electronic Voting Systems shall use paper ballots or paper ballot sheets approved for use under Articles 16, 24A or 24B of this Code when conducting absentee voting except that Direct Recording Electronic Voting Systems may be used for in-person absentee voting conducted pursuant to Section 19-2.1 of this Code. All absentee ballots shall be counted at the central ballot counting location office of the election authority. The provisions of Section 24A-9, 24B-9 and 24C-9 of this Code shall apply to the testing and notice requirements for central count tabulation equipment, including comparing the signature on the ballot envelope with the signature of the voter on the permanent voter registration record card taken from the master file. ~~Absentee ballots other than absentee ballots voted in person pursuant to Section 19-2.1 of this Code shall be examined and processed pursuant to Sections 19-9 and 20-9 of this Code.~~ Vote results shall be recorded by precinct and shall be added to the vote results for the precinct in which the absent voter was eligible to vote prior to completion of the official canvass.

[May 2, 2006]

~~(a 5) Early voting ballots cast in accordance with Article 19A shall be counted in precincts as provided in that Article. Early votes cast through the use of Direct Recording Electronic Voting System devices shall be counted using the procedures of this Article. Early votes cast by a method other than the use of Direct Recording Electronic Voting System devices shall be counted using the procedures of this Code for that method.~~

(b) All proceedings at the location for central counting shall be under the direction of the county clerk or board of election commissioners. Except for any specially trained technicians required for the operation of the Direct Recording Electronic Voting System, the employees at the counting station shall be equally divided between members of the 2 leading political parties and all duties performed by the employees shall be by teams consisting of an equal number of members of each political party. Thirty days before an election the county clerk or board of election commissioners shall submit to the chairman of each political party, for his or her approval or disapproval, a list of persons of his or her party proposed to be employed. If a chairman fails to notify the election authority of his or her disapproval of any proposed employee within a period of 10 days thereafter the list shall be deemed approved.

(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/19-9 rep.) (10 ILCS 5/19A-55 rep.) (10 ILCS 5/20-9 rep.)

Section 10. The Election Code is amended by repealing Sections 19-9, 19A-55, and 20-9.

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

AMENDMENT NO. 2 TO SENATE BILL 1445

AMENDMENT NO. 2. Amend Senate Bill 1445, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Election Code is amended by changing Sections 4-50, 5-50, 6-100, 7-60, 9-9.5, 13-1, 13-2, 14-3.1, 17-9, 18-5, 18A-15, 19-2.1, 19-4, 19-8, 19-12.2, 19-13, 19-15, 19A-25.5, 19A-35, 19A-50, 19A-60, 20-2, 20-2.1, 20-2.2, 20-2.3, 20-4, 20-8, 20-15, 24-1, 24A-9, 24A-10, 24A-10.1, 24A-15, 24A-16, 24B-9, 24B-10, 24B-10.1, 24B-15, 24B-16, 24C-9, 24C-13, 24C-15, and 24C-16 and by adding Sections 1-9, 1A-35, 19-20, 19A-21, and 20-20 as follows:

(10 ILCS 5/1-9 new)

Sec. 1-9. Central counting of grace period, early, absentee, and provisional ballots. Notwithstanding any statutory provision to the contrary enacted before the effective date of this amendatory Act of the 94th General Assembly, all grace period ballots, early voting ballots, absentee ballots, and provisional ballots to be counted shall be delivered to and counted at an election authority's central ballot counting location and not in precincts. References in this Code enacted before the effective date of this amendatory Act of the 94th General Assembly to delivery and counting of grace period ballots, early voting ballots, absentee ballots, or provisional ballots to or at a precinct polling place or to the proper polling place shall be construed as references to delivery and counting of those ballots to and at the election authority's central ballot counting location.

(10 ILCS 5/1A-35 new)

Sec. 1A-35. Early and grace period voting education. Subject to appropriation, the State Board of Elections must develop and implement an educational program to inform the public about early voting and grace period voting. The State Board shall conduct the program beginning August 1, 2006, and until the 2006 general election.

(10 ILCS 5/4-50)

Sec. 4-50. Grace period. Notwithstanding any other provision of this Code to the contrary, each election authority shall establish procedures for the registration of voters and for change of address during the period from the close of registration for a primary or election and until the 14th day before the primary or election. During this grace period, an unregistered qualified elector may register to vote, and a registered voter may submit a change of address form, in person in the office of the election authority or at a voter registration location specifically designated for this purpose by the election authority. The election authority shall register that individual, or change a registered voter's address, in the same manner as otherwise provided by this Article for registration and change of address.

If a voter who registers or changes address during this grace period wishes to vote at the first election or primary occurring after the grace period, he or she must do so by grace period voting, either in person in the office of the election authority or at a location specifically designated for this purpose by the election authority, or by mail, at the discretion of the election authority. Grace period voting shall be in a manner substantially similar to voting under Article 19.

Within one day after a voter casts a grace period ballot, the election authority shall transmit the voter's

name, street address, and precinct, ward, township, and district numbers, as the case may be, to the State Board of Elections, which shall maintain those names and that information in an electronic format on its website, arranged by county and accessible to State and local political committees. The name of each person issued a grace period ballot shall also be placed on the appropriate precinct list of persons to whom absentee and early ballots have been issued, for use as provided in Sections 17-9 and 18-5.

A person who casts a grace period ballot shall not be permitted to revoke that ballot and vote another ballot with respect to that primary or election. Ballots cast by persons who register or change address during the grace period must be transmitted to and counted at the election authority's central ballot counting location and shall not be transmitted to and counted at precinct polling places. The grace period ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.

(Source: P.A. 93-1082, eff. 7-1-05.)

(10 ILCS 5/5-50)

Sec. 5-50. Grace period. Notwithstanding any other provision of this Code to the contrary, each election authority shall establish procedures for the registration of voters and for change of address during the period from the close of registration for a primary or election and until the 14th day before the primary or election. During this grace period, an unregistered qualified elector may register to vote, and a registered voter may submit a change of address form, in person in the office of the election authority or at a voter registration location specifically designated for this purpose by the election authority. The election authority shall register that individual, or change a registered voter's address, in the same manner as otherwise provided by this Article for registration and change of address.

If a voter who registers or changes address during this grace period wishes to vote at the first election or primary occurring after the grace period, he or she must do so by grace period voting, either in person in the office of the election authority or at a location specifically designated for this purpose by the election authority, or by mail, at the discretion of the election authority. Grace period voting shall be in a manner substantially similar to voting under Article 19.

Within one day after a voter casts a grace period ballot, the election authority shall transmit the voter's name, street address, and precinct, ward, township, and district numbers, as the case may be, to the State Board of Elections, which shall maintain those names and that information in an electronic format on its website, arranged by county and accessible to State and local political committees. The name of each person issued a grace period ballot shall also be placed on the appropriate precinct list of persons to whom absentee and early ballots have been issued, for use as provided in Sections 17-9 and 18-5.

A person who casts a grace period ballot shall not be permitted to revoke that ballot and vote another ballot with respect to that primary or election. Ballots cast by persons who register or change address during the grace period must be transmitted to and counted at the election authority's central ballot counting location and shall not be transmitted to and counted at precinct polling places. The grace period ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.

(Source: P.A. 93-1082, eff. 7-1-05.)

(10 ILCS 5/6-100)

Sec. 6-100. Grace period. Notwithstanding any other provision of this Code to the contrary, each election authority shall establish procedures for the registration of voters and for change of address during the period from the close of registration for a primary or election and until the 14th day before the primary or election. During this grace period, an unregistered qualified elector may register to vote, and a registered voter may submit a change of address form, in person in the office of the election authority or at a voter registration location specifically designated for this purpose by the election authority. The election authority shall register that individual, or change a registered voter's address, in the same manner as otherwise provided by this Article for registration and change of address.

If a voter who registers or changes address during this grace period wishes to vote at the first election or primary occurring after the grace period, he or she must do so by grace period voting, either in person in the office of the election authority or at a location specifically designated for this purpose by the election authority, or by mail, at the discretion of the election authority. Grace period voting shall be in a manner substantially similar to voting under Article 19.

Within one day after a voter casts a grace period ballot, the election authority shall transmit the voter's name, street address, and precinct, ward, township, and district numbers, as the case may be, to the State Board of Elections, which shall maintain those names and that information in an electronic format on its website, arranged by county and accessible to State and local political committees. The name of each person issued a grace period ballot shall also be placed on the appropriate precinct list of persons to whom absentee and early ballots have been issued, for use as provided in Sections 17-9 and 18-5.

A person who casts a grace period ballot shall not be permitted to revoke that ballot and vote another ballot with respect to that primary or election. Ballots cast by persons who register or change address during the grace period must be transmitted to and counted at the election authority's central ballot counting location and shall not be transmitted to and counted at precinct polling places. The grace period ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.

(Source: P.A. 93-1082, eff. 7-1-05.)

(10 ILCS 5/7-60) (from Ch. 46, par. 7-60)

Sec. 7-60. Not less than 67 days before the date of the general election, the State Board of Elections shall certify to the county clerks the names of each of the candidates who have been nominated as shown by the proclamation of the State Board of Elections as a canvassing board or who have been nominated to fill a vacancy in nomination and direct the election authority to place upon the official ballot for the general election the names of such candidates in the same manner and in the same order as shown upon the certification, except as otherwise provided in this Section.

Not less than 61 days before the date of the general election, each county clerk shall certify the names of each of the candidates for county offices who have been nominated as shown by the proclamation of the county election authority or who have been nominated to fill a vacancy in nomination and declare that the names of such candidates for the respective offices shall be placed upon the official ballot for the general election in the same manner and in the same order as shown upon the certification, except as otherwise provided by this Section. Each county clerk shall place a copy of the certification on file in his or her office and at the same time issue to the State Board of Elections a copy of such certification. In addition, each county clerk in whose county there is a board of election commissioners shall, not less than 61 days before the date of the general election, issue to such board a copy of the certification that has been filed in the county clerk's office, together with a copy of the certification that has been issued to the clerk by the State Board of Elections, with directions to the board of election commissioners to place upon the official ballot for the general election in that election jurisdiction the names of all candidates that are listed on such certifications, in the same manner and in the same order as shown upon such certifications, except as otherwise provided in this Section.

Whenever there are two or more persons nominated by the same political party for multiple offices for any board, the name of the candidate of such party receiving the highest number of votes in the primary election as a candidate for such office, as shown by the official election returns of the primary, shall be certified first under the name of such offices, and the names of the remaining candidates of such party for such offices shall follow in the order of the number of votes received by them respectively at the primary election as shown by the official election results.

No person who is shown by the ~~final election authority's~~ proclamation to have been nominated or elected at the primary as a write-in candidate shall have his or her name certified unless such person shall have filed with the certifying office or board within 10 days after the election authority's proclamation a statement of candidacy pursuant to Section 7-10, a statement pursuant to Section 7-10.1, and a receipt for the filing of a statement of economic interests in relation to the unit of government to which he or she has been elected or nominated.

Each county clerk and board of election commissioners shall determine by a fair and impartial method of random selection the order of placement of established political party candidates for the general election ballot. Such determination shall be made within 30 days following the canvass and proclamation of the results of the general primary in the office of the county clerk or board of election commissioners and shall be open to the public. Seven days written notice of the time and place of conducting such random selection shall be given, by each such election authority, to the County Chairman of each established political party, and to each organization of citizens within the election jurisdiction which was entitled, under this Article, at the next preceding election, to have pollwatchers present on the day of election. Each election authority shall post in a conspicuous, open and public place, at the entrance of the election authority office, notice of the time and place of such lottery. However, a board of election commissioners may elect to place established political party candidates on the general election ballot in the same order determined by the county clerk of the county in which the city under the jurisdiction of such board is located.

Each certification shall indicate, where applicable, the following:

- (1) The political party affiliation of the candidates for the respective offices;
- (2) If there is to be more than one candidate elected to an office from the State, political subdivision or district;
- (3) If the voter has the right to vote for more than one candidate for an office;
- (4) The term of office, if a vacancy is to be filled for less than a full term or if the offices to be filled in

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a political subdivision are for different terms.

The State Board of Elections or the county clerk, as the case may be, shall issue an amended certification whenever it is discovered that the original certification is in error.

(Source: P.A. 94-645, eff. 8-22-05; 94-647, eff. 1-1-06; revised 8-29-05.)

(10 ILCS 5/9-9.5)

Sec. 9-9.5. Disclosures in political communications.

(a) Any political committee, organized under the Election Code, that makes an expenditure for a pamphlet, circular, handbill, Internet or telephone communication, radio, television, or print advertisement, or other communication directed at voters and mentioning the name of a candidate in the next upcoming election shall ensure that the name of the political committee paying for any part of the communication, including, but not limited to, its preparation and distribution, is identified clearly within the communication as the payor. This ~~subsection~~ ~~Section~~ does not apply to items that are too small to contain the required disclosure. Nothing in this ~~subsection~~ ~~Section~~ shall require disclosure on any telephone communication using random sampling or other scientific survey methods to gauge public opinion for or against any candidate or question of public policy.

Whenever any vendor or other person provides any of the services listed in this ~~subsection~~ ~~Section~~, other than any telephone communication using random sampling or other scientific survey methods to gauge public opinion for or against any candidate or question of public policy, the vendor or person shall keep and maintain records showing the name and address of the person who purchased or requested the services and the amount paid for the services. The records required by this ~~subsection~~ ~~Section~~ shall be kept for a period of one year after the date upon which payment was received for the services.

(b) Any political committee, organized under this Code, that makes an expenditure for a pamphlet, circular, handbill, Internet or telephone communication, radio, television, or print advertisement, or other communication directed at voters and (i) mentioning the name of a candidate in the next upcoming election, without that candidate's permission, and (ii) advocating for or against a public policy position shall ensure that the name of the political committee paying for any part of the communication, including, but not limited to, its preparation and distribution, is identified clearly within the communication. Nothing in this subsection shall require disclosure on any telephone communication using random sampling or other scientific survey methods to gauge public opinion for or against any candidate or question of public policy.

(c) A political committee organized under this Code shall not make an expenditure for any unsolicited telephone call to the line of a residential telephone customer in this State using any method to block or otherwise circumvent that customer's use of a caller identification service.

(Source: P.A. 93-615, eff. 11-19-03; 93-847, eff. 7-30-04; 94-645, eff. 8-22-05.)

(10 ILCS 5/13-1) (from Ch. 46, par. 13-1)

Sec. 13-1. In counties not under township organization, the county board of commissioners shall at its meeting in ~~July~~ ~~May~~ in each even-numbered year appoint in each election precinct 5 capable and discreet persons meeting the qualifications of Section 13-4 to be judges of election. Where neither voting machines nor electronic, mechanical or electric voting systems are used, the county board may, for any precinct with respect to which the board considers such action necessary or desirable in view of the number of voters, and shall for general elections for any precinct containing more than 600 registered voters, appoint in addition to the 5 judges of election a team of 5 tally judges. In such precincts the judges of election shall preside over the election during the hours the polls are open, and the tally judges, with the assistance of the holdover judges designated pursuant to Section 13-6.2, shall count the vote after the closing of the polls. However, the County Board of Commissioners may appoint 3 judges of election to serve in lieu of the 5 judges of election otherwise required by this Section to serve in any emergency referendum, or in any odd-year regular election or in any special primary or special election called for the purpose of filling a vacancy in the office of representative in the United States Congress or to nominate candidates for such purpose. The tally judges shall possess the same qualifications and shall be appointed in the same manner and with the same division between political parties as is provided for judges of election.

In addition to such precinct judges, the county board of commissioners shall appoint special panels of 3 judges each, who shall possess the same qualifications and shall be appointed in the same manner and with the same division between political parties as is provided for other judges of election. The number of such panels of judges required shall be determined by regulations of the State Board of Elections which shall base the required numbers of special panels on the number of registered voters in the jurisdiction or the number of absentee ballots voted at recent elections, or any combination of such factors.

Such appointment shall be confirmed by the court as provided in Section 13-3 of this Article. No more

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than 3 persons of the same political party shall be appointed judges of the same election precinct or election judge panel. The appointment shall be made in the following manner: The county board of commissioners shall select and approve 3 persons as judges of election in each election precinct from a certified list, furnished by the chairman of the County Central Committee of the first leading political party in such precinct; and the county board of commissioners shall also select and approve 2 persons as judges of election in each election precinct from a certified list, furnished by the chairman of the County Central Committee of the second leading political party. However, if only 3 judges of election serve in the same election precinct, no more than 2 persons of the same political party shall be judges of election in the same election precinct; and which political party is entitled to 2 judges of election and which political party is entitled to one judge of election shall be determined in the same manner as set forth in the next two preceding sentences with regard to 5 election judges in each precinct. Such certified list shall be filed with the county clerk not less than 10 days before the annual meeting of the county board of commissioners. Such list shall be arranged according to precincts. The chairman of each county central committee shall, insofar as possible, list persons who reside within the precinct in which they are to serve as judges. However, he may, in his sole discretion, submit the names of persons who reside outside the precinct but within the county embracing the precinct in which they are to serve. He must, however, submit the names of at least 2 residents of the precinct for each precinct in which his party is to have 3 judges and must submit the name of at least one resident of the precinct for each precinct in which his party is to have 2 judges. The county board of commissioners shall acknowledge in writing to each county chairman the names of all persons submitted on such certified list and the total number of persons listed thereon. If no such list is filed or such list is incomplete (that is, no names or an insufficient number of names are furnished for certain election precincts), the county board of commissioners shall make or complete such list from the names contained in the supplemental list provided for in Section 13-1.1. The election judges shall hold their office for 2 years from their appointment, and until their successors are duly appointed in the manner provided in this Act. The county board of commissioners shall fill all vacancies in the office of judge of election at any time in the manner provided in this Act.

(Source: P.A. 91-352, eff. 1-1-00.)

(10 ILCS 5/13-2) (from Ch. 46, par. 13-2)

Sec. 13-2. In counties under the township organization the county board shall at its meeting in ~~July~~ May in each even-numbered year except in counties containing a population of 3,000,000 inhabitants or over and except when such judges are appointed by election commissioners, select in each election precinct in the county, 5 capable and discreet persons to be judges of election who shall possess the qualifications required by this Act for such judges. Where neither voting machines nor electronic, mechanical or electric voting systems are used, the county board may, for any precinct with respect to which the board considers such action necessary or desirable in view of the number of voters, and shall for general elections for any precinct containing more than 600 registered voters, appoint in addition to the 5 judges of election a team of 5 tally judges. In such precincts the judges of election shall preside over the election during the hours the polls are open, and the tally judges, with the assistance of the holdover judges designated pursuant to Section 13-6.2, shall count the vote after the closing of the polls. The tally judges shall possess the same qualifications and shall be appointed in the same manner and with the same division between political parties as is provided for judges of election.

However, the county board may appoint 3 judges of election to serve in lieu of the 5 judges of election otherwise required by this Section to serve in any emergency referendum, or in any odd-year regular election or in any special primary or special election called for the purpose of filling a vacancy in the office of representative in the United States Congress or to nominate candidates for such purpose.

In addition to such precinct judges, the county board shall appoint special panels of 3 judges each, who shall possess the same qualifications and shall be appointed in the same manner and with the same division between political parties as is provided for other judges of election. The number of such panels of judges required shall be determined by regulations of the State Board of Elections, which shall base the required number of special panels on the number of registered voters in the jurisdiction or the number of absentee ballots voted at recent elections or any combination of such factors.

No more than 3 persons of the same political party shall be appointed judges in the same election district or undivided precinct. The election of the judges of election in the various election precincts shall be made in the following manner: The county board shall select and approve 3 of the election judges in each precinct from a certified list furnished by the chairman of the County Central Committee of the first leading political party in such election precinct and shall also select and approve 2 judges of election in each election precinct from a certified list furnished by the chairman of the County Central Committee of the second leading political party in such election precinct. However, if only 3 judges of election serve in

each election precinct, no more than 2 persons of the same political party shall be judges of election in the same election precinct; and which political party is entitled to 2 judges of election and which political party is entitled to one judge of election shall be determined in the same manner as set forth in the next two preceding sentences with regard to 5 election judges in each precinct. The respective County Central Committee chairman shall notify the county board by June 1 of each odd-numbered year immediately preceding the annual meeting of the county board whether or not such certified list will be filed by such chairman. Such list shall be arranged according to precincts. The chairman of each county central committee shall, insofar as possible, list persons who reside within the precinct in which they are to serve as judges. However, he may, in his sole discretion, submit the names of persons who reside outside the precinct but within the county embracing the precinct in which they are to serve. He must, however, submit the names of at least 2 residents of the precinct for each precinct in which his party is to have 3 judges and must submit the name of at least one resident of the precinct for each precinct in which his party is to have 2 judges. Such certified list, if filed, shall be filed with the county clerk not less than 20 days before the annual meeting of the county board. The county board shall acknowledge in writing to each county chairman the names of all persons submitted on such certified list and the total number of persons listed thereon. If no such list is filed or the list is incomplete (that is, no names or an insufficient number of names are furnished for certain election precincts), the county board shall make or complete such list from the names contained in the supplemental list provided for in Section 13-1.1. Provided, further, that in any case where a township has been or shall be redistricted, in whole or in part, subsequent to one general election for Governor, and prior to the next, the judges of election to be selected for all new or altered precincts shall be selected in that one of the methods above detailed, which shall be applicable according to the facts and circumstances of the particular case, but the majority of such judges for each such precinct shall be selected from the first leading political party, and the minority judges from the second leading political party. Provided, further, that in counties having a population of 1,000,000 inhabitants or over the selection of judges of election shall be made in the same manner in all respects as in other counties, except that the provisions relating to tally judges are inapplicable to such counties and except that the county board shall meet during the month of January for the purpose of making such selection and the chairman of each county central committee shall notify the county board by the preceding October 1 whether or not the certified list will be filed. Such judges of election shall hold their office for 2 years from their appointment and until their successors are duly appointed in the manner provided in this Act. The county board shall fill all vacancies in the office of judges of elections at any time in the manner herein provided.

Such selections under this Section shall be confirmed by the circuit court as provided in Section 13-3 of this Article.

(Source: P.A. 91-352, eff. 1-1-00.)

(10 ILCS 5/14-3.1) (from Ch. 46, par. 14-3.1)

Sec. 14-3.1. The board of election commissioners shall, during the month of ~~July~~ ~~May~~ of each even-numbered year, select for each election precinct within the jurisdiction of the board 5 persons to be judges of election who shall possess the qualifications required by this Act for such judges. The selection shall be made by a county board of election commissioners in the following manner: the county board of election commissioners shall select and approve 3 persons as judges of election in each election precinct from a certified list furnished by the chairman of the county central committee of the first leading political party in that precinct; the county board of election commissioners also shall select and approve 2 persons as judges of election in each election precinct from a certified list furnished by the chairman of the county central committee of the second leading political party in that precinct. The selection by a municipal board of election commissioners shall be made in the following manner: for each precinct, 3 judges shall be selected from one of the 2 leading political parties and the other 2 judges shall be selected from the other leading political party; the parties entitled to 3 and 2 judges, respectively, in the several precincts shall be determined as provided in Section 14-4. However, a Board of Election Commissioners may appoint three judges of election to serve in lieu of the 5 judges of election otherwise required by this Section to serve in any emergency referendum, or in any odd-year regular election or in any special primary or special election called for the purpose of filling a vacancy in the office of representative in the United States Congress or to nominate candidates for such purpose.

If only 3 judges of election serve in each election precinct, no more than 2 persons of the same political party shall be judges of election in the same election precinct, and which political party is entitled to 2 judges of election and which political party is entitled to one judge of election shall be determined as set forth in this Section for a county board of election commissioners' selection of 5 election judges in each precinct or in Section 14-4 for a municipal board of election commissioners' selection of election judges in each precinct, whichever is appropriate. In addition to such precinct

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judges, the board of election commissioners shall appoint special panels of 3 judges each, who shall possess the same qualifications and shall be appointed in the same manner and with the same division between political parties as is provided for other judges of election. The number of such panels of judges required shall be determined by regulation of the State Board of Elections, which shall base the required number of special panels on the number of registered voters in the jurisdiction or the number of absentee ballots voted at recent elections or any combination of such factors. A municipal board of election commissioners shall make the selections of persons qualified under Section 14-1 from certified lists furnished by the chairman of the respective county central committees of the 2 leading political parties. Lists furnished by chairmen of county central committees under this Section shall be arranged according to precincts. The chairman of each county central committee shall, insofar as possible, list persons who reside within the precinct in which they are to serve as judges. However, he may, in his sole discretion, submit the names of persons who reside outside the precinct but within the county embracing the precinct in which they are to serve. He must, however, submit the names of at least 2 residents of the precinct for each precinct in which his party is to have 3 judges and must submit the name of at least one resident of the precinct for each precinct in which his party is to have 2 judges. The board of election commissioners shall no later than March 1 of each even-numbered year notify the chairmen of the respective county central committees of their responsibility to furnish such lists, and each such chairman shall furnish the board of election commissioners with the list for his party on or before May 1 of each even-numbered year. The board of election commissioners shall acknowledge in writing to each county chairman the names of all persons submitted on such certified list and the total number of persons listed thereon. If no such list is furnished or if no names or an insufficient number of names are furnished for certain precincts, the board of election commissioners shall make or complete such list from the names contained in the supplemental list provided for in Section 14-3.2. Judges of election shall hold their office for 2 years from their appointment and until their successors are duly appointed in the manner herein provided. The board of election commissioners shall, subject to the provisions of Section 14-3.2, fill all vacancies in the office of judges of election at any time in the manner herein provided.

Such selections under this Section shall be confirmed by the court as provided in Section 14-5.

(Source: P.A. 89-471, eff. 6-13-96.)

(10 ILCS 5/17-9) (from Ch. 46, par. 17-9)

Sec. 17-9. Any person desiring to vote shall give his name and, if required to do so, his residence to the judges of election, one of whom shall thereupon announce the same in a loud and distinct tone of voice, clear, and audible; the judges of elections shall check each application for ballot against the list of voters registered in that precinct to whom grace period, absentee, or early ballots have been issued for that election, which shall be provided by the election authority and which list shall be available for inspection by pollwatchers. A voter applying to vote in the precinct on election day whose name appears on the list as having been issued a grace period, ~~an~~ absentee, or early ballot shall not be permitted to vote in the precinct, except that a voter to whom an absentee ballot was issued may vote in the precinct if the voter submits to the election judges that absentee ballot for cancellation. If the voter is unable to submit the absentee ballot, it shall be sufficient for the voter to submit to the election judges (i) a portion of the absentee ballot if the absentee ballot was torn or mutilated or (ii) an affidavit executed before the election judges specifying that (A) the voter never received an absentee ballot or (B) the voter completed and returned an absentee ballot and was informed that the election authority did not receive that absentee ballot. All applicable provisions of Articles 4, 5 or 6 shall be complied with and if such name is found on the register of voters by the officer having charge thereof, he shall likewise repeat said name, and the voter shall be allowed to enter within the proximity of the voting booths, as above provided. One of the judges shall give the voter one, and only one of each ballot to be voted at the election, on the back of which ballots such judge shall indorse his initials in such manner that they may be seen when each such ballot is properly folded, and the voter's name shall be immediately checked on the register list. In those election jurisdictions where perforated ballot cards are utilized of the type on which write-in votes can be cast above the perforation, the election authority shall provide a space both above and below the perforation for the judge's initials, and the judge shall endorse his or her initials in both spaces. Whenever a proposal for a constitutional amendment or for the calling of a constitutional convention is to be voted upon at the election, the separate blue ballot or ballots pertaining thereto shall, when being handed to the voter, be placed on top of the other ballots to be voted at the election in such manner that the legend appearing on the back thereof, as prescribed in Section 16-6 of this Act, shall be plainly visible to the voter. At all elections, when a registry may be required, if the name of any person so desiring to vote at such election is not found on the register of voters, he or she shall not receive a ballot until he or she shall have complied with the law prescribing the manner and conditions of voting by unregistered voters. If any person desiring to vote at any election shall be challenged, he or she shall not

receive a ballot until he or she shall have established his right to vote in the manner provided hereinafter; and if he or she shall be challenged after he has received his ballot, he shall not be permitted to vote until he or she has fully complied with such requirements of the law upon being challenged. Besides the election officer, not more than 2 voters in excess of the whole number of voting booths provided shall be allowed within the proximity of the voting booths at one time. The provisions of this Act, so far as they require the registration of voters as a condition to their being allowed to vote shall not apply to persons otherwise entitled to vote, who are, at the time of the election, or at any time within 60 days prior to such election have been engaged in the military or naval service of the United States, and who appear personally at the polling place on election day and produce to the judges of election satisfactory evidence thereof, but such persons, if otherwise qualified to vote, shall be permitted to vote at such election without previous registration.

All such persons shall also make an affidavit which shall be in substantially the following form:

State of Illinois,)

) ss.

County of

..... Precinct Ward

I, ..., do solemnly swear (or affirm) that I am a citizen of the United States, of the age of 18 years or over, and that within the past 60 days prior to the date of this election at which I am applying to vote, I have been engaged in the (military or naval) service of the United States; and I am qualified to vote under and by virtue of the Constitution and laws of the State of Illinois, and that I am a legally qualified voter of this precinct and ward except that I have, because of such service, been unable to register as a voter; that I now reside at (insert street and number, if any) in this precinct and ward; that I have maintained a legal residence in this precinct and ward for 30 days and in this State 30 days next preceding this election.

Subscribed and sworn to before me on (insert date).

.....
Judge of Election.

The affidavit of any such person shall be supported by the affidavit of a resident and qualified voter of any such precinct and ward, which affidavit shall be in substantially the following form:

State of Illinois,)

) ss.

County of

..... Precinct Ward

I, ..., do solemnly swear (or affirm), that I am a resident of this precinct and ward and entitled to vote at this election; that I am acquainted with (name of the applicant); that I verily believe him to be an actual bona fide resident of this precinct and ward and that I verily believe that he or she has maintained a legal residence therein 30 days and in this State 30 days next preceding this election.

Subscribed and sworn to before me on (insert date).

.....
Judge of Election.

All affidavits made under the provisions of this Section shall be enclosed in a separate envelope securely sealed, and shall be transmitted with the returns of the elections to the county clerk or to the board of election commissioners, who shall preserve the said affidavits for the period of 6 months, during which period such affidavits shall be deemed public records and shall be freely open to examination as such.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/18-5) (from Ch. 46, par. 18-5)

Sec. 18-5. Any person desiring to vote and whose name is found upon the register of voters by the person having charge thereof, shall then be questioned by one of the judges as to his nativity, his term of residence at present address, precinct, State and United States, his age, whether naturalized and if so the date of naturalization papers and court from which secured, and he shall be asked to state his residence when last previously registered and the date of the election for which he then registered. The judges of elections shall check each application for ballot against the list of voters registered in that precinct to whom grace period, absentee, and early ballots have been issued for that election, which shall be provided by the election authority and which list shall be available for inspection by pollwatchers. A

voter applying to vote in the precinct on election day whose name appears on the list as having been issued a grace period, ~~an~~ absentee, or early ballot shall not be permitted to vote in the precinct, except that a voter to whom an absentee ballot was issued may vote in the precinct if the voter submits to the election judges that absentee ballot for cancellation. If the voter is unable to submit the absentee ballot, it shall be sufficient for the voter to submit to the election judges (i) a portion of the absentee ballot if the absentee ballot was torn or mutilated or (ii) an affidavit executed before the election judges specifying that (A) the voter never received an absentee ballot or (B) the voter completed and returned an absentee ballot and was informed that the election authority did not receive that absentee ballot. If such person so registered shall be challenged as disqualified, the party challenging shall assign his reasons therefor, and thereupon one of the judges shall administer to him an oath to answer questions, and if he shall take the oath he shall then be questioned by the judge or judges touching such cause of challenge, and touching any other cause of disqualification. And he may also be questioned by the person challenging him in regard to his qualifications and identity. But if a majority of the judges are of the opinion that he is the person so registered and a qualified voter, his vote shall then be received accordingly. But if his vote be rejected by such judges, such person may afterward produce and deliver an affidavit to such judges, subscribed and sworn to by him before one of the judges, in which it shall be stated how long he has resided in such precinct, and state; that he is a citizen of the United States, and is a duly qualified voter in such precinct, and that he is the identical person so registered. In addition to such affidavit, the person so challenged shall provide to the judges of election proof of residence by producing 2 forms of identification showing the person's current residence address, provided that such identification to the person at his current residence address and postmarked not earlier than 30 days prior to the date of the election, or the person shall procure a witness personally known to the judges of election, and resident in the precinct (or district), or who shall be proved by some legal voter of such precinct or district, known to the judges to be such, who shall take the oath following, viz:

I do solemnly swear (or affirm) that I am a resident of this election precinct (or district), and entitled to vote at this election, and that I have been a resident of this State for 30 days last past, and am well acquainted with the person whose vote is now offered; that he is an actual and bona fide resident of this election precinct (or district), and has resided herein 30 days, and as I verily believe, in this State, 30 days next preceding this election.

The oath in each case may be administered by one of the judges of election, or by any officer, resident in the precinct or district, authorized by law to administer oaths. Also supported by an affidavit by a registered voter residing in such precinct, stating his own residence, and that he knows such person; and that he does reside at the place mentioned and has resided in such precinct and state for the length of time as stated by such person, which shall be subscribed and sworn to in the same way. Whereupon the vote of such person shall be received, and entered as other votes. But such judges, having charge of such registers, shall state in their respective books the facts in such case, and the affidavits, so delivered to the judges, shall be preserved and returned to the office of the commissioners of election. Blank affidavits of the character aforesaid shall be sent out to the judges of all the precincts, and the judges of election shall furnish the same on demand and administer the oaths without criticism. Such oaths, if administered by any other officer than such judge of election, shall not be received. Whenever a proposal for a constitutional amendment or for the calling of a constitutional convention is to be voted upon at the election, the separate blue ballot or ballots pertaining thereto shall be placed on top of the other ballots to be voted at the election in such manner that the legend appearing on the back thereof, as prescribed in Section 16-6 of this Act, shall be plainly visible to the voter, and in this fashion the ballots shall be handed to the voter by the judge.

The voter shall, upon quitting the voting booth, deliver to one of the judges of election all of the ballots, properly folded, which he received. The judge of election to whom the voter delivers his ballots shall not accept the same unless all of the ballots given to the voter are returned by him. If a voter delivers less than all of the ballots given to him, the judge to whom the same are offered shall advise him in a voice clearly audible to the other judges of election that the voter must return the remainder of the ballots. The statement of the judge to the voter shall clearly express the fact that the voter is not required to vote such remaining ballots but that whether or not he votes them he must fold and deliver them to the judge. In making such statement the judge of election shall not indicate by word, gesture or intonation of voice that the unreturned ballots shall be voted in any particular manner. No new voter shall be permitted to enter the voting booth of a voter who has failed to deliver the total number of ballots received by him until such voter has returned to the voting booth pursuant to the judge's request and again quit the booth with all of the ballots required to be returned by him. Upon receipt of all such ballots the judges of election shall enter the name of the voter, and his number, as above provided in this Section, and the judge to whom the ballots are delivered shall immediately put the ballots into the ballot box. If any voter

who has failed to deliver all the ballots received by him refuses to return to the voting booth after being advised by the judge of election as herein provided, the judge shall inform the other judges of such refusal, and thereupon the ballot or ballots returned to the judge shall be deposited in the ballot box, the voter shall be permitted to depart from the polling place, and a new voter shall be permitted to enter the voting booth.

The judge of election who receives the ballot or ballots from the voter shall announce the residence and name of such voter in a loud voice. The judge shall put the ballot or ballots received from the voter into the ballot box in the presence of the voter and the judges of election, and in plain view of the public. The judges having charge of such registers shall then, in a column prepared thereon, in the same line of, the name of the voter, mark "Voted" or the letter "V".

No judge of election shall accept from any voter less than the full number of ballots received by such voter without first advising the voter in the manner above provided of the necessity of returning all of the ballots, nor shall any such judge advise such voter in a manner contrary to that which is herein permitted, or in any other manner violate the provisions of this Section; provided, that the acceptance by a judge of election of less than the full number of ballots delivered to a voter who refuses to return to the voting booth after being properly advised by such judge shall not be a violation of this Section.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/18A-15)

Sec. 18A-15. Validating and counting provisional ballots.

(a) The county clerk or board of election commissioners shall complete the validation and counting of provisional ballots within 14 calendar days of the day of the election. The county clerk or board of election commissioners shall have 7 calendar days from the completion of the validation and counting of provisional ballots to conduct its final canvass. The State Board of Elections shall complete within 31 calendar days of the election or sooner if all the returns are received, its final canvass of the vote for all public offices.

(b) If a county clerk or board of election commissioners determines that all of the following apply, then a provisional ballot is valid and shall be counted as a vote:

(1) The provisional voter cast the provisional ballot in the correct precinct based on the address provided by the provisional voter. The provisional voter's affidavit shall serve as a change of address request by that voter for registration purposes for the next ensuing election if it bears an address different from that in the records of the election authority;

(2) The affidavit executed by the provisional voter pursuant to subsection (b)(2) of Section 18A-5 contains, at a minimum, the provisional voter's first and last name, house number and street name, and signature or mark; and

(3) the provisional voter is a registered voter based on information available to the county clerk or board of election commissioners provided by or obtained from any of the following:

- i. the provisional voter;
- ii. an election judge;
- iii. the statewide voter registration database maintained by the State Board of Elections;
- iv. the records of the county clerk or board of election commissioners' database; or
- v. the records of the Secretary of State.

(c) With respect to subsection (b)(3) of this Section, the county clerk or board of election commissioners shall investigate and record whether or not the specified information is available from each of the 5 identified sources. If the information is available from one or more of the identified sources, then the county clerk or board of election commissioners shall seek to obtain the information from each of those sources until satisfied, with information from at least one of those sources, that the provisional voter is registered and entitled to vote. The county clerk or board of election commissioners shall use any information it obtains as the basis for determining the voter registration status of the provisional voter. If a conflict exists among the information available to the county clerk or board of election commissioners as to the registration status of the provisional voter, then the county clerk or board of election commissioners shall make a determination based on the totality of the circumstances. In a case where the above information equally supports or opposes the registration status of the voter, the county clerk or board of election commissioners shall decide in favor of the provisional voter as being duly registered to vote. If the statewide voter registration database maintained by the State Board of Elections indicates that the provisional voter is registered to vote, but the county clerk's or board of election commissioners' voter registration database indicates that the provisional voter is not registered to vote, then the information found in the statewide voter registration database shall control the matter and the provisional voter shall be deemed to be registered to vote. If the records of the county clerk or

board of election commissioners indicates that the provisional voter is registered to vote, but the statewide voter registration database maintained by the State Board of Elections indicates that the provisional voter is not registered to vote, then the information found in the records of the county clerk or board of election commissioners shall control the matter and the provisional voter shall be deemed to be registered to vote. If the provisional voter's signature on his or her provisional ballot request varies from the signature on an otherwise valid registration application solely because of the substitution of initials for the first or middle name, the election authority may not reject the provisional ballot.

(d) In validating the registration status of a person casting a provisional ballot, the county clerk or board of election commissioners shall not require a provisional voter to complete any form other than the affidavit executed by the provisional voter under subsection (b)(2) of Section 18A-5. In addition, the county clerk or board of election commissioners shall not require all provisional voters or any particular class or group of provisional voters to appear personally before the county clerk or board of election commissioners or as a matter of policy require provisional voters to submit additional information to verify or otherwise support the information already submitted by the provisional voter. The provisional voter may, within 2 calendar days after the election, submit additional information to the county clerk or board of election commissioners. This information must be received by the county clerk or board of election commissioners within the 2-calendar-day period.

(e) If the county clerk or board of election commissioners determines that subsection (b)(1), (b)(2), or (b)(3) does not apply, then the provisional ballot is not valid and may not be counted. The provisional ballot envelope containing the ballot cast by the provisional voter may not be opened. The county clerk or board of election commissioners shall write on the provisional ballot envelope the following: "Provisional ballot determined invalid."

(f) If the county clerk or board of election commissioners determines that a provisional ballot is valid under this Section, then the provisional ballot envelope shall be opened. The outside of each provisional ballot envelope shall also be marked to identify the precinct and the date of the election.

(g) Provisional ballots determined to be valid shall be counted at the election authority's central ballot counting location and shall not be counted in precincts. The provisional ballots determined to be valid shall be added to the vote totals for the precincts from which they were cast in the order in which the ballots were opened. ~~The county clerk or board of election commissioners may, in the alternative, create a separate provisional voter precinct for the purpose of counting and recording provisional ballots and adding the recorded votes to its official canvass.~~ The validation and counting of provisional ballots shall be subject to the provisions of this Code that apply to pollwatchers. If the provisional ballots are a ballot of a punch card voting system, then the provisional ballot shall be counted in a manner consistent with Article 24A. If the provisional ballots are a ballot of optical scan or other type of approved electronic voting system, then the provisional ballots shall be counted in a manner consistent with Article 24B.

(h) As soon as the ballots have been counted, the election judges or election officials shall, in the presence of the county clerk or board of election commissioners, place each of the following items in a separate envelope or bag: (1) all provisional ballots, voted or spoiled; (2) all provisional ballot envelopes of provisional ballots voted or spoiled; and (3) all executed affidavits of the provisional ballots voted or spoiled. All provisional ballot envelopes for provisional voters who have been determined not to be registered to vote shall remain sealed. The county clerk or board of election commissioners shall treat the provisional ballot envelope containing the written affidavit as a voter registration application for that person for the next election and process that application. The election judges or election officials shall then securely seal each envelope or bag, initial the envelope or bag, and plainly mark on the outside of the envelope or bag in ink the precinct in which the provisional ballots were cast. The election judges or election officials shall then place each sealed envelope or bag into a box, secure and seal it in the same manner as described in item (6) of subsection (b) of Section 18A-5. Each election judge or election official shall take and subscribe an oath before the county clerk or board of election commissioners that the election judge or election official securely kept the ballots and papers in the box, did not permit any person to open the box or otherwise touch or tamper with the ballots and papers in the box, and has no knowledge of any other person opening the box. For purposes of this Section, the term "election official" means the county clerk, a member of the board of election commissioners, as the case may be, and their respective employees.

(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/19-2.1) (from Ch. 46, par. 19-2.1)

Sec. 19-2.1. At the consolidated primary, general primary, consolidated, and general elections, electors entitled to vote by absentee ballot under the provisions of Section 19-1 may vote in person at the office of the municipal clerk, if the elector is a resident of a municipality not having a board of election commissioners, or at the office of the township clerk or, in counties not under township organization, at

the office of the road district clerk if the elector is not a resident of a municipality; provided, in each case that the municipal, township or road district clerk, as the case may be, is authorized to conduct in-person absentee voting pursuant to this Section. Absentee voting in such municipal and township clerk's offices under this Section shall be conducted from the 22nd day through the day before the election.

Municipal and township clerks (or road district clerks) who have regularly scheduled working hours at regularly designated offices other than a place of residence and whose offices are open for business during the same hours as the office of the election authority shall conduct in-person absentee voting for said elections. Municipal and township clerks (or road district clerks) who have no regularly scheduled working hours but who have regularly designated offices other than a place of residence shall conduct in-person absentee voting for said elections during the hours of 8:30 a.m. to 4:30 p.m. or 9:00 a.m. to 5:00 p.m., weekdays, and 9:00 a.m. to 12:00 noon on Saturdays, but not during such hours as the office of the election authority is closed, unless the clerk files a written waiver with the election authority not later than July 1 of each year stating that he or she is unable to conduct such voting and the reasons therefor. Such clerks who conduct in-person absentee voting may extend their hours for that purpose to include any hours in which the election authority's office is open. Municipal and township clerks (or road district clerks) who have no regularly scheduled office hours and no regularly designated offices other than a place of residence may not conduct in-person absentee voting for said elections. The election authority may devise alternative methods for in-person absentee voting before said elections for those precincts located within the territorial area of a municipality or township (or road district) wherein the clerk of such municipality or township (or road district) has waived or is not entitled to conduct such voting. In addition, electors may vote by absentee ballot under the provisions of Section 19-1 at the office of the election authority having jurisdiction over their residence. Unless specifically authorized by the election authority, municipal, township, and road district clerks shall not conduct in-person absentee voting. No less than 45 days before the date of an election, the election authority shall notify the municipal, township, and road district clerks within its jurisdiction if they are to conduct in-person absentee voting. Election authorities, however, may conduct in-person absentee voting in one or more designated appropriate public buildings from the fourth day before the election through the day before the election.

In conducting in person absentee voting under this Section, the respective clerks shall ~~not~~ be required to verify the signature of the absentee voter by comparison with the signature on the official registration record card. ~~The~~ ~~However, the~~ clerk also shall reasonably ascertain the identity of such applicant, shall verify that each such applicant is a registered voter, and shall verify the precinct in which he or she is registered and the proper ballots of the political subdivisions in which the applicant resides and is entitled to vote, prior to providing any absentee ballot to such applicant. The clerk shall verify the applicant's registration and from the most recent poll list provided by the county clerk, and if the applicant is not listed on that poll list then by telephoning the office of the county clerk.

Absentee voting procedures in the office of the municipal, township and road district clerks shall be subject to all of the applicable provisions of this Article 19. Pollwatchers may be appointed to observe in-person absentee voting procedures and view all reasonably requested records relating to the conduct of the election, provided the secrecy of the ballot is not impinged, at the office of the municipal, township or road district clerks' offices where such absentee voting is conducted. Such pollwatchers shall qualify and be appointed in the same manner as provided in Sections 7-34 and 17-23, except each candidate, political party or organization of citizens may appoint only one pollwatcher for each location where in-person absentee voting is conducted. Pollwatchers must be registered to vote in Illinois and possess valid pollwatcher credentials. All requirements in this Article applicable to election authorities shall apply to the respective local clerks, except where inconsistent with this Section.

The sealed absentee ballots in their carrier envelope shall be delivered by the respective clerks, or by the election authority on behalf of a clerk if the clerk and the election authority agree, to the election authority's central ballot counting location ~~proper polling place~~ before the close of the polls on the day of the general primary, consolidated primary, consolidated, or general election.

Not more than 23 days before the ~~nonpartisan~~ general and consolidated elections, the county clerk shall make available to those municipal, township and road district clerks conducting in-person absentee voting within such county, a sufficient number of applications, absentee ballots, envelopes, and printed voting instruction slips for use by absentee voters in the offices of such clerks. The respective clerks shall receipt for all ballots received, shall return all unused or spoiled ballots to the county clerk on the day of the election and shall strictly account for all ballots received.

The ballots delivered to the respective clerks shall include absentee ballots for each precinct in the municipality, township or road district, or shall include such separate ballots for each political subdivision conducting an election of officers or a referendum on that election day as will permit any

resident of the municipality, township or road district to vote absentee in the office of the proper clerk.

The clerks of all municipalities, townships and road districts may distribute applications for absentee ballot for the use of voters who wish to mail such applications to the appropriate election authority. Such applications for absentee ballots shall be made on forms provided by the election authority. Duplication of such forms by the municipal, township or road district clerk is prohibited.

(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/19-4) (from Ch. 46, par. 19-4)

Sec. 19-4. Mailing or delivery of ballots - Time.) Immediately upon the receipt of such application either by mail, not more than 40 days nor less than 5 days prior to such election, or by personal delivery not more than 40 days nor less than one day prior to such election, at the office of such election authority, it shall be the duty of such election authority to examine the records to ascertain whether or not such applicant is lawfully entitled to vote as requested, including a verification of the applicant's signature by comparison with the signature on the official registration record card, and if found so to be entitled to vote, to post within one business day thereafter the name, street address, ward and precinct number or township and district number, as the case may be, of such applicant given on a list, the pages of which are to be numbered consecutively to be kept by such election authority for such purpose in a conspicuous, open and public place accessible to the public at the entrance of the office of such election authority, and in such a manner that such list may be viewed without necessity of requesting permission therefor. Within one business day after posting the name and other information of an applicant for an absentee ballot, the election authority shall transmit that name and other posted information to the State Board of Elections, which shall maintain those names and other information in an electronic format on its website, arranged by county and accessible to State and local political committees. Within 2 business days after posting a name and other information on the list within its office, the election authority shall mail, postage prepaid, or deliver in person in such office an official ballot or ballots if more than one are to be voted at said election. Mail delivery of Temporarily Absent Student ballot applications pursuant to Section 19-12.3 shall be by nonforwardable mail. However, for the consolidated election, absentee ballots for certain precincts may be delivered to applicants not less than 25 days before the election if so much time is required to have prepared and printed the ballots containing the names of persons nominated for offices at the consolidated primary. The election authority shall enclose with each absentee ballot or application written instructions on how voting assistance shall be provided pursuant to Section 17-14 and a document, written and approved by the State Board of Elections, enumerating the circumstances under which a person is authorized to vote by absentee ballot pursuant to this Article; such document shall also include a statement informing the applicant that if he or she falsifies or is solicited by another to falsify his or her eligibility to cast an absentee ballot, such applicant or other is subject to penalties pursuant to Section 29-10 and Section 29-20 of the Election Code. Each election authority shall maintain a list of the name, street address, ward and precinct, or township and district number, as the case may be, of all applicants who have returned absentee ballots to such authority, and the name of such absent voter shall be added to such list within one business day from receipt of such ballot. If the absentee ballot envelope indicates that the voter was assisted in casting the ballot, the name of the person so assisting shall be included on the list. The list, the pages of which are to be numbered consecutively, shall be kept by each election authority in a conspicuous, open, and public place accessible to the public at the entrance of the office of the election authority and in a manner that the list may be viewed without necessity of requesting permission for viewing.

Each election authority shall maintain a list for each election of the voters to whom it has issued absentee ballots. The list shall be maintained for each precinct within the jurisdiction of the election authority. Prior to the opening of the polls on election day, the election authority shall deliver to the judges of election in each precinct the list of registered voters in that precinct to whom absentee ballots have been issued by mail.

Each election authority shall maintain a list for each election of voters to whom it has issued temporarily absent student ballots. The list shall be maintained for each election jurisdiction within which such voters temporarily abide. Immediately after the close of the period during which application may be made by mail for absentee ballots, each election authority shall mail to each other election authority within the State a certified list of all such voters temporarily abiding within the jurisdiction of the other election authority.

In the event that the return address of an application for ballot by a physically incapacitated elector is that of a facility licensed or certified under the Nursing Home Care Act, within the jurisdiction of the election authority, and the applicant is a registered voter in the precinct in which such facility is located, the ballots shall be prepared and transmitted to a responsible judge of election no later than 9 a.m. on the Saturday, Sunday or Monday immediately preceding the election as designated by the election authority

under Section 19-12.2. Such judge shall deliver in person on the designated day the ballot to the applicant on the premises of the facility from which application was made. The election authority shall by mail notify the applicant in such facility that the ballot will be delivered by a judge of election on the designated day.

All applications for absentee ballots shall be available at the office of the election authority for public inspection upon request from the time of receipt thereof by the election authority until 30 days after the election, except during the time such applications are kept in the office of the election authority pursuant to Section 19-7, and except during the time such applications are in the possession of the judges of election.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/19-8) (from Ch. 46, par. 19-8)

Sec. 19-8. Time and place of counting ballots.

(a) ~~(Blank.) Each absent voter's ballot returned to an election authority, by any means authorized by this Article, and received by that election authority in time to be delivered to the polling place of the precinct where the elector resides and to be counted by the judges of election at that polling place shall be handled in accordance with this subsection. If an absent voter's ballot is received prior to the delivery of the official ballots to the judges of election of the precinct where the elector resides, then the absent voter's ballot envelope and application, sealed in the carrier envelope, shall be enclosed in the same package with the official ballots and delivered to the judges of that precinct. If the official ballots for that precinct have already been delivered to the judges of election when the election authority receives the absent voter's ballot, then the authority shall immediately enclose the envelope containing the absent voter's ballot, together with the voter's application, in a larger or carrier envelope which shall be securely sealed and addressed on the face to the judges of election, giving the name or number of precinct, street and number of polling place, city or town in which the absent voter is a qualified elector, and the words "This envelope contains an absent voter's ballot and must be opened only on election day at the polls immediately after the polls are closed". The election authority shall mail the ballot, postage prepaid, to the judges of election, or if more convenient, the election authority may deliver the absent voter's ballot to the judges of election in person or by duly deputized agent, the authority to secure a receipt for delivery of the ballot or ballots. An absent voter's ballot delivered in error to the wrong precinct polling place shall be returned to the election authority and counted as provided in subsection (b).~~

(b) Each absent voter's ballot returned to an election authority, by any means authorized by this Article, and received by that election authority before the closing of the polls on election day ~~but too late to be delivered to and counted at the proper precinct polling place~~ shall be endorsed by the receiving election authority with the day and hour of receipt and shall be counted in the central ballot counting location office of the election authority on the day of the election after 7:00 p.m. except as provided in subsections (g) and (g-5).

(c) Each absent voter's ballot that is mailed to an election authority and postmarked by the midnight preceding the opening of the polls on election day, but that is received by the election authority after the polls close on election day and before the close of the period for counting provisional ballots cast at that election, shall be endorsed by the receiving authority with the day and hour of receipt and shall be counted at the central ballot counting location office of the election authority during the period for counting provisional ballots.

(d) Special write-in absentee voter's blank ballots returned to an election authority, by any means authorized by this Article, and received by the election authority at any time before the closing of the polls on election day shall be endorsed by the receiving election authority with the day and hour of receipt and shall be counted at the central ballot counting location office of the election authority during the same period provided for counting absent voters' ballots under ~~subsections (b), (g), and (g-5).~~ Special write-in absentee voter's blank ballots that are mailed to an election authority and postmarked by the midnight preceding the opening of the polls on election day, but that are received by the election authority after the polls close on election day and before the closing of the period for counting provisional ballots cast at that election, shall be endorsed by the receiving authority with the day and hour of receipt and shall be counted at the central ballot counting location office of the election authority during the same periods provided for counting absent voters' ballots under subsection (c).

(e) Except as otherwise provided in this Section, absent voters' ballots and special write-in absentee voter's blank ballots received by the election authority after the closing of the polls on an election day shall be endorsed by the election authority receiving them with the day and hour of receipt and shall be safely kept unopened by the election authority for the period of time required for the preservation of ballots used at the election, and shall then, without being opened, be destroyed in like manner as the used ballots of that election.

(f) Counting required under this Section to begin on election day after the closing of the polls shall commence no later than 8:00 p.m. and shall be conducted by a panel or panels of election judges appointed in the manner provided by law. The counting shall continue until all absent voters' ballots and special write-in absentee voter's blank ballots required to be counted on election day have been counted.

(g) ~~The procedures set forth in Section 19-9 of this Act and~~ Articles 17 and 18 of this Code shall apply to all ballots counted under this Section. In addition, within 2 days after an absentee ballot, other than an in person absentee ballot, is received, but in all cases before the close of the period for counting provisional ballots, the election judge or official shall compare the voter's signature on the certification envelope of that absentee ballot with the signature of the voter on file in the office of the election authority. If the election judge or official determines that the 2 signatures match, and that the absentee voter is otherwise qualified to cast an absentee ballot, the election authority shall cast and count the ballot on election day or the day the ballot is determined to be valid, whichever is later, adding the results to the precinct in which the voter is registered. If the election judge or official determines that the signatures do not match, or that the absentee voter is not qualified to cast an absentee ballot, then without opening the certification envelope, the judge or official shall mark across the face of the certification envelope the word "Rejected" and shall not cast or count the ballot.

In addition to the voter's signatures not matching, an absentee ballot may be rejected by the election judge or official:

(1) if the ballot envelope is open or has been opened and resealed;

(2) if the voter has already cast an early or grace period ballot;

(3) if the voter voted in person on election day or the voter is not a duly registered voter in the precinct; or

(4) on any other basis set forth in this Code.

If the election judge or official determines that any of these reasons apply, the judge or official shall mark across the face of the certification envelope the word "Rejected" and shall not cast or count the ballot, including comparing the signature on the ballot envelope with the signature of the voter on the permanent voter registration record card taken from the master file; except that votes shall be recorded without regard to precinct designation, except for precinct offices.

(g-5) If an absentee ballot, other than an in person absentee ballot, is rejected by the election judge or official for any reason, the election authority shall, within 2 days after the rejection but in all cases before the close of the period for counting provisional ballots, notify the absentee voter that his or her ballot was rejected. The notice shall inform the voter of the reason or reasons the ballot was rejected and shall state that the voter may appear before the election authority, on or before the 14th day after the election, to show cause as to why the ballot should not be rejected. The voter may present evidence to the election authority supporting his or her contention that the ballot should be counted. The election authority shall appoint a panel of 3 election judges to review the contested ballot, application, and certification envelope, as well as any evidence submitted by the absentee voter. No more than 2 election judges on the reviewing panel shall be of the same political party. The reviewing panel of election judges shall make a final determination as to the validity of the contested absentee ballot. The judges' determination shall not be reviewable either administratively or judicially.

An absentee ballot subject to this subsection that is determined to be valid shall be counted before the close of the period for counting provisional ballots.

(g-10) All absentee ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.

(h) Each ~~Where~~ ballots are counted in the office of the election authority as provided in this Section, each political party, candidate, and qualified civic organization shall be entitled to have present one pollwatcher for each panel of election judges therein assigned.

(Source: P.A. 94-557, eff. 8-12-05.)

(10 ILCS 5/19-12.2) (from Ch. 46, par. 19-12.2)

Sec. 19-12.2. Voting by physically incapacitated electors who have made proper application to the election authority not later than 5 days before the regular primary and general election of 1980 and before each election thereafter shall be conducted on the premises of facilities licensed or certified pursuant to the Nursing Home Care Act for the sole benefit of residents of such facilities. Such voting shall be conducted during any continuous period sufficient to allow all applicants to cast their ballots between the hours of 9 a.m. and 7 p.m. either on the Friday, Saturday, Sunday or Monday immediately preceding the regular election. This absentee voting on one of said days designated by the election authority shall be supervised by two election judges who must be selected by the election authority in the following order of priority: (1) from the panel of judges appointed for the precinct in which such facility is located, or from a panel of judges appointed for any other precinct within the jurisdiction of the

election authority in the same ward or township, as the case may be, in which the facility is located or, only in the case where a judge or judges from the precinct, township or ward are unavailable to serve, (3) from a panel of judges appointed for any other precinct within the jurisdiction of the election authority. The two judges shall be from different political parties. Not less than 30 days before each regular election, the election authority shall have arranged with the chief administrative officer of each facility in his or its election jurisdiction a mutually convenient time period on the Friday, Saturday, Sunday or Monday immediately preceding the election for such voting on the premises of the facility and shall post in a prominent place in his or its office a notice of the agreed day and time period for conducting such voting at each facility; provided that the election authority shall not later than noon on the Thursday before the election also post the names and addresses of those facilities from which no applications were received and in which no supervised absentee voting will be conducted. All provisions of this Code applicable to pollwatchers shall be applicable herein. To the maximum extent feasible, voting booths or screens shall be provided to insure the privacy of the voter. Voting procedures shall be as described in Article 17 of this Code, except that ballots shall be treated as absentee ballots and shall not be counted until the close of the polls on the following day. After the last voter has concluded voting, the judges shall seal the ballots in an envelope and affix their signatures across the flap of the envelope. Immediately thereafter, the judges shall bring the sealed envelope to the office of the election authority who shall deliver such ballots to the election authority's central ballot counting location ~~proper precinct polling places~~ prior to the closing of the polls on the day of election. ~~Provided, that the election authority may arrange for the judges who conduct such voting on the Monday before the election to deliver the sealed envelope directly to the proper precinct polling place on the day of election and shall announce such procedure in the 30 day notice heretofore prescribed.~~ The judges of election shall also report to the election authority the name of any applicant in the facility who, due to unforeseen circumstance or condition or because of a religious holiday, was unable to vote. In this event, the election authority may appoint a qualified person from his or its staff to deliver the ballot to such applicant on the day of election. This staff person shall follow the same procedures prescribed for judges conducting absentee voting in such facilities ~~and~~ ~~but~~ shall return the ballot to the central ballot counting location ~~proper precinct polling place~~ before the polls close. However, if the facility from which the application was made is also used as a regular precinct polling place for that voter, voting procedures heretofore prescribed may be implemented by 2 of the election judges of opposite party affiliation assigned to that polling place during the hours of voting on the day of the election. Judges of election shall be compensated not less than \$25.00 for conducting absentee voting in such facilities.

Not less than 120 days before each regular election, the Department of Public Health shall certify to the State Board of Elections a list of the facilities licensed or certified pursuant to the Nursing Home Care Act, and shall indicate the approved bed capacity and the name of the chief administrative officer of each such facility, and the State Board of Elections shall certify the same to the appropriate election authority within 20 days thereafter.

(Source: P.A. 86-820; 86-875; 86-1028; 87-1052.)

(10 ILCS 5/19-13) (from Ch. 46, par. 19-13)

Sec. 19-13. Any qualified voter who has been admitted to a hospital, nursing home, or rehabilitation center due to an illness or physical injury not more than 5 days before an election shall be entitled to personal delivery of an absentee ballot in the hospital, nursing home, or rehabilitation center subject to the following conditions:

(1) The voter completes the Application for Physically Incapacitated Elector as provided in Section 19-3, stating as reasons therein that he is a patient in (name of hospital/home/center), located at, (address of hospital/home/center), (county, city/village), was admitted for (nature of illness or physical injury), on (date of admission), and does not expect to be released from the hospital/home/center on or before the day of election.

(2) The voter's physician completes a Certificate of Attending Physician in a form substantially as follows:

CERTIFICATE OF ATTENDING PHYSICIAN

I state that I am a physician, duly licensed to practice in the State of; that is a patient in (name of hospital/home/center), located at (address of hospital/home/center), (county, city/village); that such individual was admitted for (nature of illness or physical injury), on (date of admission); and that I have examined such individual in the State in which I am licensed to practice medicine and do not expect such individual to be released from the hospital/home/center on or before the day of election.

Under penalties as provided by law pursuant to Section 29-10 of The Election Code, the undersigned certifies that the statements set forth in this certification are true and correct.

[May 2, 2006]

(Signature)
 (Date licensed)

(3) Any person who is registered to vote in the same precinct as the admitted voter or any legal relative of the admitted voter may present such voter's absentee ballot application, completed as prescribed in paragraph 1, accompanied by the physician's certificate, completed as prescribed in paragraph 2, to the election authority. Such precinct voter or relative shall execute and sign an affidavit furnished by the election authority attesting that he is a registered voter in the same precinct as the admitted voter or that he is a legal relative of the admitted voter and stating the nature of the relationship. Such precinct voter or relative shall further attest that he has been authorized by the admitted voter to obtain his absentee ballot from the election authority and deliver such ballot to him in the hospital, home, or center.

Upon receipt of the admitted voter's application, physician's certificate, and the affidavit of the precinct voter or the relative, the election authority shall examine the registration records to determine if the applicant is qualified to vote and, if found to be qualified, shall provide the precinct voter or the relative the absentee ballot for delivery to the applicant in the hospital, home, or center.

Upon receipt of the absentee ballot, the admitted voter shall mark the ballot in secret and subscribe to the certifications on the absentee ballot return envelope. After depositing the ballot in the return envelope and securely sealing the envelope, such voter shall give the envelope to the precinct voter or the relative who shall deliver it to the election authority in sufficient time for the ballot to be delivered by the election authority to the election authority's central ballot counting location proper precinct polling place before 7 p.m. on election day.

Upon receipt of the admitted voter's absentee ballot, the ballot shall be counted in the manner prescribed in this Article Section 19-9.

(Source: P.A. 94-18, eff. 6-14-05.)

(10 ILCS 5/19-15)

Sec. 19-15. Precinct tabulation optical scan technology voting equipment.

If the election authority has adopted the use of Precinct Tabulation Optical Scan Technology voting equipment pursuant to Article 24B of this Code, and the provisions of the Article are in conflict with the provisions of this Article 19, the provisions of Article 24B shall govern the procedures followed by the election authority, its judges of elections, and all employees and agents, provided that absentee ballots are counted at the election authority's central ballot counting location. In following the provisions of Article 24B, the election authority is authorized to develop and implement procedures to fully utilize Precinct Tabulation Optical Scan Technology voting equipment, at the central ballot counting location, authorized by the State Board of Elections as long as the procedure is not in conflict with either Article 24B or the administrative rules of the State Board of Elections.

(Source: P.A. 89-394, eff. 1-1-97.)

(10 ILCS 5/19-20 new)

Sec. 19-20. Report on absentee ballots. This Section applies to absentee ballots other than in person absentee ballots.

On or before the 21st day after an election, each election authority shall transmit to the State Board of Elections the following information with respect to that election:

(1) The number, by precinct, of absentee ballots requested, provided, and counted.

(2) The number of rejected absentee ballots.

(3) The number of voters seeking review of rejected absentee ballots pursuant to subsection (g-5) of Section 19-8.

(4) The number of absentee ballots counted following review pursuant to subsection (g-5) of Section 19-8.

On or before the 28th day after an election, the State Board of Elections shall compile the information received under this Section with respect to that election and make that information available to the public.

(10 ILCS 5/19A-21 new)

Sec. 19A-21. Use of local public buildings for early voting polling places. Upon request by an election authority, a unit of local government (as defined in Section 1 of Article VII of the Illinois Constitution, which does not include school districts) shall make the unit's public buildings within the election authority's jurisdiction available as permanent or temporary early voting polling places without charge. Availability of a building shall include reasonably necessary time before and after the period early voting is conducted at that building.

A unit of local government making its public building available as a permanent or temporary early voting polling place shall ensure that any portion of the building made available is accessible to

handicapped and elderly voters.

(10 ILCS 5/19A-25.5)

Sec. 19A-25.5. Voting machines, automatic tabulating equipment, and precinct tabulation optical scan technology voting equipment.

(a) In all jurisdictions in which voting machines are used, the provisions of this Code that are not inconsistent with this Article relating to the furnishing of ballot boxes, printing and furnishing ballots and supplies, the canvassing of ballots, and the making of returns, apply with full force and effect to the extent necessary to make this Article effective, provided that the number of ballots to be printed shall be in the discretion of the election authority, and provided further that early ballots shall not be counted until after the polls are closed on election day.

(b) If the election authority has adopted the use of automatic tabulating equipment under Article 24A of this Code, and the provisions of that Article are in conflict with the provisions of this Article 19A, the provisions of Article 24A shall govern the procedures followed by the election authority, its judges of election, and all employees and agents; provided that early ballots shall be counted at the election authority's central ballot counting location and shall not be counted until after the polls are closed on election day.

(c) If the election authority has adopted the use of ~~precinct~~ tabulation optical scan technology voting equipment under Article 24B of this Code, and the provisions of that Article are in conflict with the provisions of this Article 19A, the provisions of Article 24B shall govern the procedures followed by the election authority, its judges of election, and all employees and agents; provided that early ballots shall be counted at the election authority's central ballot counting location and shall not be counted until after the polls are closed on election day.

(d) If the election authority has adopted the use of Direct Recording Electronic Voting Systems under Article 24C of this Code, and the provisions of that Article are in conflict with the provisions of this Article 19A, the provisions of Article 24C shall govern the procedures followed by the election authority, its judges of election, and all employees and agents; provided that early ballots shall be counted at the election authority's central ballot counting location and shall not be counted until after the polls are closed on election day.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/19A-35)

Sec. 19A-35. Procedure for voting.

(a) Not more than 23 days before the start of the election early voting, the county clerk shall make available to the election ~~official authority~~ conducting early voting by personal appearance a sufficient number of early ballots, envelopes, and printed voting instruction slips for the use of early voters. The election ~~official authority~~ shall receipt for all ballots received and shall return unused or spoiled ballots at the close of the early voting period to the county clerk and must strictly account for all ballots received. The ballots delivered to the election ~~official authority~~ must include early ballots for each precinct in the election authority's jurisdiction and must include separate ballots for each political subdivision conducting an election of officers or a referendum at that election.

(b) In conducting early voting under this Article, the election judge or official is ~~not~~ required to verify the signature of the early voter by comparison with the signature on the official registration card, and however, the judge or official must verify (i) the identity of the applicant, (ii) that the applicant is a registered voter, (iii) the precinct in which the applicant is registered, and (iv) the proper ballots of the political subdivision in which the applicant resides and is entitled to vote before providing an early ballot to the applicant. The applicant's identity must be verified by the applicant's presentation of an Illinois driver's license, a non-driver identification card issued by the Illinois Secretary of State, or another government-issued identification document containing the applicant's photograph. The election judge or official must verify the applicant's registration from the most recent poll list provided by the election authority, and if the applicant is not listed on that poll list, by telephoning the office of the election authority.

(b-5) A person requesting an early voting ballot to whom an absentee ballot was issued may vote early if the person submits that absentee ballot to the judges of election or official conducting early voting for cancellation. If the voter is unable to submit the absentee ballot, it shall be sufficient for the voter to submit to the judges or official (i) a portion of the absentee ballot if the absentee ballot was torn or mutilated or (ii) an affidavit executed before the judges or official specifying that (A) the voter never received an absentee ballot or (B) the voter completed and returned an absentee ballot and was informed that the election authority did not receive that absentee ballot.

(b-10) Within one day after a voter casts an early voting ballot, the election authority shall transmit the voter's name, street address, and precinct, ward, township, and district numbers, as the case may be, to

the State Board of Elections, which shall maintain those names and that information in an electronic format on its website, arranged by county and accessible to State and local political committees.

(b-15) This subsection applies to early voting polling places using optical scan technology voting equipment subject to Article 24B. Immediately after voting an early ballot, the voter shall be instructed whether the voting equipment accepted or rejected the ballot. A voter whose early voting ballot is not accepted by the voting equipment may, upon surrendering the ballot, request and vote another early voting ballot. The voter's ballot that was not accepted shall be initialed by the election judge or official conducting the early voting and handled as provided in Article 24B.

(c) The sealed early ballots in their carrier envelope shall be delivered by the election authority to the central ballot counting location ~~proper polling place~~ before the close of the polls on the day of the election.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/19A-50)

Sec. 19A-50. Receipt of ballots. Upon receipt of the voter's ballot, the election judge or official shall enclose the unopened ballot in a large or carrier envelope that shall be securely sealed and endorsed with the name and official title of the election judge or official and the words, "This envelope contains a ballot and must be opened on election day", together with the number and description of the precinct in which the ballot is to be voted, and the election authority shall safely keep the envelope in its office until delivered to the central ballot counting location ~~judges of election as provided in Section 19A-35. The ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.~~

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/19A-60)

Sec. 19A-60. Pollwatchers. Pollwatchers may be appointed to observe early voting by personal appearance at each permanent and temporary polling place where early voting is conducted. The pollwatchers shall qualify and be appointed in the same manner as provided in Sections 7-34 and 17-23, except that each candidate, political party, or organization of citizens may appoint only one pollwatcher for each location where early voting by personal appearance is conducted. Pollwatchers must be residents of the State and possess valid pollwatcher credentials.

Pollwatchers shall be permitted to observe all proceedings and view all reasonably requested records relating to the conduct of the early voting, provided the secrecy of the ballot is not impinged, and to station themselves in a position in the voting room as will enable them to observe the judges or election authority personnel making the signature comparison between the voter application and the voter registration record card; provided, however, that the pollwatchers shall not be permitted to station themselves in such close proximity to the judges of election or election authority personnel so as to interfere with the orderly conduct of the voting and shall not, in any event, be permitted to handle voting or election materials. Pollwatchers may challenge for cause the voting qualifications of a person offering to vote and may call to the attention of the judges of election or election authority personnel any incorrect procedure or apparent violations of this Code.

~~In the polling place on election day, pollwatchers are permitted to be present during the casting of the early ballots and the vote of an early voter may be challenged for cause the same as if the voter were present and voted on election day. The judges of election or election authority personnel conducting early voting, or a majority of either of these, have the power and authority to hear and determine the legality of an the early voting ballot, provided that if a challenge to any early voter's right to vote is sustained, notice of the challenge must be given by the judges of election or election authority by mail addressed to the voter's place of residence.~~

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/20-2) (from Ch. 46, par. 20-2)

Sec. 20-2. Any member of the United States Service, otherwise qualified to vote, who expects in the course of his duties to be absent from the county in which he resides on the day of holding any election may make application for an absentee ballot to the election authority having jurisdiction over his precinct of residence on the official postcard or on a form furnished by the election authority as prescribed by Section 20-3 of this Article not less than 10 days before the election. A request pursuant to this Section shall entitle the applicant to an absentee ballot for every election in one calendar year. The original application for ballot shall be kept in the office of the election authority for one year as authorization to send a ballot to the voter for each election to be held within that calendar year. A certified copy of such application for ballot shall be sent each election with the absentee ballot to the election authority's central ballot counting location ~~polling place~~ to be used in lieu of the original application for ballot. No registration shall be required in order to vote pursuant to this Section.

Ballots under this Section shall be mailed by the election authority in the manner prescribed by Section 20-5 of this Article and not otherwise. Ballots voted under this Section must be returned to the election authority in sufficient time for delivery to the election authority's central ballot counting location ~~proper precinct polling place~~ before the closing of the polls on the day of the election.

(Source: P.A. 86-875.)

(10 ILCS 5/20-2.1) (from Ch. 46, par. 20-2.1)

Sec. 20-2.1. Citizens of the United States temporarily residing outside the territorial limits of the United States who are not registered but otherwise qualified to vote and who expect to be absent from their county of residence during the periods of voter registration provided for in Articles 4, 5 or 6 of this Code and on the day of holding any election, may make simultaneous application to the election authority having jurisdiction over their precinct of residence for an absentee registration and absentee ballot not less than 30 days before the election. Such application may be made on the official postcard or on a form furnished by the election authority as prescribed by Section 20-3 of this Article. A request pursuant to this Section shall entitle the applicant to an absentee ballot for every election in one calendar year. The original application for ballot shall be kept in the office of the election authority for one year as authorization to send a ballot to the voter for each election to be held within that calendar year. A certified copy of such application for ballot shall be sent each election with the absentee ballot to the election authority's central ballot counting location ~~polling place~~ to be used in lieu of the original application for ballot.

Registration shall be required in order to vote pursuant to this Section. However, if the election authority receives one of such applications after 30 days but not less than 10 days before a Federal election, said applicant shall be sent a ballot containing the Federal offices only and registration for that election shall be waived.

Ballots under this Section shall be mailed by the election authority in the manner prescribed by Section 20-5 of this Article and not otherwise.

Ballots under this Section must be returned to the election authority in sufficient time for delivery to the election authority's central ballot counting location ~~proper precinct polling place~~ before the closing of the polls on the day of the election.

(Source: P.A. 86-875.)

(10 ILCS 5/20-2.2) (from Ch. 46, par. 20-2.2)

Sec. 20-2.2. Any non-resident civilian citizen, otherwise qualified to vote, may make application to the election authority having jurisdiction over his precinct of former residence for an absentee ballot containing the Federal offices only not less than 10 days before a Federal election. Such application may be made only on the official postcard. A request pursuant to this Section shall entitle the applicant to an absentee ballot for every election in one calendar year at which Federal offices are filled. The original application for ballot shall be kept in the office of the election authority for one year as authorization to send a ballot to the voter for each election to be held within that calendar year at which Federal offices are filled. A certified copy of such application for ballot shall be sent each election with the absentee ballot to the election authority's central ballot counting location ~~polling place~~ to be used in lieu of the original application for ballot. No registration shall be required in order to vote pursuant to this Section. Ballots under this Section shall be mailed by the election authority in the manner prescribed by Section 20-5 of this Article and not otherwise. Ballots under this Section must be returned to the election authority in sufficient time for delivery to the election authority's central ballot counting location ~~proper precinct polling place~~ before the closing of the polls on the day of the election.

(Source: P.A. 86-875.)

(10 ILCS 5/20-2.3) (from Ch. 46, par. 20-2.3)

Sec. 20-2.3. Members of the Armed Forces. Any member of the United States Armed Forces while on active duty, otherwise qualified to vote, who expects in the course of his or her duties to be absent from the county in which he or she resides on the day of holding any election, in addition to any other method of making application for an absentee ballot under this Article, may make application for an absentee ballot to the election authority having jurisdiction over his or her precinct of residence by a facsimile machine or electronic transmission not less than 10 days before the election.

Ballots under this Section shall be mailed by the election authority in the manner prescribed by Section 20-5 of this Article and not otherwise. Ballots voted under this Section must be returned to the election authority before the closing of the polls on the day of election and must be counted at the election authority's central ballot counting location.

(Source: P.A. 87-1052.)

(10 ILCS 5/20-4) (from Ch. 46, par. 20-4)

Sec. 20-4. Immediately upon the receipt of the official postcard or an application as provided in

Section 20-3 within the times heretofore prescribed, the election authority shall ascertain whether or not such applicant is legally entitled to vote as requested, including verification of the applicant's signature by comparison with the signature on the official registration record card, if any. If the election authority ascertains that the applicant is lawfully entitled to vote, it shall enter the name, street address, ward and precinct number of such applicant on a list to be posted in his or its office in a place accessible to the public. Within one ~~business~~ day after posting the name and other information of an applicant for a ballot, the election authority shall transmit that name and posted information to the State Board of Elections, which shall maintain the names and other information in an electronic format on its website, arranged by county and accessible to State and local political committees. As soon as the official ballot is prepared the election authority shall immediately deliver the same to the applicant in person or by mail, in the manner prescribed in Section 20-5.

If any such election authority receives a second or additional application which it believes is from the same person, he or it shall submit it to the chief judge of the circuit court or any judge of that court designated by the chief judge. If the chief judge or his designate determines that the application submitted to him is a second or additional one, he shall so notify the election authority who shall disregard the second or additional application.

The election authority shall maintain a list for each election of the voters to whom it has issued absentee ballots. The list shall be maintained for each precinct within the jurisdiction of the election authority. Prior to the opening of the polls on election day, the election authority shall deliver to the judges of election in each precinct the list of registered voters in that precinct to whom absentee ballots have been issued.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/20-8) (from Ch. 46, par. 20-8)

Sec. 20-8. Time and place of counting ballots.

(a) ~~(Blank.) Each absent voter's ballot returned to an election authority, by any means authorized by this Article, and received by that election authority in time to be delivered to the polling place of the precinct where the absent voter is a qualified elector and to be counted by the judges of election of that polling place shall be handled in accordance with this subsection. If the ballot is received by the election authority prior to the delivery of the official ballots to the judges of election of the precinct where the absent voter is a qualified elector, then the absent voter's ballot envelope and application, sealed in the carrier envelope, shall be enclosed in the same package with the official ballots and delivered to the judges of that precinct. If the official ballots for the precinct have already been delivered to the judges of election when the election authority receives the absent voter's ballot, then the election authority shall immediately enclose the envelope containing the absent voter's ballot, together with the voter's application, in a larger or carrier envelope which shall be securely sealed and addressed on the face to the judges of election, giving the name or number of precinct, street and number of polling place, city or town in which the absent voter is a qualified elector, and the words, "This envelope contains an absent voter's ballot and must be opened only on election day at the polls immediately after the polls are closed". The election authority shall mail the ballot, postage prepaid, to the judges of election, or if more convenient then the election authority may deliver the absent voter's ballot to the judges of election in person or by duly deputized agent and secure a receipt for delivery of the ballot or ballots. An absent voter's ballot delivered in error to the wrong precinct polling place shall be returned to the election authority and counted as provided in subsection (b).~~

(b) Each absent voter's ballot returned to an election authority, by any means authorized by this Article, and received by that election authority before the closing of the polls on election day ~~but too late to be delivered to and counted at the proper precinct polling place~~ shall be endorsed by the receiving election authority with the day and hour of receipt and shall be counted in the central ballot counting location office of the election authority on the day of the election after 7:00 p.m. except as provided in subsections (g) and (g-5).

(c) Each absent voter's ballot that is mailed to an election authority and postmarked by the midnight preceding the opening of the polls on election day, but that is received by the election authority after the polls close on election day and before the close of the period for counting provisional ballots cast at that election, shall be endorsed by the receiving authority with the day and hour of receipt and shall be counted at the central ballot counting location office of the election authority during the period for counting provisional ballots.

(d) Special write-in absentee voter's blank ballots returned to an election authority, by any means authorized by this Article, and received by the election authority at any time before the closing of the polls on election day shall be endorsed by the receiving election authority with the day and hour of receipt and shall be counted at the central ballot counting location office of the election authority during

the same period provided for counting absent voters' ballots under ~~subsections~~ subsection (b), (g), and (g-5). Special write-in absentee voter's blank ballot that are mailed to an election authority and postmarked by midnight preceding the opening of the polls on election day, but that are received by the election authority after the polls close on election day and before the closing of the period for counting provisional ballots cast at that election, shall be endorsed by the receiving authority with the day and hour of receipt and shall be counted at the central ballot counting location office of the election authority during the same periods provided for counting absent voters' ballots under subsection (c).

(e) Except as otherwise provided in this Section, absent voters' ballots and special write-in absentee voter's blank ballots received by the election authority after the closing of the polls on the day of election shall be endorsed by the person receiving the ballots with the day and hour of receipt and shall be safely kept unopened by the election authority for the period of time required for the preservation of ballots used at the election, and shall then, without being opened, be destroyed in like manner as the used ballots of that election.

(f) Counting required under this Section to begin on election day after the closing of the polls shall commence no later than 8:00 p.m. and shall be conducted by a panel or panels of election judges appointed in the manner provided by law. The counting shall continue until all absent voters' ballots and special write-in absentee voter's blank ballots required to be counted on election day have been counted.

(g) ~~The procedures set forth in Section 19-9 of this Act and~~ Articles 17 and 18 of this Code shall apply to all ballots counted under this Section; ~~except that votes shall be recorded without regard to precinct designation. In addition, within 2 days after a ballot subject to this Article is received, but in all cases before the close of the period for counting provisional ballots, the election judge or official shall compare the voter's signature on the certification envelope of that ballot with the signature of the voter on file in the office of the election authority. If the election judge or official determines that the 2 signatures match, and that the voter is otherwise qualified to cast a ballot under this Article, the election authority shall cast and count the ballot on election day or the day the ballot is determined to be valid, whichever is later, adding the results to the precinct in which the voter is registered. If the election judge or official determines that the signatures do not match, or that the voter is not qualified to cast a ballot under this Article, then without opening the certification envelope, the judge or official shall mark across the face of the certification envelope the word "Rejected" and shall not cast or count the ballot.~~

In addition to the voter's signatures not matching, a ballot subject to this Article may be rejected by the election judge or official:

(1) if the ballot envelope is open or has been opened and resealed;

(2) if the voter has already cast an early or grace period ballot;

(3) if the voter voted in person on election day or the voter is not a duly registered voter in the precinct; or

(4) on any other basis set forth in this Code.

If the election judge or official determines that any of these reasons apply, the judge or official shall mark across the face of the certification envelope the word "Rejected" and shall not cast or count the ballot.

(g-5) If a ballot subject to this Article is rejected by the election judge or official for any reason, the election authority shall, within 2 days after the rejection but in all cases before the close of the period for counting provisional ballots, notify the voter that his or her ballot was rejected. The notice shall inform the voter of the reason or reasons the ballot was rejected and shall state that the voter may appear before the election authority, on or before the 14th day after the election, to show cause as to why the ballot should not be rejected. The voter may present evidence to the election authority supporting his or her contention that the ballot should be counted. The election authority shall appoint a panel of 3 election judges to review the contested ballot, application, and certification envelope, as well as any evidence submitted by the absentee voter. No more than 2 election judges on the reviewing panel shall be of the same political party. The reviewing panel of election judges shall make a final determination as to the validity of the contested ballot. The judges' determination shall not be reviewable either administratively or judicially.

A ballot subject to this subsection that is determined to be valid shall be counted before the close of the period for counting provisional ballots.

(g-10) All ballots determined to be valid shall be added to the vote totals for the precincts for which they were cast in the order in which the ballots were opened.

(h) Each ~~Where ballots are counted in the office of the election authority as provided in this Section,~~ ~~each~~ political party, candidate, and qualified civic organization shall be entitled to have present one pollwatcher for each panel of election judges therein assigned.

(Source: P.A. 94-557, eff. 8-12-05.)

[May 2, 2006]

(10 ILCS 5/20-15)

Sec. 20-15. Precinct tabulation optical scan technology voting equipment.

If the election authority has adopted the use of Precinct Tabulation Optical Scan Technology voting equipment pursuant to Article 24B of this Code, and the provisions of the Article are in conflict with the provisions of this Article 20, the provisions of Article 24B shall govern the procedures followed by the election authority, its judges of elections, and all employees and agents, provided that ballots under this Article must be counted at the election authority's central ballot counting location. In following the provisions of Article 24B, the election authority is authorized to develop and implement procedures to fully utilize Precinct Tabulation Optical Scan Technology voting equipment, at the central ballot counting location, authorized by the State Board of Elections as long as the procedure is not in conflict with either Article 24B or the administrative rules of the State Board of Elections.

(Source: P.A. 89-394, eff. 1-1-97.)

(10 ILCS 5/20-20 new)

Sec. 20-20. Report on ballots. On or before the 21st day after an election, each election authority shall transmit to the State Board of Elections the following information with respect to that election:

(1) The number, by precinct, of ballots subject to this Article requested, provided, and counted.

(2) The number of rejected ballots subject to this Article.

(3) The number of voters seeking review of rejected ballots pursuant to subsection (g-5) of Section 20-8.

(4) The number of ballots counted following review pursuant to subsection (g-5) of Section 20-8.

On or before the 28th day after an election, the State Board of Elections shall compile the information received under this Section with respect to that election and make that information available to the public.

(10 ILCS 5/24-1) (from Ch. 46, par. 24-1)

Sec. 24-1. The election authority in all jurisdictions when voting machines are used shall, except as otherwise provided in this Code, provide a voting machine or voting machines for any or all of the election precincts or election districts, as the case may be, for which the election authority is by law charged with the duty of conducting an election or elections. A voting machine or machines sufficient in number to provide a machine for each 400 voters or fraction thereof shall be supplied for use at all elections. However, no such voting machine shall be used, purchased, or adopted, and no person or entity may have a written contract, including a contract contingent upon certification of the voting machines, to sell, lease, or loan voting machines to an election authority, until the board of voting machine commissioners hereinafter provided for, or a majority thereof, shall have made and filed a report certifying that they have examined such machine; that it affords each elector an opportunity to vote in absolute secrecy; that it enables each elector to vote a ticket selected in part from the nominees of one party, and in part from the nominees of any or all other parties, and in part from independent nominees printed in the columns of candidates for public office, and in part of persons not in nomination by any party or upon any independent ticket; that it enables each elector to vote a written or printed ballot of his own selection, for any person for any office for whom he may desire to vote; that it enables each elector to vote for all candidates for whom he is entitled to vote, and prevents him from voting for any candidate for any office more than once, unless he is lawfully entitled to cast more than one vote for one candidate, and in that event permits him to cast only as many votes for that candidate as he is by law entitled, and no more; that it prevents the elector from voting for more than one person for the same office, unless he is lawfully entitled to vote for more than one person therefor, and in that event permits him to vote for as many persons for that office as he is by law entitled, and no more; and that such machine will register correctly by means of exact counters every vote cast for the regular tickets thereon; and has the capacity to contain the tickets of at least 5 political parties with the names of all the candidates thereon, together with all propositions in the form provided by law, where such form is prescribed, and where no such provision is made for the form thereof, then in brief form, not to exceed 75 words; that all votes cast on the machine on a regular ballot or ballots shall be registered; that voters may, by means of irregular ballots or otherwise vote for any person for any office, although such person may not have been nominated by any party and his name may not appear on such machine; that when a vote is cast for any person for any such office, when his name does not appear on the machine, the elector cannot vote for any other name on the machine for the same office; that each elector can, understandingly and within the period of 4 minutes cast his vote for all candidates of his choice; that the machine is so constructed that the candidates for presidential electors of any party can be voted for only by voting for the ballot label containing a bracket within which are the names of the candidates for President and Vice-President of the party or group; that the machine is provided with a lock or locks by the use of which any movement of the voting or registering mechanism is absolutely prevented so that it

cannot be tampered with or manipulated for any purpose; that the machine is susceptible of being closed during the progress of the voting so that no person can see or know the number of votes registered for any candidate; that each elector is permitted to vote for or against any question, proposition or amendment upon which he is entitled to vote, and is prevented from voting for or against any question, proposition or amendment upon which he is not entitled to vote; that the machine is capable of adjustment by the election authority, so as to permit the elector, at a party primary election, to vote only for the candidates seeking nomination by the political party in which primary he is entitled to vote: Provided, also that no such machine or machines shall be purchased, unless the party or parties making the sale shall guarantee in writing to keep the machine or machines in good working order for 5 years without additional cost and shall give a sufficient bond conditioned to that effect.
(Source: P.A. 89-700, eff. 1-17-97.)

(10 ILCS 5/24A-9) (from Ch. 46, par. 24A-9)

Sec. 24A-9. Prior to the public test, the election authority shall conduct an errorless pre-test of the automatic tabulating equipment and program to ascertain that they will correctly count the votes cast for all offices and all measures. On any day not less than 5 days prior to the election day, the election authority shall publicly test the automatic tabulating equipment and program to ascertain that they will correctly count the votes cast for all offices and on all measures. Public notice of the time and place of the test shall be given at least 48 hours prior thereto by publication once in one or more newspapers published within the election jurisdiction of the election authority if a newspaper is published therein, otherwise in a newspaper of general circulation therein. Timely written notice stating the date, time and location of the public test shall also be provided to the State Board of Elections. The test shall be open to representatives of the political parties, the press, representatives of the State Board of Elections, and the public. The test shall be conducted by processing a preaudited group of ballots so punched or marked as to record a predetermined number of valid votes for each candidate and on each measure, and shall include for each office one or more ballots which have votes in excess of the number allowed by law in order to test the ability of the automatic tabulating equipment to reject such votes. Such test shall also include the use of precinct header cards and may include the production of an edit listing. In those election jurisdictions where in-precinct counting equipment is utilized, a public test of both such equipment and program shall be conducted as nearly as possible in the manner prescribed above. The State Board of Elections may select as many election jurisdictions as the Board deems advisable in the interests of the election process of this State in which to order a special test of the automatic tabulating equipment and program prior to any regular election. The Board may order a special test in any election jurisdiction where, during the preceding twelve months, computer programming errors or other errors in the use of electronic voting systems resulted in vote tabulation errors. Not less than 30 days prior to any election, the State Board of Elections shall provide written notice to those selected jurisdictions of their intent to conduct a test. Within 5 days of receipt of the State Board of Elections' written notice of intent to conduct a test, the selected jurisdictions shall forward to the principal office of the State Board of Elections a copy of all specimen ballots. The State Board of Elections' tests shall be conducted and completed not less than 2 days prior to the public test utilizing testing materials supplied by the Board and under the supervision of the Board. The vendor, person, or other private entity shall be solely responsible for the production and cost of: all ballots; additional temporary workers; and other equipment or facilities needed and used in the testing of the vendor's, person's, or other private entity's respective equipment and software. —and the Board shall reimburse the election authority for the reasonable cost of computer time required to conduct the special test. After an errorless test, materials used in the public test, including the program, if appropriate, shall be sealed and remain so until the test is run again on election day. If any error is detected, the cause therefor shall be ascertained and corrected and an errorless public test shall be made before the automatic tabulating equipment is approved. Each election authority shall file a sealed copy of each tested program to be used within its jurisdiction at an election with the State Board of Elections prior to the election. The Board shall secure the program or programs of each election jurisdiction so filed in its office until the next election of the same type (general primary, general election, consolidated primary, or consolidated election) for which the program or programs were filed for the 60 days following the canvass and proclamation of election results. Upon the expiration of that time, if no election contest or appeal therefrom is pending in an election jurisdiction, the Board shall destroy return the sealed program or programs to the election authority of the jurisdiction. Except where in-precinct counting equipment is utilized, the test shall be repeated immediately before the start of the official count of the ballots, in the same manner as set forth above. After the completion of the count, the test shall be re-run using the same program. An election jurisdiction that was employing, as of January 1, 1983, an electronic voting system that, because of its design, is not technically capable of compliance with such a post-tabulation testing requirement shall

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satisfy the post-tabulation testing requirement by conducting the post-tabulation test on a duplicate program until such electronic voting system is replaced or until November 1, 1992, whichever is earlier. Immediately thereafter the ballots, all material employed in testing the program and the program shall be sealed and retained under the custody of the election authority for a period of 60 days. At the expiration of that time the election authority shall destroy the voted ballot cards, together with all unused ballots returned from the precincts. Provided, if any contest of election is pending at such time in which such ballots may be required as evidence and such election authority has notice thereof, the same shall not be destroyed until after such contest is finally determined. If the use of back-up equipment becomes necessary, the same testing required for the original equipment shall be conducted. (Source: P.A. 86-873; 86-874; 86-1028; 87-1052.)

(10 ILCS 5/24A-10) (from Ch. 46, par. 24A-10)

Sec. 24A-10. (1) In an election jurisdiction which has adopted an electronic voting system, the election official in charge of the election shall select one of the 3 following procedures for receiving, counting, tallying, and return of the ballots:

(a) Two ballot boxes shall be provided for each polling place. The first ballot box is for the depositing of votes cast on the electronic voting system; and the second ballot box is for all votes cast on paper ballots, including absentee paper and early paper ballots and any other paper ballots required to be voted other than on the electronic voting system. Ballots, ~~except absentee and early ballots for candidates and propositions which are listed on the electronic voting system,~~ deposited in the second ballot box shall be counted, tallied, and returned as is elsewhere provided in "The Election Code," as amended, for the counting and handling of paper ballots. Immediately after the closing of the polls ~~the absentee and early ballots delivered to the precinct judges of election by the election official in charge of the election shall be examined to determine that such ballots comply with Sections 19-9, 19A-55, and 20-9 of "The Election Code," as amended, and are entitled to be deposited in the ballot box provided therefore; those entitled to be deposited in this ballot box shall be initialed by the precinct judges of election and deposited therein. Those not entitled to be deposited in this ballot box shall be marked "Rejected" and disposed of as provided in Sections 19-9, 19A-55, and 20-9. The precinct judges of election shall then open the second ballot box and examine all paper absentee and early ballots which are in the ballot box to determine whether the absentee and early ballots bear the initials of a precinct judge of election. If any absentee or early ballot is not so initialed, it shall be marked on the back "Defective," initialed as to such label by all judges immediately under such word "Defective," and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope." The judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall examine the paper absentee and early ballots which were in such ballot box and properly initialed so as to determine whether the same contain write in votes. Write in votes, not causing an overvote for an office otherwise voted for on the paper absentee or early ballot, and otherwise properly voted, shall be counted, tallied and recorded on the tally sheet provided for such record. A write in vote causing an overvote for an office shall not be counted for that office, but the precinct judges shall mark such paper or early absentee ballot "Objected To" on the back thereof and write on its back the manner in which such ballot is counted and initial the same. An overvote for one office shall invalidate only the vote or count of that particular office. After counting, tallying and recording the write in votes on absentee and early ballots, the judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall make a true duplicate ballot of the remaining valid votes on each paper absentee or early ballot which was in the ballot box and properly initialed, by using the electronic voting system used in the precinct and one of the marking devices of the precinct so as to transfer the remaining valid votes of the voter on the paper absentee ballot to an official ballot or a ballot card of that kind used in the precinct at that election. The original paper absentee or early ballot shall be clearly labeled "Absentee Ballot" or "Early Ballot", as the case may be, and the ballot card so produced "Duplicate Absentee Ballot" or "Duplicate Early Ballot", as the case may be, and each shall bear the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Absentee Ballot" and "Duplicate Early Ballot" ballots or ballot cards and shall place them in the first ballot box provided for return of the ballots to be counted at the central counting location in lieu of the paper absentee and early ballots. The paper absentee and early ballots shall be placed in an envelope provided for that purpose labeled "Duplicate Ballots."~~

As soon as the absentee and early ballots have been deposited in the first ballot box, the judges of election shall make out a slip indicating the number of persons who voted in the precinct at the election. Such slip shall be signed by all the judges of election and shall be inserted by them in the first ballot box. The judges of election shall thereupon immediately lock ~~each~~ the first ballot box; provided, that if such

box is not of a type which may be securely locked, such box shall be sealed with filament tape provided for such purpose which shall be wrapped around the box lengthwise and crosswise, at least twice each way, and in such manner that the seal completely covers the slot in the ballot box, and each of the judges shall sign such seal. Thereupon two of the judges of election, of different political parties, shall forthwith and by the most direct route transport both ballot boxes to the counting location designated by the county clerk or board of election commissioners.

Before the ballots of a precinct are fed to the electronic tabulating equipment, the first ballot box shall be opened at the central counting station by the two precinct transport judges. Upon opening a ballot box, such team shall first count the number of ballots in the box. If 2 or more are folded together so as to appear to have been cast by the same person, all of the ballots so folded together shall be marked and returned with the other ballots in the same condition, as near as may be, in which they were found when first opened, but shall not be counted. If the remaining ballots are found to exceed the number of persons voting in the precinct as shown by the slip signed by the judges of election, the ballots shall be replaced in the box, and the box closed and well shaken and again opened and one of the precinct transport judges shall publicly draw out so many ballots unopened as are equal to such excess.

Such excess ballots shall be marked "Excess-Not Counted" and signed by the two precinct transport judges and shall be placed in the "After 7:00 p.m. Defective Ballots Envelope". The number of excess ballots shall be noted in the remarks section of the Certificate of Results. "Excess" ballots shall not be counted in the total of "defective" ballots.

The precinct transport judges shall then examine the remaining ballots for write-in votes and shall count and tabulate the write-in vote; or

(b) A single ballot box, for the deposit of all votes cast, shall be used. All ballots which are not to be tabulated on the electronic voting system shall be counted, tallied, and returned as elsewhere provided in "The Election Code," as amended, for the counting and handling of paper ballots.

All ballots to be processed and tabulated with the electronic voting system shall be processed as follows:

~~Immediately after the closing of the polls, the absentee and early ballots delivered to the precinct judges of election by the election official in charge of the election shall be examined to determine that such ballots comply with Sections 19-9, 19A-55, and 20-9 of "The Election Code," as amended, and are entitled to be deposited in the ballot box; those entitled to be deposited in the ballot box shall be initialed by the precinct judges of election and deposited in the ballot box. Those not entitled to be deposited in the ballot box shall be marked "Rejected" and disposed of as provided in said Sections 19-9, 19A-55, and 20-9. The precinct judges of election then shall open the ballot box and canvass the votes polled to determine that the number of ballots therein agree with the number of voters voting as shown by the applications for ballot or if the same do not agree the judges of election shall make such ballots agree with the applications for ballot in the manner provided by Section 17-18 of "The Election Code." The judges of election shall then examine all paper absentee and early ballots, ballot cards and ballot card envelopes which are in the ballot box to determine whether the paper ballots, ballot cards and ballot card envelopes bear the initials of a precinct judge of election. If any paper ballot, ballot card or ballot card envelope is not initialed, it shall be marked on the back "Defective," initialed as to such label by all judges immediately under such word "Defective," and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope." The judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall examine the paper absentee and early ballots which were in the ballot box and properly initialed so as to determine whether the same contain write-in votes. Write-in votes, not causing an overvote for an office otherwise voted for on the paper absentee or early ballot, and otherwise properly voted, shall be counted, tallied and recorded on the tally sheet provided for such record. A write-in vote causing an overvote for an office shall not be counted for that office, but the precinct judges shall mark such paper absentee or early ballot "Objected To" on the back thereof and write on its back the manner in which such ballot is counted and initial the same. An overvote for one office shall invalidate only the vote or count of that particular office. After counting, tallying and recording the write-in votes on absentee and early ballots, the judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall make a true duplicate ballot of the remaining valid votes on each paper absentee and early ballot which was in the ballot box and properly initialed, by using the electronic voting system used in the precinct and one of the marking devices of the precinct so as to transfer the remaining valid votes of the voter on the paper absentee or early ballot to an official ballot or a ballot card of that kind used in the precinct at that election. The original paper absentee ballot shall be clearly labeled "Absentee Ballot" or "Early Ballot", as the case may be, and the ballot card so produced "Duplicate Absentee Ballot" or "Duplicate Early Ballot", as the case may be, and each shall bear the same serial number which shall be placed~~

~~thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Absentee Ballot" and "Duplicate Early Ballot" ballots or ballot cards, and shall place them in the box for return of the ballots with all other ballots or ballot cards to be counted at the central counting location in lieu of the paper absentee and early ballots. The paper absentee and early ballots shall be placed in an envelope provided for that purpose labeled "Duplicate Ballots."~~

When an electronic voting system is used which utilizes a ballot card, before separating the remaining ballot cards from their respective covering envelopes, the judges of election shall examine the ballot card envelopes for write-in votes. When the voter has voted a write-in vote, the judges of election shall compare the write-in vote with the votes on the ballot card to determine whether such write-in results in an overvote for any office. In case of an overvote for any office, the judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall make a true duplicate ballot of all votes on such ballot card except for the office which is overvoted, by using the ballot label booklet of the precinct and one of the marking devices of the precinct so as to transfer all votes of the voter except for the office overvoted, to an official ballot card of that kind used in the precinct at that election. The original ballot card and envelope upon which there is an overvote shall be clearly labeled "Overvoted Ballot", and each shall bear the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Overvoted Ballot" ballot cards and shall place them in the box for return of the ballots. The "Overvoted Ballot" ballots and their envelopes shall be placed in the "Duplicate Ballots" envelope. Envelopes bearing write-in votes marked in the place designated therefor and bearing the initials of a precinct judge of election and not resulting in an overvote and otherwise complying with the election laws as to marking shall be counted, tallied, and their votes recorded on a tally sheet provided by the election official in charge of the election. The ballot cards and ballot card envelopes shall be separated and all except any defective or overvoted shall be placed separately in the box for return of the ballots ~~, along with all "Duplicate Absentee Ballots", "Duplicate Early Ballots", and "Duplicate Overvoted Ballots."~~ The judges of election shall examine the ballots and ballot cards to determine if any is damaged or defective so that it cannot be counted by the automatic tabulating equipment. If any ballot or ballot card is damaged or defective so that it cannot properly be counted by the automatic tabulating equipment, the judges of election, consisting in each case of at least one judge of election of each of the two major political parties, shall make a true duplicate ballot of all votes on such ballot card by using the ballot label booklet of the precinct and one of the marking devices of the precinct. The original ballot or ballot card and envelope shall be clearly labeled "Damaged Ballot" and the ballot or ballot card so produced "Duplicate Damaged Ballot," and each shall bear the same number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in the precinct. The judges of election shall initial the "Duplicate Damaged Ballot" ballot or ballot cards, and shall place them in the box for return of the ballots. The "Damaged Ballot" ballots or ballot cards and their envelopes shall be placed in the "Duplicated Ballots" envelope. A slip indicating the number of voters voting in person, ~~number of absentee votes deposited in the ballot box, and the total number of voters of the precinct who voted at the election~~ shall be made out, signed by all judges of election, and inserted in the box for return of the ballots. The tally sheets recording the write-in votes shall be placed in this box. The judges of election thereupon immediately shall securely lock the ballot box or other suitable box furnished for return of the ballots by the election official in charge of the election; provided that if such box is not of a type which may be securely locked, such box shall be sealed with filament tape provided for such purpose which shall be wrapped around the box lengthwise and crosswise, at least twice each way. A separate adhesive seal label signed by each of the judges of election of the precinct shall be affixed to the box so as to cover any slot therein and to identify the box of the precinct; and if such box is sealed with filament tape as provided herein rather than locked, such tape shall be wrapped around the box as provided herein, but in such manner that the separate adhesive seal label affixed to the box and signed by the judges may not be removed without breaking the filament tape and disturbing the signature of the judges. Thereupon, 2 of the judges of election, of different major political parties, forthwith shall by the most direct route transport the box for return of the ballots and enclosed ballots and returns to the central counting location designated by the election official in charge of the election. If, however, because of the lack of adequate parking facilities at the central counting location or for any other reason, it is impossible or impracticable for the boxes from all the polling places to be delivered directly to the central counting location, the election official in charge of the election may designate some other location to which the boxes shall be delivered by the 2 precinct judges. While at such other location the boxes shall be in the care and custody of one or more teams, each consisting of 4 persons, 2 from each of

the two major political parties, designated for such purpose by the election official in charge of elections from recommendations by the appropriate political party organizations. As soon as possible, the boxes shall be transported from such other location to the central counting location by one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for such purpose by the election official in charge of elections from recommendations by the appropriate political party organizations.

The "Defective Ballots" envelope, and "Duplicated Ballots" envelope each shall be securely sealed and the flap or end thereof of each signed by the precinct judges of election and returned to the central counting location with the box for return of the ballots, enclosed ballots and returns.

At the central counting location, a team of tally judges designated by the election official in charge of the election shall check the box returned containing the ballots to determine that all seals are intact, and thereupon shall open the box, check the voters' slip and compare the number of ballots so delivered against the total number of voters of the precinct who voted, remove the ballots or ballot cards and deliver them to the technicians operating the automatic tabulating equipment. Any discrepancies between the number of ballots and total number of voters shall be noted on a sheet furnished for that purpose and signed by the tally judges; or

(c) A single ballot box, for the deposit of all votes cast, shall be used. Immediately after the closing of the polls ~~the judges of election shall examine the absentee and early ballots received by the precinct judges of election from the election authority of voters in that precinct to determine that they comply with the provisions of Sections 19-9, 19A-55, 20-8, and 20-9 of the Election Code, as amended, and are entitled to be deposited in the ballot box; those entitled to be deposited in the ballot box shall be initialed by the precinct judges and deposited in the ballot box. Those not entitled to be deposited in the ballot box, in accordance with Sections 19-9, 19A-55, 20-8, and 20-9 of the Election Code, as amended, shall be marked "Rejected" and preserved in the manner provided in The Election Code for the retention and preservation of official ballots rejected at such election. Immediately upon the completion of the absentee and early balloting,~~ the precinct judges of election shall securely lock the ballot box; provided that if such box is not of a type which may be securely locked, such box shall be sealed with filament tape provided for such purpose which shall be wrapped around the box lengthwise and crosswise, at least twice each way. A separate adhesive seal label signed by each of the judges of election of the precinct shall be affixed to the box so as to cover any slot therein and to identify the box of the precinct; and if such box is sealed with filament tape as provided herein rather than locked, such tape shall be wrapped around the box as provided herein, but in such manner that the separate adhesive seal label affixed to the box and signed by the judges may not be removed without breaking the filament tape and disturbing the signature of the judges. Thereupon, 2 of the judges of election, of different major political parties, shall forthwith by the most direct route transport the box for return of the ballots and enclosed absentee and early ballots and returns to the central counting location designated by the election official in charge of the election. If however, because of the lack of adequate parking facilities at the central counting location or for some other reason, it is impossible or impracticable for the boxes from all the polling places to be delivered directly to the central counting location, the election official in charge of the election may designate some other location to which the boxes shall be delivered by the 2 precinct judges. While at such other location the boxes shall be in the care and custody of one or more teams, each consisting of 4 persons, 2 from each of the two major political parties, designated for such purpose by the election official in charge of elections from recommendations by the appropriate political party organizations. As soon as possible, the boxes shall be transported from such other location to the central counting location by one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for such purpose by the election official in charge of the election from recommendations by the appropriate political party organizations.

At the central counting location there shall be one or more teams of tally judges who possess the same qualifications as tally judges in election jurisdictions using paper ballots. The number of such teams shall be determined by the election authority. Each team shall consist of 5 tally judges, 3 selected and approved by the county board from a certified list furnished by the chairman of the county central committee of the party with the majority of members on the county board and 2 selected and approved by the county board from a certified list furnished by the chairman of the county central committee of the party with the second largest number of members on the county board. At the central counting location a team of tally judges shall open the ballot box and canvass the votes polled to determine that the number of ballot sheets therein agree with the number of voters voting as shown by the applications for ballot ~~and for absentee and early ballot~~; and, if the same do not agree, the tally judges shall make such ballots agree with the number of applications for ballot in the manner provided by Section 17-18 of the Election Code. The tally judges shall then examine all ballot sheets which are in the ballot box to

determine whether they bear the initials of the precinct judge of election. If any ballot is not initialed, it shall be marked on the back "Defective", initialed as to such label by all tally judges immediately under such word "Defective", and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope". ~~Write in votes, not causing an overvote for an office otherwise voted for on the absentee and early ballot sheet, and otherwise properly voted, shall be counted, tallied and recorded by the central counting location judges on the tally sheet provided for such record. A write in vote causing an overvote for an office shall not be counted for that office, but the tally judges shall mark such absentee ballot sheet "Objected To" on the back thereof and write on its back the manner in which such ballot is counted and initial the same.~~ An overvote for one office shall invalidate only the vote or count of that particular office.

At the central counting location, a team of tally judges designated by the election official in charge of the election shall deliver the ballot sheets to the technicians operating the automatic tabulating equipment. Any discrepancies between the number of ballots and total number of voters shall be noted on a sheet furnished for that purpose and signed by the tally judges.

(2) Regardless of which procedure described in subsection (1) of this Section is used, the judges of election designated to transport the ballots, properly signed and sealed as provided herein, shall ensure that the ballots are delivered to the central counting station no later than 12 hours after the polls close. At the central counting station a team of tally judges designated by the election official in charge of the election shall examine the ballots so transported and shall not accept ballots for tabulating which are not signed and sealed as provided in subsection (1) of this Section until the judges transporting the same make and sign the necessary corrections. Upon acceptance of the ballots by a team of tally judges at the central counting station, the election judges transporting the same shall take a receipt signed by the election official in charge of the election and stamped with the date and time of acceptance. The election judges whose duty it is to transport any ballots shall, in the event such ballots cannot be found when needed, on proper request, produce the receipt which they are to take as above provided.

(Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/24A-10.1) (from Ch. 46, par. 24A-10.1)

Sec. 24A-10.1. In an election jurisdiction where in-precinct counting equipment is utilized, the following procedures for counting and tallying the ballots shall apply:

~~Immediately after the closing of the polls, the absentee and early ballots delivered to the precinct judges of election by the election authority shall be examined to determine that such ballots comply with Sections 19-9 and 20-9 of this Act and are entitled to be deposited in the ballot box; those entitled to be deposited in the ballot box shall be initialed by the precinct judges of election and deposited in the ballot box. Those not entitled to be deposited in the ballot box shall be marked "Rejected" and disposed of as provided in said Sections 19-9, 19A-55, and 20-9.~~

~~The precinct judges of election shall open the ballot box and count the number of ballots therein to determine if such number agrees with the number of voters voting as shown by the applications for ballot or, if the same do not agree, the judges of election shall make such ballots agree with the applications for ballot in the manner provided by Section 17-18 of this Act. The judges of election shall then examine all ballot cards and ballot card envelopes which are in the ballot box to determine whether the ballot cards and ballot card envelopes contain the initials of a precinct judge of election. If any ballot card or ballot card envelope is not initialed, it shall be marked on the back "Defective", initialed as to such label by all judges immediately under the word "Defective" and not counted. The judges of election shall place an initialed blank official ballot card in the place of the defective ballot card, so that the count of the ballot cards to be counted on the automatic tabulating equipment will be the same, and each "Defective Ballot" card and "Replacement" card shall contain the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The original "Defective" card shall be placed in the "Defective Ballot Envelope" provided for that purpose.~~

When an electronic voting system is used which utilizes a ballot card, before separating the remaining ballot cards from their respective covering envelopes, the judges of election shall examine the ballot card envelopes for write-in votes. When the voter has cast a write-in vote, the judges of election shall compare the write-in vote with the votes on the ballot card to determine whether such write-in results in an overvote for any office. In case of an overvote for any office, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on such ballot card except for the office which is overvoted, by using the ballot label booklet of the precinct and one of the marking devices of the precinct so as to transfer all votes of the voter, except for the office overvoted, to a duplicate card. The original ballot card and envelope upon which there is an overvote shall be clearly labeled "Overvoted Ballot", and each such

"Overvoted Ballot" as well as its "Replacement" shall contain the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The "Overvoted Ballot" card and ballot envelope shall be placed in an envelope provided for that purpose labeled "Duplicate Ballot" envelope, and the judges of election shall initial the "Replacement" ballot cards and shall place them with the other ballot cards to be counted on the automatic tabulating equipment. Envelopes containing write-in votes marked in the place designated therefor and containing the initials of a precinct judge of election and not resulting in an overvote and otherwise complying with the election laws as to marking shall be counted and tallied and their votes recorded on a tally sheet provided by the election authority.

The ballot cards and ballot card envelopes shall be separated in preparation for counting by the automatic tabulating equipment provided for that purpose by the election authority.

Before the ballots are entered into the automatic tabulating equipment, a precinct identification card provided by the election authority shall be entered into the device to ensure that the totals are all zeroes in the count column on the printing unit. A precinct judge of election shall then count the ballots by entering each ballot card into the automatic tabulating equipment, and if any ballot or ballot card is damaged or defective so that it cannot properly be counted by the automatic tabulating equipment, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on such ballot card by using the ballot label booklet of the precinct and one of the marking devices of the precinct. The original ballot or ballot card and envelope shall be clearly labeled "Damaged Ballot" and the ballot or ballot card so produced shall be clearly labeled "Duplicate Damaged Ballot", and each shall contain the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in the precinct. The judges of election shall initial the "Duplicate Damaged Ballot" ballot or ballot cards and shall enter the duplicate damaged cards into the automatic tabulating equipment. The "Damaged Ballot" cards shall be placed in the "Duplicated Ballots" envelope; after all ballot cards have been successfully read, the judges of election shall check to make certain that the last number printed by the printing unit is the same as the number of voters making application for ballot in that precinct. The number shall be listed on the "Statement of Ballots" form provided by the election authority.

The totals for all candidates and propositions shall be tabulated; 4 sets shall be attached to the 4 sets of "Certificate of Results" provided by the election authority; one set shall be posted in a conspicuous place inside the polling place; and every effort shall be made by the judges of election to provide a set for each authorized pollwatcher or other official authorized to be present in the polling place to observe the counting of ballots; but in no case shall the number of sets to be made available to pollwatchers be fewer than 4, chosen by lot by the judges of election. In addition, sufficient time shall be provided by the judges of election to the pollwatchers to allow them to copy information from the set which has been posted.

The judges of election shall count all unused ballot cards and enter the number on the "Statement of Ballots". All "Spoiled", "Defective" and "Duplicated" ballot cards shall be counted and the number entered on the "Statement of Ballots".

The precinct judges of election shall select a bi-partisan team of 2 judges, who shall immediately return the ballots in a sealed container, along with all other election materials as instructed by the election authority; provided, however, that such container must first be sealed by the election judges with filament tape provided for such purpose which shall be wrapped around the container lengthwise and crosswise, at least twice each way, in such manner that the ballots cannot be removed from such container without breaking the seal and filament tape and disturbing any signatures affixed by the election judges to the container. The election authority shall keep the office of the election authority, or any receiving stations designated by such authority, open for at least 12 consecutive hours after the polls close or until the ballots from all precincts with in-precinct counting equipment within the jurisdiction of the election authority have been returned to the election authority. Ballots returned to the office of the election authority which are not signed and sealed as required by law shall not be accepted by the election authority until the judges returning the same make and sign the necessary corrections. Upon acceptance of the ballots by the election authority, the judges returning the same shall take a receipt signed by the election authority and stamped with the time and date of such return. The election judges whose duty it is to return any ballots as herein provided shall, in the event such ballots cannot be found when needed, on proper request, produce the receipt which they are to take as above provided. (Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/24A-15) (from Ch. 46, par. 24A-15)

Sec. 24A-15. The precinct return printed by the automatic tabulating equipment shall include the

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number of ballots cast and votes cast for each candidate and proposition and shall constitute the official return of each precinct. In addition to the precinct return, the election authority shall provide the number of applications for ballots in each precinct, the write-in votes, the total number of ballots counted in each precinct for each political subdivision and district and the number of registered voters in each precinct. However, the election authority shall check the totals shown by the precinct return and, if there is an obvious discrepancy with respect to the total number of votes cast in any precinct, shall have the ballots for such precinct retabulated to correct the return. The procedures for retabulation shall apply prior to and after the proclamation is completed; however, after the proclamation of results, the election authority must obtain a court order to unseal voted ballots except for election contests and discovery recounts. In those election jurisdictions that utilize in-precinct counting equipment, the certificate of results, which has been prepared by the judges of election in the polling place after the ballots have been tabulated, shall be the document used for the canvass of votes for such precinct. Whenever a discrepancy exists during the canvass of votes between the unofficial results and the certificate of results, or whenever a discrepancy exists during the canvass of votes between the certificate of results and the set of totals which has been affixed to such certificate of results, the ballots for such precinct shall be retabulated to correct the return. As an additional part of this check prior to the proclamation, in those jurisdictions where in-precinct counting equipment is utilized, the election authority shall retabulate the total number of votes cast in 5% of the precincts within the election jurisdiction. The precincts to be retabulated shall be selected after election day on a random basis by the State Board of Elections election authority, so that every precinct in the election jurisdiction has an equal mathematical chance of being selected. The State Board of Elections shall design a standard and scientific random method of selecting the precincts which are to be retabulated, ~~and the election authority shall be required to utilize such method.~~ ~~The State central committee~~ State Board of Elections, the State's Attorney and other appropriate law enforcement agencies, the county chairman of each established political party and qualified civic organizations shall be given prior written notice of the time and place of such random selection procedure and may be represented at such procedure. Such retabulation shall consist of counting the ballot cards which were originally counted and shall not involve any determination as to which ballot cards were, in fact, properly counted. The ballots from the precincts selected for such retabulation shall remain at all times under the custody and control of the election authority and shall be transported and retabulated by the designated staff of the election authority.

As part of such retabulation, the election authority shall test the computer program in the selected precincts. Such test shall be conducted by processing a preaudited group of ballots so punched so as to record a predetermined number of valid votes for each candidate and on each public question, and shall include for each office one or more ballots which have votes in excess of the number allowed by law in order to test the ability of the equipment to reject such votes. If any error is detected, the cause therefor shall be ascertained and corrected and an errorless count shall be made prior to the official canvass and proclamation of election results.

The State Board of Elections, the State's Attorney and other appropriate law enforcement agencies, the county chairman of each established political party and qualified civic organizations shall be given prior written notice of the time and place of such retabulation and may be represented at such retabulation.

The results of this retabulation shall be treated in the same manner and have the same effect as the results of the discovery procedures set forth in Section 22-9.1 of this Act. Upon completion of the retabulation, the election authority shall print a comparison of the results of the retabulation with the original precinct return printed by the automatic tabulating equipment. Such comparison shall be done for each precinct and for each office voted upon within that precinct, and the comparisons shall be open to the public.

(Source: P.A. 89-700, eff. 1-17-97.)

(10 ILCS 5/24A-16) (from Ch. 46, par. 24A-16)

Sec. 24A-16. The State Board of Elections shall approve all voting systems provided by this Article.

No voting system shall be approved unless it fulfills the following requirements:

- (1) It enables a voter to vote in absolute secrecy;
- (2) (Blank);
- (3) It enables a voter to vote a ticket selected in part from the nominees of one party, and in part from the nominees of any or all parties, and in part from independent candidates and in part of candidates whose names are written in by the voter;
- (4) It enables a voter to vote a written or printed ticket of his own selection for any person for any office for whom he may desire to vote;
- (5) It will reject all votes for an office or upon a proposition when the voter has cast more votes for such office or upon such proposition than he is entitled to cast;

(6) It will accommodate all propositions to be submitted to the voters in the form provided by law or, where no such form is provided, then in brief form, not to exceed 75 words.

The State Board of Elections shall not approve any voting equipment or system that includes an external Infrared Data Association (IrDA) communications port.

The State Board of Elections is authorized to withdraw its approval of a voting system if the system fails to fulfill the above requirements.

The vendor, person, or other private entity shall be solely responsible for the production and cost of all ballots; additional temporary workers; and other equipment or facilities needed and used in the testing of the vendor's, person's, or other private entity's respective equipment and software.

No vendor, person, or other entity may sell, lease, or loan, or have a written contract, including a contract contingent upon State Board approval of the voting system or voting system component, to sell, lease, or loan, a voting system or voting system component to any election jurisdiction unless the voting system or voting system component is first approved by the State Board of Elections pursuant to this Section.

(Source: P.A. 89-700, eff. 1-17-97.)

(10 ILCS 5/24B-9)

Sec. 24B-9. Testing of Precinct Tabulation Optical Scan Technology Equipment and Program; Custody of Programs, Test Materials and Ballots. Prior to the public test, the election authority shall conduct an errorless pre-test of the automatic Precinct Tabulation Optical Scan Technology tabulating equipment and program and marking device to determine that they will correctly detect Voting Defects and count the votes cast for all offices and all measures. On any day not less than 5 days prior to the election day, the election authority shall publicly test the automatic Precinct Tabulation Optical Scan Technology tabulating equipment and program to determine that they will correctly detect Voting Defects and count the votes cast for all offices and on all measures. Public notice of the time and place of the test shall be given at least 48 hours before the test by publishing the notice in one or more newspapers within the election jurisdiction of the election authority, if a newspaper is published in that jurisdiction. If a newspaper is not published in that jurisdiction, notice shall be published in a newspaper of general circulation in that jurisdiction. Timely written notice stating the date, time, and location of the public test shall also be provided to the State Board of Elections. The test shall be open to representatives of the political parties, the press, representatives of the State Board of Elections, and the public. The test shall be conducted by processing a preaudited group of ballots marked to record a predetermined number of valid votes for each candidate and on each measure, and shall include for each office one or more ballots having votes exceeding the number allowed by law to test the ability of the automatic tabulating equipment or marking device to reject the votes. The test shall also include producing an edit listing. In those election jurisdictions where in-precinct counting equipment is used, a public test of both the equipment and program shall be conducted as nearly as possible in the manner prescribed above. The State Board of Elections may select as many election jurisdictions as the Board deems advisable in the interests of the election process of this State, to order a special test of the automatic tabulating equipment and program before any regular election. The Board may order a special test in any election jurisdiction where, during the preceding 12 months, computer programming errors or other errors in the use of electronic voting systems resulted in vote tabulation errors. Not less than 30 days before any election, the State Board of Elections shall provide written notice to those selected jurisdictions of their intent to conduct a test. Within 5 days of receipt of the State Board of Elections' written notice of intent to conduct a test, the selected jurisdictions shall forward to the principal office of the State Board of Elections a copy of all specimen ballots. The State Board of Elections' tests shall be conducted and completed not less than 2 days before the public test ~~utilizing testing materials supplied by the Board and under the supervision of the Board.~~ The vendor, person, or other private entity shall be solely responsible for the production and cost of: all ballots; additional temporary workers; and other equipment or facilities needed and used in the testing of the vendor's, person's, or other private entity's respective equipment and software. ~~and the Board shall reimburse the election authority for the reasonable cost of computer time required to conduct the special test.~~ After an errorless test, materials used in the public test, including the program, if appropriate, shall be sealed and remain sealed until the test is run again on election day. If any error is detected, the cause of the error shall be determined and corrected, and an errorless public test shall be made before the automatic tabulating equipment is approved. Each election authority shall file a sealed copy of each tested program to be used within its jurisdiction at an election with the State Board of Elections before the election. The Board shall secure the program or programs of each election jurisdiction so filed in its office until the next election of the same type (general primary, general election, consolidated primary, or consolidated election) for which the program or programs were filed for the 60 days following the canvass and proclamation of election

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~~results.~~ At the expiration of that time, if no election contest or appeal is pending in an election jurisdiction, the Board shall destroy ~~return~~ the sealed program or programs ~~to the election authority of the jurisdiction.~~ Except where in-precinct counting equipment is used, the test shall be repeated immediately before the start of the official counting of the ballots, in the same manner as set forth above. After the completion of the count, the test shall be re-run using the same program. Immediately after the re-run, all material used in testing the program and the programs shall be sealed and retained under the custody of the election authority for a period of 60 days. At the expiration of that time the election authority shall destroy the voted ballots, together with all unused ballots returned from the precincts. Provided, if any contest of election is pending at the time in which the ballots may be required as evidence and the election authority has notice of the contest, the same shall not be destroyed until after the contest is finally determined. If the use of back-up equipment becomes necessary, the same testing required for the original equipment shall be conducted.

(Source: P.A. 93-574, eff. 8-21-03.)

(10 ILCS 5/24B-10)

Sec. 24B-10. Receiving, Counting, Tallying and Return of Ballots; Acceptance of Ballots by Election Authority.

(a) In an election jurisdiction which has adopted an electronic Precinct Tabulation Optical Scan Technology voting system, the election official in charge of the election shall select one of the 3 following procedures for receiving, counting, tallying, and return of the ballots:

(1) Two ballot boxes shall be provided for each polling place. The first ballot box is

for the depositing of votes cast on the electronic voting system; and the second ballot box is for all votes cast on other ballots, including ~~absentee paper and early paper ballots and any other paper ballots required to be voted other than on the Precinct Tabulation Optical Scan Technology electronic voting system.~~ Ballots, ~~except absentee and early ballots for candidates and propositions which are listed on the Precinct Tabulation Optical Scan Technology electronic voting system,~~ deposited in the second ballot box shall be counted, tallied, and returned as is elsewhere provided in this Code for the counting and handling of paper ballots. Immediately after the closing of the polls, ~~the absentee and early ballots delivered to the precinct judges of election by the election official in charge of the election shall be examined to determine that the ballots comply with Sections 19-9, 19A-55, and 20-9 of this Code and are entitled to be inserted into the counting equipment and deposited into the ballot box provided; those entitled to be deposited in this ballot box shall be initialed by the precinct judges of election and deposited. Those not entitled to be deposited in this ballot box shall be marked "Rejected" and disposed of as provided in Sections 19-9, 19A-55, and 20-9. The precinct judges of election shall then open the second ballot box and examine all paper absentee and early ballots which are in the ballot box to determine whether the absentee or early ballots bear the initials of a precinct judge of election. If any absentee or early ballot is not so initialed, it shall be marked on the back "Defective", initialed as to the label by all judges immediately under the word "Defective", and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope". The judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall examine the paper absentee and early ballots which were in such ballot box and properly initialed to determine whether the same contain write in votes. Write in votes, not causing an overvote for an office otherwise voted for on the paper absentee or early ballot, and otherwise properly voted, shall be counted, tallied and recorded on the tally sheet provided for the record. A write in vote causing an overvote for an office shall not be counted for that office, but the precinct judges shall mark such paper absentee or early ballot "Objected To" on the back and write on its back the manner in which the ballot is counted and initial the same. An overvote for one office shall invalidate only the vote or count of that particular office. After counting, tallying and recording the write in votes on absentee and early ballots, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of the remaining valid votes on each paper absentee and early ballot which was in the ballot box and properly initialed, by using the electronic Precinct Tabulation Optical Scan Technology voting system used in the precinct and one of the marking devices, or equivalent marking device or equivalent ballot, of the precinct to transfer the remaining valid votes of the voter on the paper absentee or early ballot to an official ballot or a ballot card of that kind used in the precinct at that election. The original paper absentee ballot shall be clearly labeled "Absentee Ballot" or "Early Ballot", as the case may be, and the ballot card so produced "Duplicate Absentee Ballot" or "Duplicate Early Ballot", as the case may be, and each shall bear the same serial number which shall be placed thereon by the judges of election, beginning with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Absentee Ballot" and "Duplicate Early Ballot" ballots~~

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~~and shall place them in the first ballot box provided for return of the ballots to be counted at the central counting location in lieu of the paper absentee and early ballots. The paper absentee and early ballots shall be placed in an envelope provided for that purpose labeled "Duplicate Ballots".~~

~~As soon as the absentee and early ballots have been deposited in the first ballot box, the judges of election shall make out a slip indicating the number of persons who voted in the precinct at the election. The slip shall be signed by all the judges of election and shall be inserted by them in the first ballot box. The judges of election shall thereupon immediately lock each the first ballot box; provided, that if the box is not of a type which may be securely locked, the box shall be sealed with filament tape provided for the purpose that shall be wrapped around the box lengthwise and crosswise, at least twice each way, and in a manner that the seal completely covers the slot in the ballot box, and each of the judges shall sign the seal. Two of the judges of election, of different political parties, shall by the most direct route transport both ballot boxes to the counting location designated by the county clerk or board of election commissioners.~~

Before the ballots of a precinct are fed to the electronic Precinct Tabulation Optical Scan Technology tabulating equipment, the first ballot box shall be opened at the central counting station by the 2 precinct transport judges. Upon opening a ballot box, the team shall first count the number of ballots in the box. If 2 or more are folded together to appear to have been cast by the same person, all of the ballots folded together shall be marked and returned with the other ballots in the same condition, as near as may be, in which they were found when first opened, but shall not be counted. If the remaining ballots are found to exceed the number of persons voting in the precinct as shown by the slip signed by the judges of election, the ballots shall be replaced in the box, and the box closed and well shaken and again opened and one of the precinct transport judges shall publicly draw out so many ballots unopened as are equal to the excess.

The excess ballots shall be marked "Excess-Not Counted" and signed by the 2 precinct transport judges and shall be placed in the "After 7:00 p.m. Defective Ballots Envelope". The number of excess ballots shall be noted in the remarks section of the Certificate of Results. "Excess" ballots shall not be counted in the total of "defective" ballots.

The precinct transport judges shall then examine the remaining ballots for write-in votes and shall count and tabulate the write-in vote.

(2) A single ballot box, for the deposit of all votes cast, shall be used. All ballots which are not to be tabulated on the electronic voting system shall be counted, tallied, and returned as elsewhere provided in this Code for the counting and handling of paper ballots.

All ballots to be processed and tabulated with the electronic Precinct Tabulation Optical Scan Technology voting system shall be processed as follows:

~~Immediately after the closing of the polls, the absentee and early ballots delivered to the precinct judges of election by the election official in charge of the election shall be examined to determine that such ballots comply with Sections 19-9, 19A-55, and 20-9 of this Code and are entitled to be deposited in the ballot box; those entitled to be deposited in the ballot box shall be initialed by the precinct judges of election and deposited in the ballot box. Those not entitled to be deposited in the ballot box shall be marked "Rejected" and disposed of as provided in Sections 19-9, 19A-55, and 20-9. The precinct judges of election then shall open~~

the ballot box and canvass the votes polled to determine that the number of ballots agree with the number of voters voting as shown by the applications for ballot, or if the same do not agree the judges of election shall make such ballots agree with the applications for ballot in the manner provided by Section 17-18 of this Code. ~~The judges of election shall then examine all paper absentee and early ballots and ballot envelopes which are in the ballot box to determine whether the ballots and ballot envelopes bear the initials of a precinct judge of election. If any ballot or ballot envelope is not initialed, it shall be marked on the back "Defective", initialed as to the label by all judges immediately under the word "Defective", and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope". The judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall examine the paper absentee and early ballots which were in the ballot box and properly initialed to determine whether the same contain write-in votes. Write-in votes, not causing an overvote for an office otherwise voted for on the paper absentee or early ballot, and otherwise properly voted, shall be counted, tallied and recorded on the tally sheet provided for the record. A write-in vote causing an overvote for an office shall not be counted for that office, but the precinct judges shall mark the paper absentee or early ballot "Objected To" on the back and write on its back the manner the ballot is counted and initial the same. An overvote for one office shall invalidate only the vote or count of that particular office. After counting, tallying and recording the write-in votes on absentee and early ballots, the judges of election,~~

consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of the remaining valid votes on each paper absentee and early ballot which was in the ballot box and properly initialed, by using the electronic voting system used in the precinct and one of the marking devices of the precinct to transfer the remaining valid votes of the voter on the paper absentee or early ballot to an official ballot of that kind used in the precinct at that election. The original paper absentee or early ballot shall be clearly labeled "Absentee Ballot" or "Early Ballot", as the case may be, and the ballot so produced "Duplicate Absentee Ballot" or "Duplicate Early Ballot", as the case may be, and each shall bear the same serial number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Absentee Ballot" and "Duplicate Early Ballot" ballots and shall place them in the box for return of the ballots with all other ballots to be counted at the central counting location in lieu of the paper absentee and early ballots. The paper absentee ballots shall be placed in an envelope provided for that purpose labeled "Duplicate Ballots".

In case of an overvote for any office, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on the ballot except for the office which is overvoted, by using the ballot of the precinct and one of the marking devices, or equivalent ballot, of the precinct to transfer all votes of the voter except for the office overvoted, to an official ballot of that kind used in the precinct at that election. The original ballot upon which there is an overvote shall be clearly labeled "Overvoted Ballot", and each shall bear the same serial number which shall be placed thereon by the judges of election, beginning with number 1 and continuing consecutively for the ballots of that kind in that precinct. The judges of election shall initial the "Duplicate Overvoted Ballot" ballots and shall place them in the box for return of the ballots. The "Overvoted Ballot" ballots shall be placed in the "Duplicate Ballots" envelope. The ballots except any defective or overvoted ballot shall be placed separately in the box for return of the ballots, ~~along with all "Duplicate Absentee Ballots", "Duplicate Early Ballots", and "Duplicate Overvoted Ballots".~~ The judges of election shall examine the ballots to determine if any is damaged or defective so that it cannot be counted by the automatic tabulating equipment. If any ballot is damaged or defective so that it cannot properly be counted by the automatic tabulating equipment, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on such ballot by using the ballot of the precinct and one of the marking devices, or equivalent ballot, of the precinct. The original ballot and ballot envelope shall be clearly labeled "Damaged Ballot" and the ballot so produced "Duplicate Damaged Ballot", and each shall bear the same number which shall be placed thereon by the judges of election, commencing with number 1 and continuing consecutively for the ballots of that kind in the precinct. The judges of election shall initial the "Duplicate Damaged Ballot" ballot and shall place them in the box for return of the ballots. The "Damaged Ballot" ballots shall be placed in the "Duplicated Ballots" envelope. A slip indicating the number of voters voting in person, ~~number of absentee and early votes deposited in the ballot box,~~ and the total number of voters of the precinct who voted at the election shall be made out, signed by all judges of election, and inserted in the box for return of the ballots. The tally sheets recording the write-in votes shall be placed in this box. The judges of election immediately shall securely lock the ballot box or other suitable box furnished for return of the ballots by the election official in charge of the election; provided that if the box is not of a type which may be securely locked, the box shall be sealed with filament tape provided for the purpose which shall be wrapped around the box lengthwise and crosswise, at least twice each way. A separate adhesive seal label signed by each of the judges of election of the precinct shall be affixed to the box to cover any slot therein and to identify the box of the precinct; and if the box is sealed with filament tape as provided rather than locked, such tape shall be wrapped around the box as provided, but in such manner that the separate adhesive seal label affixed to the box and signed by the judges may not be removed without breaking the filament tape and disturbing the signature of the judges. Two of the judges of election, of different major political parties, shall by the most direct route transport the box for return of the ballots and enclosed ballots and returns to the central counting location designated by the election official in charge of the election. If, however, because of the lack of adequate parking facilities at the central counting location or for any other reason, it is impossible or impracticable for the boxes from all the polling places to be delivered directly to the central counting location, the election official in charge of the election may designate some other location to which the boxes shall be delivered by the 2 precinct judges. While at the other location the boxes shall be in the care and custody of one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for such purpose by the election

official in charge of elections from recommendations by the appropriate political party organizations. As soon as possible, the boxes shall be transported from the other location to the central counting location by one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for the purpose by the election official in charge of elections from recommendations by the appropriate political party organizations.

The "Defective Ballots" envelope, and "Duplicated Ballots" envelope each shall be securely sealed and the flap or end of each envelope signed by the precinct judges of election and returned to the central counting location with the box for return of the ballots, enclosed ballots and returns.

At the central counting location, a team of tally judges designated by the election official in charge of the election shall check the box returned containing the ballots to determine that all seals are intact, and shall open the box, check the voters' slip and compare the number of ballots so delivered against the total number of voters of the precinct who voted, remove the ballots and deliver them to the technicians operating the automatic tabulating equipment. Any discrepancies between the number of ballots and total number of voters shall be noted on a sheet furnished for that purpose and signed by the tally judges.

(3) A single ballot box, for the deposit of all votes cast, shall be used. Immediately after the closing of the polls, ~~the judges of election shall examine the absentee and early ballots received by the precinct judges of election from the election authority of voters in that precinct to determine that they comply with the provisions of Sections 19-9, 19A-55, 20-8, and 20-9 of this Code and are entitled to be deposited in the ballot box; those entitled to be deposited in the ballot box shall be initiated by the precinct judges and deposited in the ballot box. Those not entitled to be deposited in the ballot box, in accordance with Sections 19-9, 19A-55, 20-8, and 20-9 of this Code shall be marked "Rejected" and preserved in the manner provided in this Code for the retention and preservation of official ballots rejected at such election. Immediately upon the completion of the absentee and early balloting,~~ the precinct judges of election shall securely lock the ballot box; provided that if such box is not of a type which may be securely locked, the box shall be sealed with filament tape provided for the purpose which shall be wrapped around the box lengthwise and crosswise, at least twice each way. A separate adhesive seal label signed by each of the judges of election of the precinct shall be affixed to the box to cover any slot therein and to identify the box of the precinct; and if the box is sealed with filament tape as provided rather than locked, such tape shall be wrapped around the box as provided, but in a manner that the separate adhesive seal label affixed to the box and signed by the judges may not be removed without breaking the filament tape and disturbing the signature of the judges. Two of the judges of election, of different major political parties, shall by the most direct route transport the box for return of the ballots and enclosed absentee and early ballots and returns to the central counting location designated by the election official in charge of the election. If however, because of the lack of adequate parking facilities at the central counting location or for some other reason, it is impossible or impracticable for the boxes from all the polling places to be delivered directly to the central counting location, the election official in charge of the election may designate some other location to which the boxes shall be delivered by the 2 precinct judges. While at the other location the boxes shall be in the care and custody of one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for the purpose by the election official in charge of elections from recommendations by the appropriate political party organizations. As soon as possible, the boxes shall be transported from the other location to the central counting location by one or more teams, each consisting of 4 persons, 2 from each of the 2 major political parties, designated for the purpose by the election official in charge of the election from recommendations by the appropriate political party organizations.

At the central counting location there shall be one or more teams of tally judges who possess the same qualifications as tally judges in election jurisdictions using paper ballots. The number of the teams shall be determined by the election authority. Each team shall consist of 5 tally judges, 3 selected and approved by the county board from a certified list furnished by the chairman of the county central committee of the party with the majority of members on the county board and 2 selected and approved by the county board from a certified list furnished by the chairman of the county central committee of the party with the second largest number of members on the county board. At the central counting location a team of tally judges shall open the ballot box and canvass the votes polled to determine that the number of ballot sheets therein agree with the number of voters voting as shown by the applications for ballot ~~and for absentee and early ballot~~; and, if the same do not agree, the tally judges shall make such ballots agree with the number of applications for ballot in the manner provided by Section 17-18 of this Code. The tally judges shall then examine all ballot

sheets that are in the ballot box to determine whether they bear the initials of the precinct judge of election. If any ballot is not initialed, it shall be marked on the back "Defective", initialed as to that label by all tally judges immediately under the word "Defective", and not counted, but placed in the envelope provided for that purpose labeled "Defective Ballots Envelope". ~~Write in votes, not causing an overvote for an office otherwise voted for on the absentee or early ballot sheet, and otherwise properly voted, shall be counted, tallied, and recorded by the central counting location judges on the tally sheet provided for the record. A write in vote causing an overvote for an office shall not be counted for that office, but the tally judges shall mark the absentee or early ballot sheet "Objected To" and write the manner in which the ballot is counted on its back and initial the sheet. An overvote for one office shall invalidate only the vote or count for that particular office.~~

At the central counting location, a team of tally judges designated by the election official in charge of the election shall deliver the ballot sheets to the technicians operating the automatic Precinct Tabulation Optical Scan Technology tabulating equipment. Any discrepancies between the number of ballots and total number of voters shall be noted on a sheet furnished for that purpose and signed by the tally judges.

(b) Regardless of which procedure described in subsection (a) of this Section is used, the judges of election designated to transport the ballots properly signed and sealed, shall ensure that the ballots are delivered to the central counting station no later than 12 hours after the polls close. At the central counting station, a team of tally judges designated by the election official in charge of the election shall examine the ballots so transported and shall not accept ballots for tabulating which are not signed and sealed as provided in subsection (a) of this Section until the judges transporting the ballots make and sign the necessary corrections. Upon acceptance of the ballots by a team of tally judges at the central counting station, the election judges transporting the ballots shall take a receipt signed by the election official in charge of the election and stamped with the date and time of acceptance. The election judges whose duty it is to transport any ballots shall, in the event the ballots cannot be found when needed, on proper request, produce the receipt which they are to take as above provided.

(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/24B-10.1)

Sec. 24B-10.1. In-Precinct Counting Equipment; Procedures for Counting and Tallying Ballots. In an election jurisdiction where Precinct Tabulation Optical Scan Technology counting equipment is used, the following procedures for counting and tallying the ballots shall apply:

Before the opening of the polls, and before the ballots are entered into the automatic tabulating equipment, the judges of election shall be sure that the totals are all zeros in the counting column. Ballots may then be counted by entering or scanning each ballot into the automatic tabulating equipment. Throughout the election day and before the closing of the polls, no person may check any vote totals for any candidate or proposition on the automatic tabulating equipment. Such automatic tabulating equipment shall be programmed so that no person may reset the equipment for refeeding of ballots unless provided a code from an authorized representative of the election authority. At the option of the election authority, the ballots may be fed into the Precinct Tabulation Optical Scan Technology equipment by the voters under the direct supervision of the judges of elections.

~~Immediately after the closing of the polls, the absentee or early ballots delivered to the precinct judges of election by the election authority shall be examined to determine that the ballots comply with Sections 19-9, 19A-55, and 20-9 of this Code and are entitled to be scanned by the Precinct Tabulation Optical Scan Technology equipment and then deposited in the ballot box; those entitled to be scanned and deposited in the ballot box shall be initialed by the precinct judges of election and then scanned and deposited in the ballot box. Those not entitled to be deposited in the ballot box shall be marked "Rejected" and disposed of as provided in said Sections 19-9, 19A-55, and 20-9.~~

The precinct judges of election shall open the ballot box and count the number of ballots to determine if the number agrees with the number of voters voting as shown on the Precinct Tabulation Optical Scan Technology equipment and by the applications for ballot or, if the same do not agree, the judges of election shall make the ballots agree with the applications for ballot in the manner provided by Section 17-18 of this Code. The judges of election shall then examine all ballots which are in the ballot box to determine whether the ballots contain the initials of a precinct judge of election. If any ballot is not initialed, it shall be marked on the back "Defective", initialed as to such label by all judges immediately under the word "Defective" and not counted. The judges of election shall place an initialed blank official ballot in the place of the defective ballot, so that the count of the ballots to be counted on the automatic tabulating equipment will be the same, and each "Defective Ballot" and "Replacement" ballot shall contain the same serial number which shall be placed thereon by the judges of election, beginning with number 1 and continuing consecutively for the ballots of that kind in that precinct. The original

"Defective" ballot shall be placed in the "Defective Ballot Envelope" provided for that purpose.

If the judges of election have removed a ballot pursuant to Section 17-18, have labeled "Defective" a ballot which is not initialed, or have otherwise determined under this Code to not count a ballot originally deposited into a ballot box, the judges of election shall be sure that the totals on the automatic tabulating equipment are reset to all zeros in the counting column. Thereafter the judges of election shall enter or otherwise scan each ballot to be counted in the automatic tabulating equipment. Resetting the automatic tabulating equipment to all zeros and re-entering of ballots to be counted may occur at the precinct polling place, the office of the election authority, or any receiving station designated by the election authority. The election authority shall designate the place for resetting and re-entering or re-scanning.

When a Precinct Tabulation Optical Scan Technology electronic voting system is used which uses a paper ballot, the judges of election shall examine the ballot for write-in votes. When the voter has cast a write-in vote, the judges of election shall compare the write-in vote with the votes on the ballot to determine whether the write-in results in an overvote for any office, unless the Precinct Tabulation Optical Scan Technology equipment has already done so. In case of an overvote for any office, the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on such ballot except for the office which is overvoted, by using the ballot of the precinct and one of the marking devices, or equivalent ballot, of the precinct so as to transfer all votes of the voter, except for the office overvoted, to a duplicate ballot. The original ballot upon which there is an overvote shall be clearly labeled "Overvoted Ballot", and each such "Overvoted Ballot" as well as its "Replacement" shall contain the same serial number which shall be placed thereon by the judges of election, beginning with number 1 and continuing consecutively for the ballots of that kind in that precinct. The "Overvoted Ballot" shall be placed in an envelope provided for that purpose labeled "Duplicate Ballot" envelope, and the judges of election shall initial the "Replacement" ballots and shall place them with the other ballots to be counted on the automatic tabulating equipment.

If any ballot is damaged or defective, or if any ballot contains a Voting Defect, so that it cannot properly be counted by the automatic tabulating equipment, the voter or the judges of election, consisting in each case of at least one judge of election of each of the 2 major political parties, shall make a true duplicate ballot of all votes on such ballot by using the ballot of the precinct and one of the marking devices of the precinct, or equivalent. If a damaged ballot, the original ballot shall be clearly labeled "Damaged Ballot" and the ballot so produced shall be clearly labeled "Damaged Ballot" and the ballot so produced shall be clearly labeled "Duplicate Damaged Ballot", and each shall contain the same serial number which shall be placed by the judges of election, beginning with number 1 and continuing consecutively for the ballots of that kind in the precinct. The judges of election shall initial the "Duplicate Damaged Ballot" ballot and shall enter or otherwise scan the duplicate damaged ballot into the automatic tabulating equipment. The "Damaged Ballots" shall be placed in the "Duplicated Ballots" envelope; after all ballots have been successfully read, the judges of election shall check to make certain that the Precinct Tabulation Optical Scan Technology equipment readout agrees with the number of voters making application for ballot in that precinct. The number shall be listed on the "Statement of Ballots" form provided by the election authority.

The totals for all candidates and propositions shall be tabulated; and 4 copies of a "Certificate of Results" shall be generated by the automatic tabulating equipment; one copy shall be posted in a conspicuous place inside the polling place; and every effort shall be made by the judges of election to provide a copy for each authorized pollwatcher or other official authorized to be present in the polling place to observe the counting of ballots; but in no case shall the number of copies to be made available to pollwatchers be fewer than 4, chosen by lot by the judges of election. In addition, sufficient time shall be provided by the judges of election to the pollwatchers to allow them to copy information from the copy which has been posted.

The judges of election shall count all unused ballots and enter the number on the "Statement of Ballots". All "Spoiled", "Defective" and "Duplicated" ballots shall be counted and the number entered on the "Statement of Ballots".

The precinct judges of election shall select a bi-partisan team of 2 judges, who shall immediately return the ballots in a sealed container, along with all other election materials as instructed by the election authority; provided, however, that such container must first be sealed by the election judges with filament tape or other approved sealing devices provided for the purpose which shall be wrapped around the container lengthwise and crosswise, at least twice each way, in a manner that the ballots cannot be removed from the container without breaking the seal and filament tape and disturbing any signatures affixed by the election judges to the container, or which other approved sealing devices are

affixed in a manner approved by the election authority. The election authority shall keep the office of the election authority or any receiving stations designated by the authority, open for at least 12 consecutive hours after the polls close or until the ballots from all precincts with in-precinct counting equipment within the jurisdiction of the election authority have been returned to the election authority. Ballots returned to the office of the election authority which are not signed and sealed as required by law shall not be accepted by the election authority until the judges returning the ballots make and sign the necessary corrections. Upon acceptance of the ballots by the election authority, the judges returning the ballots shall take a receipt signed by the election authority and stamped with the time and date of the return. The election judges whose duty it is to return any ballots as provided shall, in the event the ballots cannot be found when needed, on proper request, produce the receipt which they are to take as above provided. The precinct judges of election shall also deliver the Precinct Tabulation Optical Scan Technology equipment to the election authority.

(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/24B-15)

Sec. 24B-15. Official Return of Precinct; Check of Totals; Retabulation. The precinct return printed by the automatic Precinct Tabulation Optical Scan Technology tabulating equipment shall include the number of ballots cast and votes cast for each candidate and proposition and shall constitute the official return of each precinct. In addition to the precinct return, the election authority shall provide the number of applications for ballots in each precinct, the write-in votes, the total number of ballots counted in each precinct for each political subdivision and district and the number of registered voters in each precinct. However, the election authority shall check the totals shown by the precinct return and, if there is an obvious discrepancy regarding the total number of votes cast in any precinct, shall have the ballots for that precinct retabulated to correct the return. The procedures for retabulation shall apply prior to and after the proclamation is completed; however, after the proclamation of results, the election authority must obtain a court order to unseal voted ballots except for election contests and discovery recounts. In those election jurisdictions that use in-precinct counting equipment, the certificate of results, which has been prepared by the judges of election in the polling place after the ballots have been tabulated, shall be the document used for the canvass of votes for such precinct. Whenever a discrepancy exists during the canvass of votes between the unofficial results and the certificate of results, or whenever a discrepancy exists during the canvass of votes between the certificate of results and the set of totals which has been affixed to the certificate of results, the ballots for that precinct shall be retabulated to correct the return. As an additional part of this check prior to the proclamation, in those jurisdictions where in-precinct counting equipment is used, the election authority shall retabulate the total number of votes cast in 5% of the precincts within the election jurisdiction. The precincts to be retabulated shall be selected after election day on a random basis by the ~~State Board of Elections~~ election authority, so that every precinct in the election jurisdiction has an equal mathematical chance of being selected. The State Board of Elections shall design a standard and scientific random method of selecting the precincts which are to be retabulated, ~~and the election authority shall be required to use that method.~~ The ~~State central committee~~ ~~State Board of Elections, the State's Attorney and other appropriate law enforcement agencies, the county~~ chairman of each established political party and qualified civic organization shall be given prior written notice of the time and place of the random selection procedure and may be represented at the procedure. The retabulation shall consist of counting the ballots which were originally counted and shall not involve any determination of which ballots were, in fact, properly counted. The ballots from the precincts selected for the retabulation shall remain at all times under the custody and control of the election authority and shall be transported and retabulated by the designated staff of the election authority.

As part of the retabulation, the election authority shall test the computer program in the selected precincts. The test shall be conducted by processing a preaudited group of ballots marked to record a predetermined number of valid votes for each candidate and on each public question, and shall include for each office one or more ballots which have votes in excess of the number allowed by law to test the ability of the equipment and the marking device to reject such votes. If any error is detected, the cause shall be determined and corrected, and an errorless count shall be made prior to the official canvass and proclamation of election results.

The State Board of Elections, the State's Attorney and other appropriate law enforcement agencies, the county chairman of each established political party and qualified civic organizations shall be given prior written notice of the time and place of the retabulation and may be represented at the retabulation.

The results of this retabulation shall be treated in the same manner and have the same effect as the results of the discovery procedures set forth in Section 22-9.1 of this Code. Upon completion of the retabulation, the election authority shall print a comparison of the results of the retabulation with the

original precinct return printed by the automatic tabulating equipment. The comparison shall be done for each precinct and for each office voted upon within that precinct, and the comparisons shall be open to the public. Upon completion of the retabulation, the returns shall be open to the public.

(Source: P.A. 93-574, eff. 8-21-03.)

(10 ILCS 5/24B-16)

Sec. 24B-16. Approval of Precinct Tabulation Optical Scan Technology Voting Systems; Requisites. The State Board of Elections shall approve all Precinct Tabulation Optical Scan Technology voting systems provided by this Article.

No Precinct Tabulation Optical Scan Technology voting system shall be approved unless it fulfills the following requirements:

(a) It enables a voter to vote in absolute secrecy;

(b) (Blank);

(c) It enables a voter to vote a ticket selected in part from the nominees of one party, and in part from the nominees of any or all parties, and in part from independent candidates, and in part of candidates whose names are written in by the voter;

(d) It enables a voter to vote a written or printed ticket of his or her own selection for any person for any office for whom he or she may desire to vote;

(e) It will reject all votes for an office or upon a proposition when the voter has cast more votes for the office or upon the proposition than he or she is entitled to cast; and

(f) It will accommodate all propositions to be submitted to the voters in the form provided by law or, where no form is provided, then in brief form, not to exceed 75 words.

The State Board of Elections shall not approve any voting equipment or system that includes an external Infrared Data Association (IrDA) communications port.

The State Board of Elections is authorized to withdraw its approval of a Precinct Tabulation Optical Scan Technology voting system if the system fails to fulfill the above requirements.

The vendor, person, or other private entity shall be solely responsible for the production and cost of: all ballots; additional temporary workers; and other equipment or facilities needed and used in the testing of the vendor's, person's, or other private entity's respective equipment and software.

No vendor, person, or other entity may sell, lease, or loan, or have a written contract, including a contract contingent upon State Board approval of the voting system or voting system component, to sell, lease, or loan, a voting system or Precinct Tabulation Optical Scan Technology voting system component to any election jurisdiction unless the voting system or voting system component is first approved by the State Board of Elections pursuant to this Section.

(Source: P.A. 89-394, eff. 1-1-97; 89-700, eff. 1-17-97.)

(10 ILCS 5/24C-9)

Sec. 24C-9. Testing of Direct Recording Electronic Voting System Equipment and Programs; Custody of Programs, Test Materials and Ballots. Prior to the public test, the election authority shall conduct an errorless pre-test of the Direct Recording Electronic Voting System equipment and programs to determine that they will correctly detect voting defects and count the votes cast for all offices and all public questions. On any day not less than 5 days prior to the election day, the election authority shall publicly test the Direct Recording Electronic Voting System equipment and programs to determine that they will correctly detect voting errors and accurately count the votes legally cast for all offices and on all public questions. Public notice of the time and place of the test shall be given at least 48 hours before the test by publishing the notice in one or more newspapers within the election jurisdiction of the election authority, if a newspaper is published in that jurisdiction. If a newspaper is not published in that jurisdiction, notice shall be published in a newspaper of general circulation in that jurisdiction. Timely written notice stating the date, time, and location of the public test shall also be provided to the State Board of Elections. The test shall be open to representatives of the political parties, the press, representatives of the State Board of Elections, and the public. The test shall be conducted by entering a pre-audited group of votes designed to record a predetermined number of valid votes for each candidate and on each public question, and shall include for each office one or more ballots having votes exceeding the number allowed by law to test the ability of the automatic tabulating equipment to reject the votes. The test shall also include producing an edit listing. In those election jurisdictions where in-precinct counting equipment is used, a public test of both the equipment and program shall be conducted as nearly as possible in the manner prescribed above. The State Board of Elections may select as many election jurisdictions as the Board deems advisable in the interests of the election process of this State, to order a special test of the automatic tabulating equipment and program before any regular election. The Board may order a special test in any election jurisdiction where, during the preceding 12 months, computer programming errors or other errors in the use of System resulted in vote tabulation

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errors. Not less than 30 days before any election, the State Board of Elections shall provide written notice to those selected jurisdictions of their intent to conduct a test. Within 5 days of receipt of the State Board of Elections' written notice of intent to conduct a test, the selected jurisdictions shall forward to the principal office of the State Board of Elections a copy of all specimen ballots. The State Board of Elections' tests shall be conducted and completed not less than 2 days before the public test ~~utilizing testing materials supplied by the Board~~ and under the supervision of the Board. ~~The vendor, person, or other private entity shall be solely responsible for the production and cost of: all ballots; additional temporary workers; and other equipment or facilities needed and used in the testing of the vendor's, person's, or other private entity's respective equipment and software. , and the Board shall reimburse the election authority for the reasonable cost of computer time required to conduct the special test.~~ After an errorless test, materials used in the public test, including the program, if appropriate, shall be sealed and remain sealed until the test is run again on election day. If any error is detected, the cause of the error shall be determined and corrected, and an errorless public test shall be made before the automatic tabulating equipment is approved. Each election authority shall file a sealed copy of each tested program to be used within its jurisdiction at an election with the State Board of Elections before the election. The Board shall secure the program or programs of each election jurisdiction so filed in its office ~~until the next election of the same type (general primary, general election, consolidated primary, or consolidated election) for which the program or programs were filed for the 60 days following the canvass and proclamation of election results.~~ At the expiration of that time, if no election contest or appeal is pending in an election jurisdiction, the Board shall ~~destroy~~ ~~return~~ the sealed program or programs ~~to the election authority of the jurisdiction.~~ Except where in-precinct counting equipment is used, the test shall be repeated immediately before the start of the official counting of the ballots, in the same manner as set forth above. After the completion of the count, the test shall be re-run using the same program. Immediately after the re-run, all material used in testing the program and the programs shall be sealed and retained under the custody of the election authority for a period of 60 days. At the expiration of that time the election authority shall destroy the voted ballots, together with all unused ballots returned from the precincts. Provided, if any contest of election is pending at the time in which the ballots may be required as evidence and the election authority has notice of the contest, the same shall not be destroyed until after the contest is finally determined. If the use of back-up equipment becomes necessary, the same testing required for the original equipment shall be conducted.

(Source: P.A. 93-574, eff. 8-21-03.)

(10 ILCS 5/24C-13)

Sec. 24C-13. Absentee ballots; Early voting ballots; Proceedings at Location for Central Counting; Employees; Approval of List.

(a) All jurisdictions using Direct Recording Electronic Voting Systems shall use paper ballots or paper ballot sheets approved for use under Articles 16, 24A or 24B of this Code when conducting absentee voting except that Direct Recording Electronic Voting Systems may be used for in-person absentee voting conducted pursuant to Section 19-2.1 of this Code. All absentee ballots shall be counted at the central ballot counting location ~~office~~ of the election authority. The provisions of Section 24A-9, 24B-9 and 24C-9 of this Code shall apply to the testing and notice requirements for central count tabulation equipment, including comparing the signature on the ballot envelope with the signature of the voter on the permanent voter registration record card taken from the master file. ~~Absentee ballots other than absentee ballots voted in person pursuant to Section 19-2.1 of this Code shall be examined and processed pursuant to Sections 19-9 and 20-9 of this Code.~~ Vote results shall be recorded by precinct and shall be added to the vote results for the precinct in which the absent voter was eligible to vote prior to completion of the official canvass.

~~(a-5) Early voting ballots cast in accordance with Article 19A shall be counted in precincts as provided in that Article. Early votes cast through the use of Direct Recording Electronic Voting System devices shall be counted using the procedures of this Article. Early votes cast by a method other than the use of Direct Recording Electronic Voting System devices shall be counted using the procedures of this Code for that method.~~

(b) All proceedings at the location for central counting shall be under the direction of the county clerk or board of election commissioners. Except for any specially trained technicians required for the operation of the Direct Recording Electronic Voting System, the employees at the counting station shall be equally divided between members of the 2 leading political parties and all duties performed by the employees shall be by teams consisting of an equal number of members of each political party. Thirty days before an election the county clerk or board of election commissioners shall submit to the chairman of each political party, for his or her approval or disapproval, a list of persons of his or her party proposed to be employed. If a chairman fails to notify the election authority of his or her disapproval of

any proposed employee within a period of 10 days thereafter the list shall be deemed approved.
(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/24C-15)

Sec. 24C-15. Official Return of Precinct; Check of Totals; Audit. The precinct return printed by the Direct Recording Electronic Voting System tabulating equipment shall include the number of ballots cast and votes cast for each candidate and public question and shall constitute the official return of each precinct. In addition to the precinct return, the election authority shall provide the number of applications for ballots in each precinct, the total number of ballots and absentee ballots counted in each precinct for each political subdivision and district and the number of registered voters in each precinct. However, the election authority shall check the totals shown by the precinct return and, if there is an obvious discrepancy regarding the total number of votes cast in any precinct, shall have the ballots for that precinct audited to correct the return. The procedures for this audit shall apply prior to and after the proclamation is completed; however, after the proclamation of results, the election authority must obtain a court order to unseal voted ballots or voting devices except for election contests and discovery recounts. The certificate of results, which has been prepared and signed by the judges of election in the polling place after the ballots have been tabulated, shall be the document used for the canvass of votes for such precinct. Whenever a discrepancy exists during the canvass of votes between the unofficial results and the certificate of results, or whenever a discrepancy exists during the canvass of votes between the certificate of results and the set of totals reflected on the certificate of results, the ballots for that precinct shall be audited to correct the return.

Prior to the proclamation, the election authority shall test the voting devices and equipment in 5% of the precincts within the election jurisdiction. The precincts to be tested shall be selected after election day on a random basis by the State Board of Elections ~~election authority~~, so that every precinct in the election jurisdiction has an equal mathematical chance of being selected. The State Board of Elections shall design a standard and scientific random method of selecting the precincts that are to be tested, ~~and the election authority shall be required to use that method.~~ The ~~State central committee~~ State Board of Elections, the State's Attorney and other appropriate law enforcement agencies, the county chairman of each established political party and ~~qualified civic organizations~~ shall be given prior written notice of the time and place of the random selection procedure and may be represented at the procedure.

The test shall be conducted by counting the votes marked on the permanent paper record of each ballot cast in the tested precinct printed by the voting system at the time that each ballot was cast and comparing the results of this count with the results shown by the certificate of results prepared by the Direct Recording Electronic Voting System in the test precinct. The election authority shall test count these votes either by hand or by using an automatic tabulating device other than a Direct Recording Electronic voting device that has been approved by the State Board of Elections for that purpose and tested before use to ensure accuracy. The election authority shall print the results of each test count. If any error is detected, the cause shall be determined and corrected, and an errorless count shall be made prior to the official canvass and proclamation of election results. If an errorless count cannot be conducted and there continues to be difference in vote results between the certificate of results produced by the Direct Recording Electronic Voting System and the count of the permanent paper records or if an error was detected and corrected, the election authority shall immediately prepare and forward to the appropriate canvassing board a written report explaining the results of the test and any errors encountered and the report shall be made available for public inspection.

The State Board of Elections, the State's Attorney and other appropriate law enforcement agencies, the county chairman of each established political party and qualified civic organizations shall be given prior written notice of the time and place of the test and may be represented at the test.

The results of this post-election test shall be treated in the same manner and have the same effect as the results of the discovery procedures set forth in Section 22-9.1 of this Code.

(Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05.)

(10 ILCS 5/24C-16)

Sec. 24C-16. Approval of Direct Recording Electronic Voting Systems; Requisites. The State Board of Elections shall approve all Direct Recording Electronic Voting Systems that fulfill the functional requirements provided by Section 24C-11 of this Code, the mandatory requirements of the federal voting system standards pertaining to Direct Recording Electronic Voting Systems promulgated by the Federal Election Commission or the Election Assistance Commission, the testing requirements of an approved independent testing authority and the rules of the State Board of Elections.

The State Board of Elections shall not approve any Direct Recording Electronic Voting System that includes an external Infrared Data Association (IrDA) communications port.

The State Board of Elections is authorized to withdraw its approval of a Direct Recording Electronic

Voting System if the System, once approved, fails to fulfill the above requirements.

The vendor, person, or other private entity shall be solely responsible for the production and cost of: all ballots; additional temporary workers; and other equipment or facilities needed and used in the testing of the vendor's, person's, or other private entity's respective equipment and software.

No vendor, person, or other entity may sell, lease, or loan, or have a written contract, including a contract contingent upon State Board approval of the voting system or voting system component, to sell, lease, or loan, a Direct Recording Electronic Voting System or system component to any election jurisdiction unless the system or system component is first approved by the State Board of Elections pursuant to this Section.

(Source: P.A. 93-574, eff. 8-21-03.)

(10 ILCS 5/19-9 rep.) (10 ILCS 5/19A-55 rep.) (10 ILCS 5/20-9 rep.)

Section 10. The Election Code is amended by repealing Sections 19-9, 19A-55, and 20-9.

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

Under the rules, the foregoing **Senate Bill No. 1445**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, 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. 2328

A bill for AN ACT concerning public aid.

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

House Amendment No. 1 to SENATE BILL NO. 2328

House Amendment No. 2 to SENATE BILL NO. 2328

House Amendment No. 3 to SENATE BILL NO. 2328

Passed the House, as amended, May 1, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2328

AMENDMENT NO. 1. Amend Senate Bill 2328 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Public Aid Code is amended by changing Section 5-2 as follows:

(305 ILCS 5/5-2) (from Ch. 23, par. 5-2)

Sec. 5-2. Classes of Persons Eligible. Medical assistance under this Article shall be available to any of the following classes of persons in respect to whom a plan for coverage has been submitted to the Governor by the Illinois Department and approved by him:

1. Recipients of basic maintenance grants under Articles III and IV.

2. Persons otherwise eligible for basic maintenance under Articles III and IV but who fail to qualify thereunder on the basis of need, and who have insufficient income and resources to meet the costs of necessary medical care, including but not limited to the following:

(a) All persons otherwise eligible for basic maintenance under Article III but who

fail to qualify under that Article on the basis of need and who meet either of the following requirements:

(i) their income, as determined by the Illinois Department in accordance with any federal requirements, is equal to or less than 70% in fiscal year 2001, equal to or less than 85% in fiscal year 2002 and until a date to be determined by the Department by rule, and equal to or less than 100% beginning on the date determined by the Department by rule, of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget and revised annually in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to families of the same size; or

(ii) their income, after the deduction of costs incurred for medical care and for other types of remedial care, is equal to or less than 70% in fiscal year 2001, equal to or less

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than 85% in fiscal year 2002 and until a date to be determined by the Department by rule, and equal to or less than 100% beginning on the date determined by the Department by rule, of the nonfarm income official poverty line, as defined in item (i) of this subparagraph (a).

(b) All persons who would be determined eligible for such basic maintenance under Article IV by disregarding the maximum earned income permitted by federal law.

3. Persons who would otherwise qualify for Aid to the Medically Indigent under Article VII.

4. Persons not eligible under any of the preceding paragraphs who fall sick, are injured, or die, not having sufficient money, property or other resources to meet the costs of necessary medical care or funeral and burial expenses.

5. (a) Women during pregnancy, after the fact of pregnancy has been determined by medical diagnosis, and during the 60-day period beginning on the last day of the pregnancy, together with their infants and children born after September 30, 1983, whose income and resources are insufficient to meet the costs of necessary medical care to the maximum extent possible under Title XIX of the Federal Social Security Act.

(b) The Illinois Department and the Governor shall provide a plan for coverage of the persons eligible under paragraph 5(a) by April 1, 1990. Such plan shall provide ambulatory prenatal care to pregnant women during a presumptive eligibility period and establish an income eligibility standard that is equal to 133% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget and revised annually in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to families of the same size, provided that costs incurred for medical care are not taken into account in determining such income eligibility.

(c) The Illinois Department may conduct a demonstration in at least one county that will provide medical assistance to pregnant women, together with their infants and children up to one year of age, where the income eligibility standard is set up to 185% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget. The Illinois Department shall seek and obtain necessary authorization provided under federal law to implement such a demonstration. Such demonstration may establish resource standards that are not more restrictive than those established under Article IV of this Code.

6. Persons under the age of 18 who fail to qualify as dependent under Article IV and who have insufficient income and resources to meet the costs of necessary medical care to the maximum extent permitted under Title XIX of the Federal Social Security Act.

7. Persons who are under 21 years of age and would qualify as disabled as defined under the Federal Supplemental Security Income Program, provided medical service for such persons would be eligible for Federal Financial Participation, and provided the Illinois Department determines that:

(a) the person requires a level of care provided by a hospital, skilled nursing facility, or intermediate care facility, as determined by a physician licensed to practice medicine in all its branches;

(b) it is appropriate to provide such care outside of an institution, as determined by a physician licensed to practice medicine in all its branches;

(c) the estimated amount which would be expended for care outside the institution is not greater than the estimated amount which would be expended in an institution.

8. Persons who become ineligible for basic maintenance assistance under Article IV of this Code in programs administered by the Illinois Department due to employment earnings and persons in assistance units comprised of adults and children who become ineligible for basic maintenance assistance under Article VI of this Code due to employment earnings. The plan for coverage for this class of persons shall:

(a) extend the medical assistance coverage for up to 12 months following termination of basic maintenance assistance; and

(b) offer persons who have initially received 6 months of the coverage provided in paragraph (a) above, the option of receiving an additional 6 months of coverage, subject to the following:

(i) such coverage shall be pursuant to provisions of the federal Social Security Act;

(ii) such coverage shall include all services covered while the person was eligible for basic maintenance assistance;

(iii) no premium shall be charged for such coverage; and

(iv) such coverage shall be suspended in the event of a person's failure without good cause to file in a timely fashion reports required for this coverage under the Social

Security Act and coverage shall be reinstated upon the filing of such reports if the person remains otherwise eligible.

9. Persons with acquired immunodeficiency syndrome (AIDS) or with AIDS-related conditions with respect to whom there has been a determination that but for home or community-based services such individuals would require the level of care provided in an inpatient hospital, skilled nursing facility or intermediate care facility the cost of which is reimbursed under this Article. Assistance shall be provided to such persons to the maximum extent permitted under Title XIX of the Federal Social Security Act.

10. Participants in the long-term care insurance partnership program established under the Partnership for Long-Term Care Act who meet the qualifications for protection of resources described in Section 25 of that Act.

11. Persons with disabilities who are employed and eligible for Medicaid, pursuant to Section 1902(a)(10)(A)(ii)(xv) of the Social Security Act, as provided by the Illinois Department by rule.

12. Subject to federal approval, persons who are eligible for medical assistance coverage under applicable provisions of the federal Social Security Act and the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. Those eligible persons are defined to include, but not be limited to, the following persons:

(1) persons who have been screened for breast or cervical cancer under the U.S.

Centers for Disease Control and Prevention Breast and Cervical Cancer Program established under Title XV of the federal Public Health Services Act in accordance with the requirements of Section 1504 of that Act as administered by the Illinois Department of Public Health; and

(2) persons whose screenings under the above program were funded in whole or in part by funds appropriated to the Illinois Department of Public Health for breast or cervical cancer screening.

"Medical assistance" under this paragraph 12 shall be identical to the benefits provided under the State's approved plan under Title XIX of the Social Security Act. The Department must request federal approval of the coverage under this paragraph 12 within 30 days after the effective date of this amendatory Act of the 92nd General Assembly.

13. Subject to appropriation and to federal approval, persons living with HIV/AIDS who are not otherwise eligible under this Article and who qualify for services covered under Section 5-5.04 as provided by the Illinois Department by rule.

14. Subject to the availability of funds for this purpose, the Department may provide coverage under this Article to persons who reside in Illinois who are not eligible under any of the preceding paragraphs and who meet the income guidelines of paragraph 2(a) of this Section and (i) have an application for asylum pending before the federal Department of Homeland Security or on appeal before a court of competent jurisdiction and are represented either by counsel or by an advocate accredited by the federal Department of Homeland Security and employed by a not-for-profit organization in regard to that application or appeal, or (ii) are receiving services through a federally funded torture treatment center. Medical coverage under this paragraph 14 may be provided for up to 24 continuous months from the initial eligibility date so long as an individual continues to satisfy the criteria of this paragraph 14. If an individual has an appeal pending regarding an application for asylum before the Department of Homeland Security, eligibility under this paragraph 14 may be extended until a final decision is rendered on the appeal. The Department may adopt rules governing the implementation of this paragraph 14.

The Illinois Department and the Governor shall provide a plan for coverage of the persons eligible under paragraph 7 as soon as possible after July 1, 1984.

The eligibility of any such person for medical assistance under this Article is not affected by the payment of any grant under the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act or any distributions or items of income described under subparagraph (X) of paragraph (2) of subsection (a) of Section 203 of the Illinois Income Tax Act. The Department shall by rule establish the amounts of assets to be disregarded in determining eligibility for medical assistance, which shall at a minimum equal the amounts to be disregarded under the Federal Supplemental Security Income Program. The amount of assets of a single person to be disregarded shall not be less than \$2,000, and the amount of assets of a married couple to be disregarded shall not be less than \$3,000.

To the extent permitted under federal law, any person found guilty of a second violation of Article VIII A shall be ineligible for medical assistance under this Article, as provided in Section 8A-8.

The eligibility of any person for medical assistance under this Article shall not be affected by the receipt by the person of donations or benefits from fundraisers held for the person in cases of serious illness, as long as neither the person nor members of the person's family have actual control over the

donations or benefits or the disbursement of the donations or benefits.
(Source: P.A. 93-20, eff. 6-20-03; 94-629, eff. 1-1-06.)

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

AMENDMENT NO. 2 TO SENATE BILL 2328

AMENDMENT NO. 2. Amend Senate Bill 2328, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 1, line 5, after "Section 5-2", by inserting "and adding Section 12-4.103a"; and

on page 8, after line 12, by inserting the following:

"(305 ILCS 5/12-4.103a new)

Sec. 12-4.103a. Assets for Independence Program.

(a) Program established. Subject to available funding and receipt of a federal Assets for Independence grant award, the Department of Human Services shall establish and administer an Assets for Independence Program (Program). The Program shall be established in accordance with the terms of the Assets for Independence Act (AFIA) as now and hereafter amended (Title IV Community Opportunities, Accountability, and Training and Educational Services Act as amended, Public Law 105-285, 42 U.S.C. 604 note).

(b) Assets for Independence Fund. The Assets for Independence Fund is established. The Fund shall be held by the Secretary or his or her designee as ex-officio custodian thereof separate and apart from all other State funds. The Assets for Independence Fund is authorized to receive grants under AFIA, State moneys appropriated for the Program, and moneys from voluntary donations from individuals, foundations, corporations, and other sources. Moneys in the Assets for Independence Fund shall not be commingled with other State funds, but they shall be deposited as required by law and maintained in a separate account on the books of a savings and loan association, bank, or other qualified financial institution. All interest earnings on amounts within the Assets for Independence Fund shall accrue to the Assets for Independence Fund and shall be used in accordance with the terms of the AFIA. Administrative expenses related to the Program, including the provision of financial education to Program participants, shall be paid from the Assets for Independence Fund in accordance with the terms of AFIA Section 707(c)(3).

(c) Program purpose. The purpose of the Program is to allow eligible low-income Illinois citizens, subject to the availability of State and federal funds and authorization from the Department, to open and maintain an Individual Development Account (IDA) at a federally insured financial institution. Deposits into an IDA that are used for subsequent qualified purchases shall be matched dollar-for-dollar by moneys from the Assets for Independence Fund. Not more than \$2,000 of moneys from the Assets for Independence Fund shall be provided to any one individual. Not more than \$4,000 of moneys from the Assets for Independence Fund shall be provided to any one household. Assets for Independence Fund moneys not being used to administer the Program shall be used only for qualified purchases, shall be distributed only directly to the vendor of a qualified purchase, and shall require the authorization by signature of the Department's chief financial officer.

(d) Contributions to IDA and use of moneys. An individual may make contributions to his or her IDA only from earned income as defined in Section 911(d)(2) of the Internal Revenue Code of 1986. The moneys deposited into an IDA shall not be commingled with any Assets for Independence Fund moneys. An IDA holder shall have a 36-month period, beginning on the date the Department authorizes the holder to open the IDA, within which to make a qualified purchase. If a qualified purchase is not made within that 36-month period, Assets for Independence Fund moneys earmarked for that individual shall be released, and the Department shall authorize another eligible person to open an IDA. Under no circumstances, and at no time, shall an IDA holder lose the ability to withdraw moneys from his or her IDA.

(e) Qualified purchases. A qualified asset purchase using moneys from an IDA shall be defined in accordance with AFIA Section 404(8) and shall be one or more of the following:

(1) Payment of post-secondary education expenses, if the expenses are paid directly to an eligible educational institution.

(2) Acquisition of a principal residence, if the individual is buying a home for the first time and if the funds are paid directly to the person to whom the amounts required for the purchase are due.

(3) Financing of business capitalization expenses, if the funds are paid directly into a business capitalization account at a federally insured financial institution and are restricted to use solely for qualified business capitalization expenses.

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(f) Program eligibility. Program eligibility shall be established by the Department in accordance with AFIA Section 408. Persons eligible to open an IDA and to receive Assets for Independence Fund moneys are Illinois citizens currently residing in Illinois who are (i) able to demonstrate that they are currently eligible for assistance under the State's Temporary Assistance for Needy Families program or (ii) able to demonstrate that the adjusted gross income of their household in the calendar year preceding the determination of eligibility was equal to or less than 200% of the poverty line, as determined by the Federal Office of Management and Budget. An individual must further demonstrate that the net worth of his or her household, as of the end of the calendar year preceding the determination of eligibility, does not exceed \$10,000, as determined by AFIA Section 408(2)(B). Notwithstanding any other provision of State law, moneys in an Individual Development Account, including accrued interest and matching deposits, shall be disregarded for the purpose of determining the eligibility and benefit levels under this Code in the case of the individual establishing the IDA with respect to any period during which the individual maintains or makes contributions into the IDA. The Department shall approve an individual to open an IDA at a federally insured financial institution upon determining, based on the individual's application, that all eligibility criteria are met and subject to the availability of \$2,000 in Assets for Independence Fund moneys."

AMENDMENT NO. 3 TO SENATE BILL 2328

AMENDMENT NO. 3. Amend Senate Bill 2328, AS AMENDED, by inserting the following between the enacting clause and the introductory clause of Section 5:

"Section 2. The Department of Human Services Act is amended by adding Section 10-50 as follows:
(20 ILCS 1305/10-50 new)

Sec. 10-50. Illinois Steps for Attaining Higher Education through Academic Development Program established. The Illinois Steps for Attaining Higher Education through Academic Development ("Illinois Steps AHEAD") program is established in the Illinois Department of Human Services. Illinois Steps AHEAD shall provide educational services and post-secondary educational scholarships for low-income middle and high school students. Program components shall include increased parent involvement, creative and engaging academic support for students, career exploration programs, college preparation, and increased collaboration with local schools. The Illinois Department of Human Services shall administer the program. The Department shall implement the program only if federal funding is made available for that purpose. All moneys received pursuant to the federal Gaining Early Awareness and Readiness for Undergraduate Programs shall be deposited into the Gaining Early Awareness and Readiness for Undergraduate Programs Fund, a special fund hereby created in the State treasury. Moneys in this fund shall be appropriated to the Department of Human Services and expended for the purposes and activities specified by the federal agency making the grant. All interest earnings on amounts in the Gaining Early Awareness and Readiness for Undergraduate Programs Fund shall accrue to the Gaining Awareness and Readiness for Undergraduate Programs Fund and be used in accordance with 34 C.F.R. 75.703.

Section 3. The State Finance Act is amended by adding Section 5.663 as follows:
(30 ILCS 105/5.663 new)

Sec. 5.663. The Gaining Early Awareness and Readiness for Undergraduate Programs Fund."

Under the rules, the foregoing **Senate Bill No. 2328**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, 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. 2330

A bill for AN ACT concerning State government.

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

House Amendment No. 1 to SENATE BILL NO. 2330

Passed the House, as amended, May 1, 2006.

[May 2, 2006]

AMENDMENT NO. 1 TO SENATE BILL 2330

AMENDMENT NO. 1. Amend Senate Bill 2330 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Blind Vendors Act.

Section 5. Definitions. As used in this Act:

"Blind licensee" means a blind person licensed by the Department to operate a vending facility on State, federal, or other property.

"Blind person" means a person whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses or whose visual acuity, if better than 20/200, is accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an angle of no greater than 20 degrees. In determining whether an individual is blind, there shall be an examination by a physician skilled in diseases of the eye, or by an optometrist, whichever the individual shall select.

"Building" means only the portion of a structure owned or leased by the State or any State agency.

"Cafeteria" means a food dispensing facility capable of providing a broad variety of prepared foods and beverages (including hot meals) primarily through the use of a line where the customer serves himself or herself from displayed selections. A cafeteria may be fully automatic or some limited waiter or waitress service may be available and provided within a cafeteria and table or booth seating facilities are always provided.

"Committee" means the Illinois Committee of Blind Vendors, an independent representative body for blind vendors established by the federal Randolph-Sheppard Act.

"Department" means the Department of Human Services.

"Director" means the Bureau Director of the Bureau for the Blind in the Department of Human Services.

"Federal property" means any structure, land, or other real property owned, leased, or occupied by any department, agency or instrumentality of the United States (including the Department of Defense and the U.S. Postal Service), or any other instrumentality wholly owned by the United States, or by any department or agency of the District of Columbia or any territory or possession of the United States.

"License" means a written instrument issued by the Department to a blind person, authorizing such person to operate a vending facility on State, federal, or other property.

"Net proceeds" means the amount remaining from the sale of articles or services of vending facilities, and any vending machine or other income accruing to blind vendors after deducting the cost of such sale and other expenses (excluding any set-aside charges required to be paid by the blind vendors).

"Normal working hours" means an 8 hour work period between the approximate hours of 8:00 a.m. to 6:00 p.m., Monday through Friday.

"Other property" means property that is not State or federal property and on which vending facilities are established or operated by the use of any funds derived in whole or in part, directly or indirectly, from the operation of vending facilities on any State or federal property.

"Secretary" means the Secretary of Human Services.

"Set-aside funds" means funds that accrue to the Department from an assessment against the net income of each vending facility in the State's vending facility program and any income from vending machines on State or federal property that accrues to the Department.

"State agency" means any department, board, commission, or agency created by the Constitution or Public Act, whether in the executive, legislative, or judicial branch.

"State property" means all property owned, leased, or rented by any State agency. For purposes of this Act, "State property" does not include property owned or controlled by a unit of local government or school district.

"Vending facility" means automatic vending machines, snack bars, cart service, counters, rest areas, and such other appropriate auxiliary equipment that may be operated by blind vendors and that is necessary for the sale of newspapers, periodicals, confections, tobacco products, foods, beverages, and notions dispensed automatically or manually and prepared on or off the premises in accordance with all applicable health laws, and including the vending and payment of any lottery tickets or shares authorized by State law and conducted by a State agency within the State. Vending facility does not include cafeterias, restaurants, or the Department of Corrections' non-vending machine commissaries.

"Vending machine", for the purpose of assigning vending machine income under this Act, means a coin or currency operated machine that dispenses articles or services, except that those machines

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operated by the United States Postal Service for the sale of postage stamps or other postal products and services, machines providing services of a recreational nature, and telephones shall not be considered to be vending machines.

"Vending machine income" means the commissions or fees paid to the State from vending machine operations on State property where the machines are operated, serviced, or maintained by, or with the approval of, a State agency by a commercial or not-for-profit vending concern that operates, services, and maintains vending machines.

"Vendor" means a blind licensee who is operating a vending facility on State, federal, or other property.

Section 10. Business Enterprise Program for the Blind.

(a) The Business Enterprise Program for the Blind is created for the purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting. In order to achieve these goals blind persons licensed under this Act shall be authorized to operate vending facilities on any property within this State as provided by this Act.

It is the intent of the General Assembly that the Randolph-Sheppard Act, 20 USC Sections 107-107f, and the federal regulations for its administration set forth in Part 395 of Title 34 of the Code of Federal Regulations, shall serve as a model for minimum standards for the operation of the Business Enterprise Program for the Blind. The federal Randolph-Sheppard Act provides employment opportunities for individuals who are blind or visually impaired through the Business Enterprise Program for the Blind. Under the Randolph-Sheppard Act, all federal agencies are required to give priority to licensed blind vendors in the operation of vending facilities on federal property. It is the intent of this Act to provide the same priority to licensed blind vendors on State property by requiring State agencies to give priority to licensed blind vendors in the operation of vending facilities on State property and preference to licensed blind vendors in the operation of cafeteria facilities on State property. Furthermore it is the intent of this Act that all State agencies, particularly the Department of Central Management Services, promote and advocate for the Business Enterprise Program for the Blind.

(b) The Secretary, through the Director, shall continue, maintain, and promote the Business Enterprise Program for the Blind. Some or all of the functions of the program may be provided by the Department of Human Services. The Business Enterprise Program for the Blind must provide that:

- (1) priority is given to blind vendors in the operation of vending facilities on State property;
- (2) tie bid preference is given to blind vendors in the operation of cafeterias on State property, unless the cafeteria operations are operated by employees of a State agency;
- (3) vending machine income from all vending machines on State property is assigned as provided for by Section 30 of this Act;
- (4) no State agency may impose any commission, service charge, rent, or utility charge on a licensed blind vendor who is operating a vending facility on State property; and
- (5) vending facilities operated by the Program use reasonable and necessary means and methods to maintain fair market pricing in relation to each facility's given demographic, geographic, and other circumstances.

(c) With respect to vending facilities on federal property within this State, priority shall be given as provided in the federal Randolph-Sheppard Act, 20 USC Sections 107-107f, including any amendments thereto. This Act, as it applies to federal property, is intended to conform to the federal Act, and is to be of no force or effect if, and to the extent that, any provision of this Act or any rule adopted under this Act is in conflict with the federal Act. Nothing in this subsection shall be construed to impose limitations on the operation of vending facilities on State property, or property other than federal property, or to allow only those activities specifically enumerated in the Randolph-Sheppard Act.

(d) The Secretary shall actively pursue all commissions from vending facilities not operated by blind vendors as provided in Section 30 of this Act, and shall propose new placements of vending facilities on State property where a facility is not yet in place.

(e) Partnerships and teaming arrangements between blind vendors and private industry, including franchise operations, shall be fostered and encouraged by the Department.

Section 15. Vending facilities on State property.

(a) In order to ensure that priority is given to blind vendors in the operation of vending facilities on State property as provided in Section 10, the Secretary, directly or by delegation to the Director, and the Committee shall jointly develop rules to ensure the following:

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(1) That priority is given to blind persons licensed under this Act or under its predecessor Act (the Blind Persons Operating Vending Facilities Act 20 ILCS 2420/), including the assignment of vending machine income as provided in this Act.

(2) That one or more vending facilities shall be established on all State property to the extent feasible. Where a larger vending facility is determined by the Director and the Committee to be infeasible, every effort shall be made to place vending machines on the property whenever possible. The Director and the Committee shall take into account the following criteria when determining whether establishment of a vending facility is feasible:

(A) the number of State employees, visitors, and other potential facility customers on the property in a given period;

(B) the size, in square feet, of the area owned, leased, occupied, or otherwise controlled by the State;

(C) the duration the property is expected to be leased or occupied by the State;

(D) whether establishment of a vending facility would adversely affect the interests of the State; and

(E) the likelihood that the vending facility would produce an adequate net income for a blind vendor as determined by the average income of all blind vendors in the State.

(b) Any determination by the Director, or by the State agency controlling the property, that the placement or operation of a vending facility is not feasible, or that the placement or operation would adversely affect the interests of the State shall be in writing and shall be transmitted to the Committee for review and ratification or rejection.

(c) The Secretary, through the Director, subject to the rules developed and adopted pursuant to subsection (a) of this Section and the requirements of federal law and regulations, is authorized to select a location for a vending facility and the type of facility to be provided.

(d) Beginning January 1, 2007, all State agencies that:

(1) undertake to acquire any property, in whole or in part, by ownership, rent, or lease, or that undertake to relocate to any property, shall request a determination from the Director or his or her designee as to whether the new property includes a satisfactory site or sites for the location and operation of a blind vendor vending facility; or

(2) undertake to occupy a building that is to be constructed, substantially altered, or renovated, or in the case of a building that is already occupied by the State agency, undertake to substantially alter or renovate that building for use by the State agency;

shall request a determination from the Director or his or her designee as to whether that building includes a satisfactory site or sites for the location and operation of a blind vendor vending facility.

Upon receiving a request for a determination under this subsection (d), the Director or his or her designee and the Committee shall have 10 days in which to notify that requesting State agency as to whether the new property or building is satisfactory or not satisfactory for the operation of a blind vendor vending facility. A site shall be deemed to be a satisfactory site by examining the potential customer base, including, but not limited to, State employees, State contractual employees, and the general public. The determination shall be based upon a site survey or any other reasonable means enabling an accurate assessment of the location. If the property has an existing private vendor, bottler, or vending machine operator, then the property shall be presumed to be a satisfactory site. If the Director, in consultation with the Committee, determines that the number of people using the location is or will be insufficient to support a vending facility, then the Director shall determine the property to be not satisfactory.

Upon a determination by the Director or his or her designee and the Committee that the new property or building is satisfactory for the operation of a blind vendor vending facility, the Director, in consultation with the head of the State agency and in accordance with the rules developed pursuant to subsection (a), shall inform the agency to comply with the priority established for the operation of vending facilities by blind persons under this Act.

(e) All State agencies shall fully cooperate with the Department to ensure that priority is given to blind vendors in the operation of vending facilities on State property. This includes notifying the Department prior to the expiration of existing contracts or agreements for vending facilities or when such contracts or agreements are considered for renewal options. The notification must be given, when feasible, no later than 6 months prior to the potential expiration or renewal of the existing vending facility contract or agreement.

Section 20. Other vending facilities. The governing body of any unit of local government or school board owning property or persons or entities owning or controlling private property are authorized and encouraged to construct or install on the property, or permit the construction or installation of, vending facilities for operation by blind persons licensed under this Act. In constructing or installing these vending facilities, the amount of space allotted for this purpose should be sufficient to adequately serve the number of persons at the site and to provide the kind of services to be rendered.

Section 25. Set-aside funds; Blind Vendors Trust Fund.

(a) The Department may provide, by rule, for set-asides similar to those provided in Section 107d-3 of the Randolph-Sheppard Act. If any funds are set aside, or caused to be set aside, from the net proceeds of the operation of vending facilities by blind vendors, the funds shall be set aside only to the extent necessary in a percentage amount not to exceed that determined jointly by the Director and the Committee and published in State rule, and that these funds may be used only for the following purposes: (1) maintenance and replacement of equipment; (2) purchase of new equipment; (3) construction of new vending facilities; (4) funding the functions of the Committee, including legal and other professional services; and (5) retirement or pension funds, health insurance, paid sick leave, and vacation time for blind licensees, so long as these benefits are approved by a majority vote of all Illinois licensed blind vendors that occurs after the Department provides these vendors with information on all matters relevant to these purposes.

(b) No set-aside funds shall be collected from a blind vendor when the monthly net proceeds of that vendor are less than \$1,000. This amount may be adjusted annually by the Director and the Committee to reflect changes in the cost of living.

(c) The Department shall establish, with full participation by the Committee, the Blind Vendors Trust Fund as a separate account managed by the Department for the State's blind vendors.

(d) Set-aside funds collected from the operation of all vending facilities administered by the Business Enterprise Program for the Blind shall be placed in the Blind Vendors Trust Fund, which shall include set-aside funds from facilities on federal property. The Fund must provide separately identified sub-accounts for moneys from (i) federal and (ii) State and other facilities, as well as vending machine income generated pursuant to Section 30 of this Act. These funds shall be available until expended and shall not revert to the General Revenue Fund or to any other State account.

(e) It is the intent of the General Assembly that the expenditure of set-aside funds authorized by this Section shall be supplemental to any current appropriation or other moneys made available for these purposes and shall not constitute an offset of any previously existing appropriation or other funding source. In no way shall this imply that the appropriation for the Blind Vendors Program may never be decreased, rather that the new funds shall not be used as an offset.

(f) An amount equal to 10% of the wages paid by a blind vendor to any employee who is blind or otherwise disabled shall be deducted from any set-aside charge paid by the vendor each month, in order to encourage vendors to employ blind and disabled workers and to set an example for industry and government. No deduction shall be made for any employee paid less than the State or federal minimum wage.

Section 30. Vending machine income and compliance.

(a) After July 1, 2007, all vending machine income, as defined by this Act, from vending machines on State property shall accrue to (1) the blind vendor operating the vending facilities on the property or (2) in the event there is no blind vendor operating a facility on the property, to the Blind Vendors Trust Fund for use exclusively as set forth in subsection (a) of Section 25 of this Act.

(b) The Secretary, directly or by delegation of authority, shall ensure compliance with this Section and Section 15 of this Act with respect to buildings, installations, facilities, roadside rest stops, and any other State property, and shall be responsible for the collection of, and accounting for, all vending machine income on this property. The Secretary shall enforce these provisions through litigation, arbitration, or any other legal means available to the State, and each State agency in control of this property shall be subject to the enforcement. State agencies or departments failing to comply with an order of the Department may be held in contempt in any court of general jurisdiction.

(c) Any limitation on the placement or operation of a vending machine by a State agency based on a determination that such placement or operation would adversely affect the interests of the State must be explained in writing to the Secretary. The Secretary shall promptly determine whether the limitation is justified. If the Secretary determines that the limitation is not justified, the State agency seeking the limitation shall immediately remove the limitation.

(d) The amount of vending machine income accruing from vending machines on State property that

may be used for the functions of the Committee shall be determined annually by a two-thirds vote of the Committee, except that no more than 25% of the annual vending machine income may be used by the Committee for this purpose, based upon the income accruing to the Blind Vendors Trust Fund in the preceding year. The Committee may establish its budget and expend funds through contract or otherwise without the approval of the Department.

Section 40. Licenses.

(a) Licenses shall be issued only to blind persons who are qualified to operate vending facilities. The continuing eligibility of a vendor as a blind person shall be reviewed biennially for partially sighted individuals or whenever the Director has information indicating the vendor is no longer blind as defined under this Act.

(b) Following agreement by the Secretary, the Director, and the Committee, the Secretary shall adopt and publish rules providing for (1) the requirements for licensure as a blind vendor; (2) a curriculum for training, in-service training, and upward mobility training for blind vendors; and (3) a regular schedule for offering the training, classes to be offered at least once per year.

(c) Each license issued pursuant to this Section shall be for an indefinite period as described by rule. The license of a blind vendor may be terminated or suspended for good cause, but only after affording the licensee an opportunity for a full and fair hearing in accordance with the provisions of this Act.

Section 45. Committee of Blind Vendors.

(a) The Secretary, through the Director, shall provide for the biennial election of the Committee, which shall be fully representative of all blind licensees in the State. There shall be no fewer than one Committee member for each 15 licensed blind vendors in the State.

(b) The Committee is empowered to hire staff; contract for consultants including, but not limited to, legal counsel; set agendas and call meetings; create a constitution and bylaws, subcommittees, and budgets; and do any other thing a not-for-profit organization may do through the use of the Blind Vendors Trust Fund. At the discretion of the Committee major issues may be referred for initial consideration to a subcommittee, or to all blind vendors in order to ascertain their views.

(c) The Secretary shall ensure that the Committee jointly participates with the State in the development and implementation of all policies, plans, program development, and major administrative and management decisions affecting the Business Enterprise Program for the Blind. The Secretary, through the Director, shall provide to the Committee all relevant financial information and data, including quarterly and annual financial reports, on the operation of the vending facility program in order that the Committee may fully participate in budget development and formulation, the establishment of set-aside levels, and other program requirements. A copy of all completed audits, reports, and investigations affecting the Business Enterprise Program for the Blind shall be distributed to the Committee in a timely manner. Any implementation of changes in administrative policy or program development that are within the discretion of the Department shall occur only after Committee review.

Section 50. Hearings; arbitration.

(a) Any blind vendor dissatisfied with any act or omission arising from the operation or administration of the vending facility program may submit to the Secretary a request for a full evidentiary hearing. This hearing shall be provided in a timely manner by the Department. Damages, including compensatory damages, attorney's fees, and expenses, must be paid to any operator who prevails in the full evidentiary hearing; however, payment of damages may not be paid from any program funds, the Blind Vendors Trust Fund, or federal rehabilitation funds. If the blind vendor is dissatisfied with any action taken or decision rendered as a result of the hearing, that vendor may file a complaint for arbitration with the Secretary.

(b) If the Secretary determines that any State agency has failed to comply with the requirements of this Act, the Secretary must establish a panel to arbitrate the dispute and the decision of the panel shall be final and binding on the parties. Any arbitration panel convened by the Secretary shall be composed of 3 members, appointed as follows:

(1) one individual appointed by the Secretary;

(2) one individual appointed by the State agency determined by the Secretary to be in noncompliance with the Act; and

(3) one individual, who shall serve as chairperson, jointly designated by the members appointed under items (1) and (2); provided that, if within 30 days following the Secretary's determination of noncompliance either party fails to appoint a panel member, or if the parties are unable to agree on the appointment of the chairperson, the Secretary shall select the final panel

member or may designate a hearing officer of the Department who shall preside.

(c) The Secretary may issue a letter of reprimand to a blind vendor who violates program rules or policy. Depending upon the seriousness of the alleged violation, the letter of reprimand may indicate the intention to suspend or terminate the license of the vendor. All reprimand letters shall be sent in a medium accessible by the vendor, and shall be sent by certified mail, return receipt requested. The Secretary must make every reasonable effort to assist the subject vendor to correct the problem for which the vendor is reprimanded. No process to suspend or terminate a license shall be initiated before the vendor is accorded the opportunity for a full evidentiary hearing as provided under subsection (a). A vendor may be summarily removed from a facility only in an emergency.

Section 60. General provisions.

(a) Blind vendors operating vending facilities are subject to the applicable license or permit requirements of the county or municipality in which the facility is located necessary for the conduct of their business.

(b) Vendors licensed pursuant to this Act are authorized to keep guide animals with them while operating vending facilities subject to public health laws and rules.

(c) The Secretary, Director, and the Committee shall cooperate in the development of rules to be promulgated by the Department regarding life standards for vending facility equipment. Such rules shall include, but are not limited to, the life expectancy of equipment; time periods within which equipment should be replaced; exceptions to the replacement time periods for equipment with no service problem history; and replacement schedules for equipment subject to excessive failures not the fault of the vendor.

(d) The Secretary, through the Director, shall assign adequate personnel to carry out duties related to the administration and management of this Act. In selecting personnel to fill any program position under this subsection, the Secretary shall ensure that the Committee has full advance opportunity to review the selections, to submit comments thereon, and to assess the adequacy of staffing levels for the program.

(e) The Secretary shall provide each vendor access to: all financial information, his or her performance ratings, and all other individual personnel documents and data maintained by the Department. This includes providing each vendor a written copy of all rules and policies adopted pursuant to this Act. Upon request, the information shall be furnished in the medium most accessible by the vendor.

(f) The surviving spouse of a current Illinois licensed blind vendor who dies may continue to operate the facility for a period of 6 months following the death of the vendor, provided that the surviving spouse is qualified by experience or training to manage the facility.

(g) The Secretary shall, by rule, require licensed blind vendors to obtain additional training to operate a blind vending facility for State property determined by a State agency to be high security property.

Section 65. Program rules.

(a) The Secretary shall promulgate and adopt necessary rules, and do all things necessary and proper to carry out this Act. The Secretary by delegation shall review these rules with the Committee at least every 3 years.

(b) The rules shall include, but are not limited to, the following: (1) uniform procedures for vendor licensing and termination; (2) criteria and standards for selecting vendors and matching them to facilities to ensure that the most qualified person is selected; (3) equipment life standards and service standards for the inventory, repair, and purchase of equipment; (4) minimum requirements for the establishment of a vending facility; (5) standards for training, in-service training, and upward mobility; and (6) policies and procedures for the collection, deposit, reimbursement, and use of all program income, including vending machine income.

Section 70. Property Survey and Report.

(a) The Department shall survey and report on State property and vending facilities not later than December 31, 2007. The report shall contain the following information:

(1) A list of all State property or other property within the State that does or

reasonably could accommodate a vending facility as provided for in this Act or as provided for in the federal Randolph-Sheppard Act.

(2) For the buildings or locations that have vending facilities or vending machines in place, an indication of the facilities operated by licensed blind vendors under the Business Enterprise Program for the Blind and an indication of the facilities operated by private entities.

(3) For the vending facilities or vending machines operated by private entities, an

indication of the facilities from which commissions for the Business Enterprise Program for the Blind have been or are being collected.

(4) For the buildings or other property that do not have vending facilities in place, an indication of the locations where a vending facility could appropriately be placed, or the reasons why a vending facility is not feasible in the building or property.

(b) The Department shall obtain all available information and conduct a survey, before June 30 of every odd-numbered year after the effective date of this Act. This survey shall identify but not be limited to the following information:

(1) The number and identity of the buildings owned, leased, acquired, or occupied by the State.

(2) The number and identity of the State buildings where vending facilities or vending machines are located.

(3) The number of employees located in or visiting these buildings during normal working hours.

(4) The usable interior square footage of the building; and

(5) Any other information the Department may determine to be useful in expanding the Business Enterprise Program for the Blind to the maximum extent feasible consistent with the purposes of this Act.

(c) All State agencies controlling State property or parts thereof where vending machines or vending facilities are located must cooperate with the Department by providing information on the vending machines or facilities at those locations. This information shall include, but is not limited to, the terms of contracts for vending, including financial terms, and the disbursement practices for vending machine income. The Department shall incorporate this information in its reports and updates.

(d) The Department shall use the reports and updates mandated by this Section to develop greater opportunities for the placement of blind vendors, to increase vending machine income to the program, and to aid in establishing vending machines and facilities on State property.

(e) The reports and surveys prepared pursuant to this Section shall be provided to the Committee and to the appropriate committees of the General Assembly.

(20 ILCS 2420/Act rep.)

Section 90. The Blind Persons Operating Vending Facilities Act is repealed."

Under the rules, the foregoing **Senate Bill No. 2330**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, 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. 3018

A bill for AN ACT concerning criminal law.

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. 3018

Passed the House, as amended, May 1, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 2 TO SENATE BILL 3018

AMENDMENT NO. 2. Amend Senate Bill 3018 on page 3, by deleting lines 21 through 26; and

on page 3, line 27, by replacing "(ii)" with "(i)"; and

on page 3, line 30, by replacing "(iii)" with "(ii)"; and

on page 4, line 6, by inserting "residential" after "providing"; and

[May 2, 2006]

on page 5, by replacing lines 2 and 3 with the following:

"person with a disability who is in a residential program operated or supervised by a community agency."; and

on page 5, by replacing lines 12 and 13 with the following:

"in a residential program operated or supervised by a community agency."

Under the rules, the foregoing **Senate Bill No. 3018**, with House Amendment No. 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has adopted the following House Joint Resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE JOINT RESOLUTION NO. 124

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that when the House of Representatives adjourns on Wednesday, April 19, 2006, it stand adjourned until Tuesday, April 25, 2006 at 1:00 o'clock p.m.; and when the Senate adjourned on Thursday, April 13, 2006, it stands adjourned until Thursday, April 20, 2006, in perfunctory session; and when it adjourns on that day, it stands adjourned until Thursday, April 27, 2006, in perfunctory session; and when it adjourns on that day, it stands adjourned until Tuesday, May 2, 2006 at 12:00 o'clock noon.

Adopted by the House, April 19, 2006.

MARK MAHONEY, Clerk of the House

By unanimous consent, on motion of Senator Viverito, the foregoing message reporting House Joint Resolution No. 124 was taken up for immediate consideration.

Senator Viverito moved that the Senate concur with the House in the adoption of the resolution.

The motion prevailed.

And the Senate concurred with the House in the adoption of the resolution.

Ordered that the Secretary inform the House of Representatives thereof.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has adopted the following House Joint Resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE JOINT RESOLUTION NO. 126

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that when the House of Representatives adjourns on Wednesday, April 26, 2006, it stands adjourned until Monday, May 1, 2006 at 4:00 o'clock p.m.; and when the Senate adjourned on Thursday, April 13, 2006, it stands adjourned until Tuesday, May 2, 2006 at 12:00 o'clock noon.

Adopted by the House, April 26, 2006.

MARK MAHONEY, Clerk of the House

By unanimous consent, on motion of Senator Viverito, the foregoing message reporting House Joint Resolution No. 126 was taken up for immediate consideration.

Senator Viverito moved that the Senate concur with the House in the adoption of the resolution.

The motion prevailed.

And the Senate concurred with the House in the adoption of the resolution.

Ordered that the Secretary inform the House of Representatives thereof.

[May 2, 2006]

A message from the House by

Mr. Mahoney, 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. 1089

A bill for AN ACT concerning transportation.

Passed the House, May 1, 2006.

MARK MAHONEY, Clerk of the House

JOINT ACTION MOTIONS FILED

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

Motion to Concur in House Amendments 1 and 3 to Senate Bill 17
 Motion to Concur in House Amendment 1 to Senate Bill 49
 Motion to Concur in House Amendment 1 to Senate Bill 94
 Motion to Concur in House Amendment 1 to Senate Bill 585
 Motion to Concur in House Amendment 1 to Senate Bill 859
 Motion to Concur in House Amendment 1 to Senate Bill 861
 Motion to Concur in House Amendment 1 to Senate Bill 1183
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 1445
 Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 1682
 Motion to Concur in House Amendment 2 to Senate Bill 2170
 Motion to Concur in House Amendment 2 to Senate Bill 2199
 Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 2328
 Motion to Concur in House Amendment 1 to Senate Bill 2330
 Motion to Concur in House Amendment 1 to Senate Bill 2487
 Motion to Concur in House Amendments 1 and 3 to Senate Bill 2570
 Motion to Concur in House Amendment 1 to Senate Bill 2673
 Motion to Concur in House Amendment 1 to Senate Bill 2726
 Motion to Concur in House Amendment 1 to Senate Bill 2841
 Motion to Concur in House Amendment 1 to Senate Bill 3016
 Motion to Concur in House Amendment 2 to Senate Bill 3018
 Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 3086

COMMITTEE MEETING ANNOUNCEMENT

Senator Hunter, Chairperson of the Committee on Appropriations III, announced that the Appropriations I, Appropriations II and Appropriations III Committees will meet today in Room 212, at 3:00 o'clock p.m.

Senator Link announced a Democrat Caucus to begin immediately upon recess.

Senator Burzynski announced a Republican Caucus to begin immediately upon recess.

At the hour of 12:26 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 6:10 o'clock p.m., the Senate resumed consideration of business.
 Senator Halvorson, presiding.

[May 2, 2006]

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

EMIL JONES, JR.
SENATE PRESIDENT

327 STATE CAPITOL
Springfield, Illinois 62706

May 2, 2006

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

Dear Madam Secretary:

Pursuant to Rule 3-5(c), I hereby appoint Senator Debbie Halvorson to replace Senator Rickey Hendon as a member of the Rules Committee. This appointment is effective immediately.

Very truly yours,
s/Emil Jones, Jr.
President

cc: Senate Minority Leader Frank Watson

COMMUNICATION FROM MINORITY LEADER

ILLINOIS STATE SENATE
FRANK C. WATSON
STATE SENATOR
51ST SENATE DISTRICT

May 2, 2006

Linda Hawker
Secretary of the Senate
401 State House
Springfield, Illinois 62706

Dear Madam Secretary:

Pursuant to the provisions of Senate Rule 3-5(b) and (c), I am hereby appointing Senator Brad Burzynski to replace Senator Ed Petka as a minority spokesperson of the Senate Rules Committee. This appointment shall take effective immediately.

Sincerely,
s/Frank Watson
Senate Republican Leader

cc: Senate President Emil Jones
Senator Burzynski
Assistant Secretary of the Senate Scott Kaiser

PRESENTATION OF RESOLUTIONS

[May 2, 2006]

SENATE RESOLUTION 742

Offered by Senator Clayborne and all Senators:
Mourns the death of Paul M. Haas of Belleville.

SENATE RESOLUTION 743

Offered by Senator Petka and all Senators:
Mourns the death of the Honorable Judge Barbara J. Badger of New Lenox.

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

MESSAGES FROM THE HOUSE

A message from the House by
Mr. Mahoney, 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. 304

A bill for AN ACT concerning government.

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

House Amendment No. 1 to SENATE BILL NO. 304

Passed the House, as amended, May 2, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 304

AMENDMENT NO. 1. Amend Senate Bill 304 by replacing everything after the enacting clause with the following:

"Section 5. The Residential Real Property Disclosure Act is amended by changing Section 70 as follows:

(765 ILCS 77/70)

Sec. 70. Predatory lending database pilot program.

(a) As used in this Article:

"Borrower" means a person seeking a mortgage loan.

"Broker" means a "broker" or "loan broker", as defined in subsection (p) of Section 1-4 of the Residential Mortgage License Act of 1987.

"Closing agent" means an individual assigned by a title insurance company or a broker or originator to ensure that the execution of documents related to the closing of a real estate sale or the refinancing of a real estate loan and the disbursement of closing funds are in conformity with the instructions of the entity financing the transaction.

"Department" means the Department of Financial and Professional Regulation.

"Exempt person" means that term as it is defined in subsections (d)(1) and (d)(1.5) of Section 1-4 of the Residential Mortgage License Act of 1987.

"Lender" means that term as it is defined in subsection (g) of Section 1-4 of the Residential Mortgage License Act.

"Licensee" means that term as it is defined in subsection (e) of Section 1-4 of the Residential Mortgage License Act of 1987.

"Mortgage loan" means that term as it is defined in subsection (f) of Section 1-4 of the Residential Mortgage License Act of 1987.

"Originator" means a "loan originator" as defined in subsection (hh) of Section 1-4 of the Residential Mortgage License Act of 1987, except an exempt person.

"Pilot program area" means all areas within Cook County designated as such by the Department due to the high rate of foreclosure on residential home mortgages that is primarily the result of predatory lending practices. The Department shall designate the pilot program area within 30 days after the effective date of this amendatory Act of the 94th General Assembly.

"Title insurance company" means any domestic company organized under the laws of this State for

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the purpose of conducting the business of guaranteeing or insuring titles to real estate and any title insurance company organized under the laws of another State, the District of Columbia, or a foreign government and authorized to transact the business of guaranteeing or insuring titles to real estate in this State.

(a-5) Inception date. The Secretary of Financial and Professional Regulation shall declare in writing the date of inception of the pilot program. The inception date shall be no later than September 1, 2006, and shall be at least 30 days after the date the Secretary issues a declaration establishing that date. The Secretary's declaration shall be posted on the Department's website, and the Department shall communicate the declaration to affected licensees of the Department. Until the inception date, none of the duties, obligations, contingencies, or consequences of or from the pilot program shall be imposed. The pilot program shall apply to all mortgage applications that are governed by this Article and that are made or taken on or after the inception of the pilot program.

(b) A predatory lending database pilot program is established within the pilot program area, effective upon the inception date established by the Secretary of the Department. The pilot program shall be in effect and operational continue for a total of 4 years after its creation and shall be administered in accordance with Article 3 of this Act. The database created under this program shall be maintained and administered by the Department. The database shall be designed to allow brokers, originators, credit counselors, title insurance companies, and closing agents to submit information to the database online. The database shall not be designed to allow those entities to retrieve information from the database, except as otherwise provided in this Article. Information submitted by the broker or originator to the Department may be used to populate the online form submitted by a credit counselor, title insurance company, or closing agent.

(c) Within 10 days after taking a mortgage application, the broker or originator for any mortgage on residential property within the pilot program area must submit to the predatory lending database all of the information required under Section 72 and any other information required by the Department by rule. Within 7 days after receipt of the information, the Department shall compare that information to credit counseling standards developed by the Department by rule and issue to the borrower and the broker or originator a determination of whether credit counseling is recommended for the borrower. The borrower may not waive credit counseling. If at any time after submitting the information required under Section 72 the broker or originator (i) changes the terms of the loan or (ii) issues a new commitment to the borrower, then, within 5 days thereafter, the broker or originator shall re-submit all of the information required under Section 72 and, within 4 days after receipt of the information re-submitted by the broker or originator, the Department shall compare that information to credit counseling standards developed by the Department by rule and shall issue to the borrower and the broker or originator a new determination of whether credit counseling is recommended for the borrower based on the information re-submitted by the broker or originator.

(d) If the Department recommends credit counseling for the borrower under subsection (c), then the Department shall notify the borrower of all HUD-certified counseling agencies located within the State and direct the borrower to interview with a counselor associated with one of those agencies. Within 10 days after receipt of the notice of HUD-certified counseling agencies, the borrower shall select one of those agencies and shall engage in an interview with a counselor associated with that agency. Within 7 days after interviewing the borrower, the credit counselor must submit to the predatory lending database all of the information required under Section 74 and any other information required by the Department by rule. Any costs associated with credit counseling provided under the pilot program shall be paid by the broker or originator. A credit counselor who in good faith provides counseling services shall not be liable to a broker or originator for civil damages, except for willful or wanton misconduct on the part of the counselor in providing the counseling services.

(e) The broker or originator and the borrower may not take any legally binding action concerning the loan transaction until the later of the following:

(1) the Department issues a determination not to recommend credit counseling for the borrower in accordance with subsection (c); or

(2) the Department issues a determination that credit counseling is recommended for the borrower and the credit counselor submits all required information to the database in accordance with subsection (d).

(f) Within 10 days after closing, the title insurance company or closing agent must submit to the predatory lending database all of the information required under Section 76 and any other information required by the Department by rule.

(g) The ~~Upon recording the mortgage, the~~ title insurance company or closing agent shall attach to the mortgage ~~must simultaneously file with the recorder~~ a certificate of its compliance with the requirements

of this Article, as generated by the database. If the title insurance company or closing agent fails to attach ~~file~~ the certificate of compliance, then the mortgage is not recordable. In addition, if any lis pendens for a residential mortgage foreclosure is recorded on the property within the pilot program area, a certificate of service must be simultaneously recorded that affirms that a copy of the lis pendens was filed with the Department. If the certificate of service is not recorded, then the lis pendens pertaining to the residential mortgage foreclosure in question is not recordable and is of no force and effect.

(h) All information provided to the predatory lending database under the program is confidential and is not subject to disclosure under the Freedom of Information Act, except as otherwise provided in this Article. Any borrower may authorize in writing the release of database information. The Department may use the information in the database without the consent of the borrower: (i) for the purposes of administering and enforcing the pilot program; (ii) to provide relevant information to a credit counselor providing credit counseling to a borrower under the pilot program; or (iii) to the appropriate law enforcement agency or the applicable administrative agency if the database information demonstrates criminal, fraudulent, or otherwise illegal activity.

(i) Nothing in this Article is intended to prevent a borrower from making his or her own decision as to whether to proceed with a transaction.

(j) Any person who violates any provision of this Article commits an unlawful practice within the meaning of the Consumer Fraud and Deceptive Business Practices Act.

(k) Not later than one year after the Department designates the pilot program area and annually thereafter during the existence of the pilot program, the Department shall report to the Governor and to the General Assembly concerning its administration and the effectiveness of the pilot program.

(Source: P.A. 94-280, eff. 1-1-06)."

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

Under the rules, the foregoing **Senate Bill No. 304**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, 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. 630

A bill for AN ACT concerning State government.

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

House Amendment No. 1 to SENATE BILL NO. 630

Passed the House, as amended, May 2, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 630

AMENDMENT NO. 1. Amend Senate Bill 630 by replacing everything after the enacting clause with the following:

"Section 5-87. The Whistleblower Reward and Protection Act is amended by changing Section 3 as follows:

(740 ILCS 175/3) (from Ch. 127, par. 4103)

Sec. 3. False claims.

(a) Liability for certain acts. Any person who:

(1) knowingly presents, or causes to be presented, to an officer or employee of the State or a member of the Guard a false or fraudulent claim for payment or approval;

(2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the State;

(3) conspires to defraud the State by getting a false or fraudulent claim allowed or paid;

(4) has possession, custody, or control of property or money used, or to be used, by the State and, intending to defraud the State or willfully to conceal the property, delivers, or causes to

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be delivered, less property than the amount for which the person receives a certificate or receipt;

(5) authorized to make or deliver a document certifying receipt of property used, or to be used, by the State and, intending to defraud the State, makes or delivers the receipt without completely knowing that the information on the receipt is true;

(6) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the State, or a member of the Guard, who lawfully may not sell or pledge the property; or

(7) knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the State, is liable to the State for a civil penalty of not less than ~~\$5,500~~ ~~\$5,000~~ and not more than ~~\$10,000~~ \$11,000, plus 3 times the amount of damages which the State sustains because of the act of that person. A person violating this subsection (a) shall also be liable to the State for the costs of a civil action brought to recover any such penalty or damages.

(b) Knowing and knowingly defined. As used in this Section, the terms "knowing" and "knowingly" mean that a person, with respect to information:

- (1) has actual knowledge of the information;
- (2) acts in deliberate ignorance of the truth or falsity of the information; or
- (3) acts in reckless disregard of the truth or falsity of the information, and no proof of specific intent to defraud is required.

(c) Claim defined. As used in this Section, "claim" includes any request or demand, whether under a contract or otherwise, for money or property which is made to a contractor, grantee, or other recipient if the State provides any portion of the money or property which is requested or demanded, or if the State will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.

(d) Exclusion. This Section does not apply to claims, records, or statements made under the Illinois Income Tax Act.

(Source: P.A. 87-662.)

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

Under the rules, the foregoing **Senate Bill No. 630**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, 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. 1625

A bill for AN ACT concerning State government.

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

House Amendment No. 1 to SENATE BILL NO. 1625

House Amendment No. 4 to SENATE BILL NO. 1625

Passed the House, as amended, May 2, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1625

AMENDMENT NO. 1. Amend Senate Bill 1625 by replacing everything after the enacting clause with the following:

"Section 5. Short title. This Act may be cited as the Southern Illinois Economic Development Authority Act.

Section 10. Findings. The General Assembly determines and declares the following:

- (1) that labor surplus areas currently exist in southern Illinois;
- (2) that the economic burdens resulting from involuntary unemployment fall, in part, upon the State in the form of increased need for public assistance and reduced tax revenues and, in the event that the

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unemployed worker and his or her family migrate elsewhere to find work, the burden 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;

(3) 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 and service businesses and industrial and manufacturing plants within the southern region of Illinois;

(4) that a lack of decent housing contributes to urban blight, crime, anti-social behavior, disease, a higher need for public assistance, reduced tax revenues, and the migration of workers and their families away from areas which fail to offer adequate, decent, and affordable housing;

(5) that decent, affordable housing is a necessary ingredient of life affording each citizen basic human dignity, a sense of self-worth, confidence, and a firm foundation upon which to build a family and educate children;

(6) that in order to foster civic and neighborhood pride, citizens require access to educational institutions, recreation, parks and open spaces, entertainment, sports, a reliable transportation network, cultural facilities, and theaters; and

(7) that the main purpose of this Act is to promote industrial, commercial, residential, service, transportation, and recreational activities and facilities, thereby reducing the evils attendant upon unemployment and enhancing the public health, safety, morals, happiness, and general welfare of the State.

Section 15. Definitions. In this Act:

"Authority" means the Southern Illinois Economic Development Authority.

"Governmental agency" means any federal, State, or local governmental body and any agency or instrumentality thereof, corporate or otherwise.

"Person" means any natural person, firm, partnership, corporation, both domestic and foreign, company, association or joint stock association and includes any trustee, receiver, assignee or personal representative thereof.

"Revenue bond" means any bond issued by the Authority, the principal and interest of which is payable solely from revenues or income derived from any project or activity of the Authority.

"Board" means the Board of Directors of the Southern Illinois Economic Development Authority.

"Governor" means the Governor of the State of Illinois.

"City" means any city, village, incorporated town, or township within the geographical territory of the Authority.

"Industrial project" means the following:

(1) a capital project, including one or more buildings and other structures, improvements, machinery and equipment whether or not on the same site or sites now existing or hereafter acquired, suitable for use by any manufacturing, industrial, research, transportation or commercial enterprise including but not limited to use as a factory, mill, processing plant, assembly plant, packaging plant, fabricating plant, ethanol plant, office building, industrial distribution center, warehouse, repair, overhaul or service facility, freight terminal, research facility, test facility, railroad facility, port facility, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or waste reduction, recovery, treatment and disposal facilities, and including also the sites thereof and other rights in land therefore whether improved or unimproved, site preparation and landscaping and all appurtenances and facilities incidental thereto such as utilities, access roads, railroad sidings, truck docking and similar facilities, parking facilities, dockage, wharfage, railroad roadbed, track, trestle, depot, terminal, switching and signaling equipment or related equipment and other improvements necessary or convenient thereto; or

(2) any land, buildings, machinery or equipment comprising an addition to or renovation, rehabilitation or improvement of any existing capital project.

"Commercial project" means any project, including, but not limited to, one or more buildings and other structures, improvements, machinery, and equipment, whether or not on the same site or sites now existing or hereafter acquired, suitable for use by any retail or wholesale concern, distributorship, or agency.

"Project" means an industrial, housing, residential, commercial, or service project, or any combination thereof, provided that all uses fall within one of the categories described above. Any project automatically includes all site improvements and new construction involving sidewalks, sewers, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or waste reduction, recovery, treatment and disposal facilities, parks, open spaces, wildlife sanctuaries,

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streets, highways, and runways.

"Lease agreement" means an agreement in which a project acquired by the Authority by purchase, gift, or lease is leased to any person or corporation that will use, or cause the project to be used, as a project, upon terms providing for lease rental payments at least sufficient to pay, when due, all principal of and interest and premium, if any, on any bonds, notes, or other evidences of indebtedness of the Authority, issued with respect to the project, providing for the maintenance, insurance, and operation of the project on terms satisfactory to the Authority and providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, with other terms as may be deemed desirable by the Authority.

"Loan agreement" means any agreement in which the Authority agrees to loan the proceeds of its bonds, notes, or other evidences of indebtedness, issued with respect to a project, to any person or corporation which will use or cause the project to be used as a project, upon terms providing for loan repayment installments at least sufficient to pay, when due, all principal of and interest and premium, if any, on any bonds, notes, or other evidences of indebtedness of the Authority issued with respect to the project, providing for maintenance, insurance, and operation of the project on terms satisfactory to the Authority and providing for other terms deemed advisable by the Authority.

"Financial aid" means the expenditure of Authority funds or funds provided by the Authority for the development, construction, acquisition or improvement of a project, through the issuance of revenue bonds, notes, or other evidences of indebtedness.

"Costs incurred in connection with the development, construction, acquisition or improvement of a project" means the following:

(1) the cost of purchase and construction of all lands and improvements in connection therewith and equipment and other property, rights, easements, and franchises acquired which are deemed necessary for the construction;

(2) financing charges;

(3) interest costs with respect to bonds, notes, and other evidences of indebtedness of the Authority prior to and during construction and for a period of 6 months thereafter;

(4) engineering and legal expenses; and

(5) the costs of plans, specifications, surveys, and estimates of costs and other expenses necessary or incident to determining the feasibility or practicability of any project, together with such other expenses as may be necessary or incident to the financing, insuring, acquisition, and construction of a specific project and the placing of the same in operation.

Section 20. Creation.

(a) There is created a political subdivision, body politic, and municipal corporation named the Southern Illinois Economic Development Authority. The territorial jurisdiction of the Authority is that geographic area within the boundaries of the following counties: Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, and Massac and any navigable waters and air space located therein.

(b) The governing and administrative powers of the Authority shall be vested in a body consisting of 21 members as follows:

(1) Ex officio member. The Director of Commerce and Economic Opportunity, or a designee of that Department, shall serve as an ex officio member.

(2) Public members. Six members shall be appointed by the Governor with the advice and consent of the Senate. The county board chairmen of the following counties shall each appoint one member: Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, and Massac. All public members shall reside within the territorial jurisdiction of the Authority. The public members shall be persons of recognized ability and experience in one or more of the following areas: economic development, finance, banking, industrial development, state or local government, commercial agriculture, small business management, real estate development, community development, venture finance, organized labor, or civic or community organization.

(c) 11 members shall constitute a quorum.

(d) The chairman of the Authority shall be elected annually by the Board and must be a public member that resides within the territorial jurisdiction of the Authority.

(e) The terms of all initial members of the Authority shall begin 30 days after the effective date of this Act. Of the 6 original public members appointed by the Governor, 2 shall serve until the third Monday in January, 2007; 1 shall serve until the third Monday in January, 2008; 1 shall serve until the third Monday in January, 2009; 1 shall serve until the third Monday in January, 2010; and 1 shall serve until the third

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Monday in January, 2011. The initial terms of the original public members appointed by the county board chairmen shall be determined by lot, according to the following schedule: (i) 3 shall serve until the third Monday in January, 2007, (ii) 3 shall serve until the third Monday in January, 2008, (iii) 3 shall serve until the third Monday in January, 2009, (iv) 3 shall serve until the third Monday in January, 2010, and (v) 2 shall serve until the third Monday in January, 2011. All successors to these original public members shall be appointed by the original appointing authority and all appointments made by the Governor shall be made with the advice and consent of the Senate, pursuant to subsection (b), and shall hold office for a term of 6 years commencing the third Monday in January of the year in which their term commences, except in the case of an appointment to fill a vacancy. Vacancies occurring among the public members shall be filled for the remainder of the term. In case of vacancy in a Governor-appointed membership when the Senate is not in session, the Governor may make a temporary appointment until the next meeting of the Senate when a person shall be nominated to fill the office and, upon confirmation by the Senate, he or she shall hold office during the remainder of the term and until a successor is appointed and qualified. Members of the Authority are not entitled to compensation for their services as members but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members.

(f) The Governor may remove any public member of the Authority in case of incompetence, neglect of duty, or malfeasance in office. The chairman of a county board may remove any public member appointed by that chairman in the case of incompetence, neglect of duty, or malfeasance in office.

(g) The Board shall appoint an Executive Director who shall have a background in finance, including familiarity with the legal and procedural requirements of issuing bonds, real estate, or economic development and administration. The Executive Director shall hold office at the discretion of the Board. The Executive Director shall be the chief administrative and operational officer of the Authority, shall direct and supervise its administrative affairs and general management, perform such other duties as may be prescribed from time to time by the members, and receive compensation fixed by the Authority. The Department of Commerce and Community Affairs shall pay the compensation of the Executive Director from appropriations received for that purpose. The Executive Director shall attend all meetings of the Authority. However, no action of the Authority shall be invalid on account of the absence of the Executive Director from a meeting. The Authority may engage the services of the Illinois Finance Authority, attorneys, appraisers, engineers, accountants, credit analysts, and other consultants if the Southern Illinois Economic Development Authority deems it advisable.

Section 25. Duty. All official acts of the Authority shall require the approval of at least 11 members. It shall be the duty of the Authority to promote development within the geographic confines of Franklin, Pery, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, and Massac counties. The Authority shall use the powers conferred upon it to assist in the development, construction, and acquisition of industrial, commercial, housing, or residential projects within those counties.

Section 30. Powers.

(a) The Authority possesses all the powers of a body corporate necessary and convenient to accomplish the purposes of this Act, including, without any intended limitation upon the general powers hereby conferred, the following powers:

- (1) to enter into loans, contracts, agreements, and mortgages in any matter connected with any of its corporate purposes and to invest its funds;
- (2) to sue and be sued;
- (3) to utilize services of the Illinois Finance Authority necessary to carry out its purposes;
- (4) to have and use a common seal and to alter the seal at its discretion;
- (5) to adopt all needful ordinances, resolutions, bylaws, rules, and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired, and improved in furtherance of its purposes;
- (6) to designate the fiscal year for the Authority;
- (7) to accept and expend appropriations;
- (8) to acquire, own, lease, sell, or otherwise dispose of interests in and to real property and improvements situated on that real property and in personal property necessary to fulfill the purposes of the Authority;
- (9) to engage in any activity or operation which is incidental to and in furtherance of efficient operation to accomplish the Authority's primary purpose;

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(10) to acquire, own, construct, lease, operate, and maintain bridges, terminals, terminal facilities, and port facilities and to fix and collect just, reasonable, and nondiscriminatory charges for the use of such facilities. These charges shall be used to defray the reasonable expenses of the Authority and to pay the principal and interest of any revenue bonds issued by the Authority;

(11) subject to any applicable condition imposed by this Act, to locate, establish and maintain a public airport, public airports and public airport facilities within its corporate limits or within or upon any body of water adjacent thereto and to construct, develop, expand, extend and improve any such airport or airport facility; and

(12) to have and exercise all powers and be subject to all duties usually incident to boards of directors of corporations.

(b) The Authority shall not issue any bonds relating to the financing of a project located within the planning and subdivision control jurisdiction of any municipality or county unless: (i) notice, including a description of the proposed project and the financing for that project, is submitted to the corporate authorities of the municipality or, in the case of a proposed project in an unincorporated area, to the county board and (ii) the corporate authorities of the municipality do not, or the county board does not, adopt a resolution disapproving the project within 45 days after receipt of the notice.

(c) If any of the powers set forth in this Act are exercised within the jurisdictional limits of any municipality, all ordinances of the municipality remain in full force and effect and are controlling.

Section 35. Tax avoidance. Notwithstanding any other provision of law, the Authority shall not enter into any agreement providing for the purchase and lease of tangible personal property which results in the avoidance of taxation under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, or the Service Occupation Tax Act, without the prior written consent of the Governor.

Section 40. Bonds.

(a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed \$250,000,000 for the following purposes: (i) development, construction, acquisition, or improvement of projects, including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority; (ii) entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority; (iii) acquisition and improvement of any property necessary and useful in connection therewith; and (iv) for the purposes of the Employee Ownership Assistance Act. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time, issue and dispose of its interest-bearing revenue bonds, notes, or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes, or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any bonds, notes, or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such bonds, notes, or other evidences of indebtedness shall be payable solely and only from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects, or from any other funds available to the Authority for such purposes. The bonds, notes, or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may bear interest at such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium, as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided by an applicable resolution.

(b) The holder or holders of any bonds, notes, or other evidences of indebtedness issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of the bonds, notes, or other evidences of indebtedness, to compel such corporation, person, the Authority, and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of the bonds, notes, or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to enjoin the corporation, person, the Authority, and any of its agents or employees from taking any action in conflict with any contract or covenant.

(c) If the Authority fails to pay the principal of or interest on any of the bonds or premium, if any, as the bond becomes due, a civil action to compel payment may be instituted in the appropriate circuit court by the holder or holders of the bonds on which the default of payment exists or by an indenture trustee

acting on behalf of the holders. Delivery of a summons and a copy of the complaint to the chairman of the Board shall constitute sufficient service to give the circuit court jurisdiction over the subject matter of the suit and jurisdiction over the Authority and its officers named as defendants for the purpose of compelling such payment. Any case, controversy, or cause of action concerning the validity of this Act relates to the revenue of the State of Illinois.

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

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

(f) Bonds or notes shall be secured as provided in the authorizing ordinance which may include, notwithstanding any other provision of this Act, in addition to any other security, a specific pledge, assignment of and lien on, or security interest in any or all revenues or money of the Authority, from whatever source, which may, by law, be used for debt service purposes and a specific pledge, or assignment of and lien on, or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of the bonds or notes.

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

(h) Not less than 30 days prior to the commitment to issue bonds, notes, or other evidences of indebtedness for the purpose of developing, constructing, acquiring, or improving housing or residential projects, as defined in this Act, the Authority shall provide notice to the Executive Director of the Illinois Housing Development Authority. Within 30 days after the notice is provided, the Illinois Housing Development Authority shall, in writing, either express interest in financing the project or notify the Authority that it is not interested in providing financing and that the Authority may finance the project or seek alternative financing.

Section 45. Bonds and notes; exemption from taxation. The creation of the Authority is in all respects for the benefit of the people of Illinois and for the improvement of their health, safety, welfare, comfort, and security, and its purposes are public purposes. In consideration thereof, the notes and bonds of the Authority issued pursuant to this Act and the income from these notes and bonds may be free from all taxation by the State or its political subdivisions, exempt for estate, transfer, and inheritance taxes. The exemption from taxation provided by the preceding sentence shall apply to the income on any notes or bonds of the Authority only if the Authority in its sole judgment determines that the exemption enhances the marketability of the bonds or notes or reduces the interest rates that would otherwise be borne by the bonds or notes. For purposes of Section 250 of the Illinois Income Tax Act, the exemption of the Authority shall terminate after all of the bonds have been paid. The amount of such income that shall be added and then subtracted on the Illinois income tax return of a taxpayer, subject to Section 203 of the Illinois Income Tax Act, from federal adjusted gross income or federal taxable income in computing Illinois base income shall be the interest net of any bond premium amortization.

Section 50. Acquisition.

(a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have power to acquire by purchase, lease, gift, or otherwise any property or rights therein from any person or persons, the State of Illinois, any municipal corporation, any local unit of government, the government of the United States and any agency or instrumentality of the United States, any body politic, or any county useful for its purposes, whether improved for the purposes of any prospective project or unimproved. The Authority may also accept any donation of funds for its purposes from any of these sources.

(c) The Authority shall have power to develop, construct, and improve, either under its own direction or through collaboration with any approved applicant, or to acquire, through purchase or otherwise, any project, using for this purpose the proceeds derived from its sale of revenue bonds, notes, or other evidences of indebtedness or governmental loans or grants and shall have the power to hold title to those projects in the name of the Authority.

(d) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Franklin, Perry, Randolph, Jackson, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, or Massac, the Illinois Finance Authority, the Illinois Housing Development Authority, the United States government and any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority, or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(e) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois, and agencies or personnel of any unit of local government.

(f) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3, and 74.5 of Article 11 of the Illinois Municipal Code.

Section 60. Designation of depository. The Authority shall biennially designate a national or State bank or banks as depositories of its money. Such depositories shall be designated only within the State and upon condition that bonds approved as to form and surety by the Authority and at least equal in amount to the maximum sum expected to be on deposit at any one time shall be first given by such depositories to the Authority, such bonds to be conditioned for the safe keeping and prompt repayment of such deposits. When any of the funds of the Authority shall be deposited by the treasurer in any such depository, the treasurer and the sureties on his official bond shall, to such extent, be exempt from liability for the loss of any such deposited funds by reason of the failure, bankruptcy, or any other act or default of such depository; provided that the Authority may accept assignments of collateral by any depository of its funds to secure such deposits to the same extent and conditioned in the same manner as assignments of collateral are permitted by law to secure deposits of the funds of any city.

Section 65. Taxation prohibited. The Authority shall have no right or authority to levy any tax or special assessment, to pledge the credit of the State or any other subdivision or municipal corporation thereof, or to incur any obligation enforceable upon any property, either within or without the territory of the Authority.

Section 70. Fees. The Authority may collect fees and charges in connection with its loans, commitments, and servicing and may provide technical assistance in the development of the region.

Section 75. Reports. The Authority shall annually submit a report of its finances to the Auditor General. The Authority shall annually submit a report of its activities to the Governor and to the General Assembly.

Section 900. The Illinois Finance Authority Act is amended by changing Sections 801-40 and 845-5 as follows:

(20 ILCS 3501/801-40)

Sec. 801-40. In addition to the powers otherwise authorized by law and in addition to the foregoing general corporate powers, the Authority shall also have the following additional specific powers to be exercised in furtherance of the purposes of this Act.

(a) The Authority shall have power (i) to accept grants, loans or appropriations from the federal government or the State, or any agency or instrumentality thereof, to be used for the operating expenses

of the Authority, or for any purposes of the Authority, including the making of direct loans of such funds with respect to projects, and (ii) to enter into any agreement with the federal government or the State, or any agency or instrumentality thereof, in relationship to such grants, loans or appropriations.

(b) The Authority shall have power to procure and enter into contracts for any type of insurance and indemnity agreements covering loss or damage to property from any cause, including loss of use and occupancy, or covering any other insurable risk.

(c) The Authority shall have the continuing power to issue bonds for its corporate purposes. Bonds may be issued by the Authority in one or more series and may provide for the payment of any interest deemed necessary on such bonds, of the costs of issuance of such bonds, of any premium on any insurance, or of the cost of any guarantees, letters of credit or other similar documents, may provide for the funding of the reserves deemed necessary in connection with such bonds, and may provide for the refunding or advance refunding of any bonds or for accounts deemed necessary in connection with any purpose of the Authority. The bonds may bear interest payable at any time or times and at any rate or rates, notwithstanding any other provision of law to the contrary, and such rate or rates may be established by an index or formula which may be implemented or established by persons appointed or retained therefor by the Authority, or may bear no interest or may bear interest payable at maturity or upon redemption prior to maturity, may bear such date or dates, may be payable at such time or times and at such place or places, may mature at any time or times not later than 40 years from the date of issuance, may be sold at public or private sale at such time or times and at such price or prices, may be secured by such pledges, reserves, guarantees, letters of credit, insurance contracts or other similar credit support or liquidity instruments, may be executed in such manner, may be subject to redemption prior to maturity, may provide for the registration of the bonds, and may be subject to such other terms and conditions all as may be provided by the resolution or indenture authorizing the issuance of such bonds. The holder or holders of any bonds issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of such bonds and to compel such person or the Authority and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of any such bonds by the provision of the resolution authorizing their issuance, and to enjoin such person or the Authority and any of its agents or employees from taking any action in conflict with any such contract or covenant. Notwithstanding the form and tenor of any such bonds and in the absence of any express recital on the face thereof that it is non-negotiable, all such bonds shall be negotiable instruments. Pending the preparation and execution of any such bonds, temporary bonds may be issued as provided by the resolution. The bonds shall be sold by the Authority in such manner as it shall determine. The bonds may be secured as provided in the authorizing resolution by the receipts, revenues, income and other available funds of the Authority and by any amounts derived by the Authority from the loan agreement or lease agreement with respect to the project or projects; and bonds may be issued as general obligations of the Authority payable from such revenues, funds and obligations of the Authority as the bond resolution shall provide, or may be issued as limited obligations with a claim for payment solely from such revenues, funds and obligations as the bond resolution shall provide. The Authority may grant a specific pledge or assignment of and lien on or security interest in such rights, revenues, income, or amounts and may grant a specific pledge or assignment of and lien on or security interest in any reserves, funds or accounts established in the resolution authorizing the issuance of bonds. Any such pledge, assignment, lien or security interest for the benefit of the holders of the Authority's bonds shall be valid and binding from the time the bonds are issued without any physical delivery or further act, and shall be valid and binding as against and prior to the claims of all other parties having claims against the Authority or any other person irrespective of whether the other parties have notice of the pledge, assignment, lien or security interest. As evidence of such pledge, assignment, lien and security interest, the Authority may execute and deliver a mortgage, trust agreement, indenture or security agreement or an assignment thereof. A remedy for any breach or default of the terms of any such agreement by the Authority may be by mandamus proceedings in any court of competent jurisdiction to compel the performance and compliance therewith, but the agreement may prescribe by whom or on whose behalf such action may be instituted. It is expressly understood that the Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(d) With respect to the powers granted by this Act, the Authority may adopt rules and regulations prescribing the procedures by which persons may apply for assistance under this Act. Nothing herein shall be deemed to preclude the Authority, prior to the filing of any formal application, from conducting preliminary discussions and investigations with respect to the subject matter of any prospective application.

(e) The Authority shall have power to acquire by purchase, lease, gift or otherwise any property or

rights therein from any person useful for its purposes, whether improved for the purposes of any prospective project, or unimproved. The Authority may also accept any donation of funds for its purposes from any such source. The Authority shall have no independent power of condemnation but may acquire any property or rights therein obtained upon condemnation by any other authority, governmental entity or unit of local government with such power.

(f) The Authority shall have power to develop, construct and improve either under its own direction, or through collaboration with any approved applicant, or to acquire through purchase or otherwise, any project, using for such purpose the proceeds derived from the sale of its bonds or from governmental loans or grants, and to hold title in the name of the Authority to such projects.

(g) The Authority shall have power to lease pursuant to a lease agreement any project so developed and constructed or acquired to the approved tenant on such terms and conditions as may be appropriate to further the purposes of this Act and to maintain the credit of the Authority. Any such lease may provide for either the Authority or the approved tenant to assume initially, in whole or in part, the costs of maintenance, repair and improvements during the leasehold period. In no case, however, shall the total rentals from any project during any initial leasehold period or the total loan repayments to be made pursuant to any loan agreement, be less than an amount necessary to return over such lease or loan period (1) all costs incurred in connection with the development, construction, acquisition or improvement of the project and for repair, maintenance and improvements thereto during the period of the lease or loan; provided, however, that the rentals or loan repayments need not include costs met through the use of funds other than those obtained by the Authority through the issuance of its bonds or governmental loans; (2) a reasonable percentage additive to be agreed upon by the Authority and the borrower or tenant to cover a properly allocable portion of the Authority's general expenses, including, but not limited to, administrative expenses, salaries and general insurance, and (3) an amount sufficient to pay when due all principal of, interest and premium, if any on, any bonds issued by the Authority with respect to the project. The portion of total rentals payable under clause (3) of this subsection (g) shall be deposited in such special accounts, including all sinking funds, acquisition or construction funds, debt service and other funds as provided by any resolution, mortgage or trust agreement of the Authority pursuant to which any bond is issued.

(h) The Authority has the power, upon the termination of any leasehold period of any project, to sell or lease for a further term or terms such project on such terms and conditions as the Authority shall deem reasonable and consistent with the purposes of the Act. The net proceeds from all such sales and the revenues or income from such leases shall be used to satisfy any indebtedness of the Authority with respect to such project and any balance may be used to pay any expenses of the Authority or be used for the further development, construction, acquisition or improvement of projects. In the event any project is vacated by a tenant prior to the termination of the initial leasehold period, the Authority shall sell or lease the facilities of the project on the most advantageous terms available. The net proceeds of any such disposition shall be treated in the same manner as the proceeds from sales or the revenues or income from leases subsequent to the termination of any initial leasehold period.

(i) The Authority shall have the power to make loans to persons to finance a project, to enter into loan agreements with respect thereto, and to accept guarantees from persons of its loans or the resultant evidences of obligations of the Authority.

(j) The Authority may fix, determine, charge and collect any premiums, fees, charges, costs and expenses, including, without limitation, any application fees, commitment fees, program fees, financing charges or publication fees from any person in connection with its activities under this Act.

(k) In addition to the funds established as provided herein, the Authority shall have the power to create and establish such reserve funds and accounts as may be necessary or desirable to accomplish its purposes under this Act and to deposit its available monies into the funds and accounts.

(l) At the request of the governing body of any unit of local government, the Authority is authorized to market such local government's revenue bond offerings by preparing bond issues for sale, advertising for sealed bids, receiving bids at its offices, making the award to the bidder that offers the most favorable terms or arranging for negotiated placements or underwritings of such securities. The Authority may, at its discretion, offer for concurrent sale the revenue bonds of several local governments. Sales by the Authority of revenue bonds under this Section shall in no way imply State guarantee of such debt issue. The Authority may require such financial information from participating local governments as it deems necessary in order to carry out the purposes of this subsection (1).

(m) The Authority may make grants to any county to which Division 5-37 of the Counties Code is applicable to assist in the financing of capital development, construction and renovation of new or existing facilities for hospitals and health care facilities under that Act. Such grants may only be made from funds appropriated for such purposes from the Build Illinois Bond Fund or the Build Illinois

Purposes Fund.

(n) The Authority may establish an urban development action grant program for the purpose of assisting municipalities in Illinois which are experiencing severe economic distress to help stimulate economic development activities needed to aid in economic recovery. The Authority shall determine the types of activities and projects for which the urban development action grants may be used, provided that such projects and activities are broadly defined to include all reasonable projects and activities the primary objectives of which are the development of viable urban communities, including decent housing and a suitable living environment, and expansion of economic opportunity, principally for persons of low and moderate incomes. The Authority shall enter into grant agreements from monies appropriated for such purposes from the Build Illinois Bond Fund or the Build Illinois Purposes Fund. The Authority shall monitor the use of the grants, and shall provide for audits of the funds as well as recovery by the Authority of any funds determined to have been spent in violation of this subsection (n) or any rule or regulation promulgated hereunder. The Authority shall provide technical assistance with regard to the effective use of the urban development action grants. The Authority shall file an annual report to the General Assembly concerning the progress of the grant program.

(o) The Authority may establish a Housing Partnership Program whereby the Authority provides zero-interest loans to municipalities for the purpose of assisting in the financing of projects for the rehabilitation of affordable multi-family housing for low and moderate income residents. The Authority may provide such loans only upon a municipality's providing evidence that it has obtained private funding for the rehabilitation project. The Authority shall provide 3 State dollars for every 7 dollars obtained by the municipality from sources other than the State of Illinois. The loans shall be made from monies appropriated for such purpose from the Build Illinois Bond Fund or the Build Illinois Purposes Fund. The total amount of loans available under the Housing Partnership Program shall not exceed \$30,000,000. State loan monies under this subsection shall be used only for the acquisition and rehabilitation of existing buildings containing 4 or more dwelling units. The terms of any loan made by the municipality under this subsection shall require repayment of the loan to the municipality upon any sale or other transfer of the project.

(p) The Authority may award grants to universities and research institutions, research consortiums and other not-for-profit entities for the purposes of: remodeling or otherwise physically altering existing laboratory or research facilities, expansion or physical additions to existing laboratory or research facilities, construction of new laboratory or research facilities or acquisition of modern equipment to support laboratory or research operations provided that such grants (i) be used solely in support of project and equipment acquisitions which enhance technology transfer, and (ii) not constitute more than 60 percent of the total project or acquisition cost.

(q) Grants may be awarded by the Authority to units of local government for the purpose of developing the appropriate infrastructure or defraying other costs to the local government in support of laboratory or research facilities provided that such grants may not exceed 40% of the cost to the unit of local government.

(r) The Authority may establish a Direct Loan Program to make loans to individuals, partnerships or corporations for the purpose of an industrial project, as defined in Section 801-10 of this Act. For the purposes of such program and not by way of limitation on any other program of the Authority, the Authority shall have the power to issue bonds, notes, or other evidences of indebtedness including commercial paper for purposes of providing a fund of capital from which it may make such loans. The Authority shall have the power to use any appropriations from the State made especially for the Authority's Direct Loan Program for additional capital to make such loans or for the purposes of reserve funds or pledged funds which secure the Authority's obligations of repayment of any bond, note or other form of indebtedness established for the purpose of providing capital for which it intends to make such loans under the Direct Loan Program. For the purpose of obtaining such capital, the Authority may also enter into agreements with financial institutions and other persons for the purpose of selling loans and developing a secondary market for such loans. Loans made under the Direct Loan Program may be in an amount not to exceed \$300,000 and shall be made for a portion of an industrial project which does not exceed 50% of the total project. No loan may be made by the Authority unless approved by the affirmative vote of at least 8 members of the board. The Authority shall establish procedures and publish rules which shall provide for the submission, review, and analysis of each direct loan application and which shall preserve the ability of each board member to reach an individual business judgment regarding the propriety of making each direct loan. The collective discretion of the board to approve or disapprove each loan shall be unencumbered. The Authority may establish and collect such fees and charges, determine and enforce such terms and conditions, and charge such interest rates as it determines to be necessary and appropriate to the successful administration of the Direct Loan Program. The

Authority may require such interests in collateral and such guarantees as it determines are necessary to project the Authority's interest in the repayment of the principal and interest of each loan made under the Direct Loan Program.

(s) The Authority may guarantee private loans to third parties up to a specified dollar amount in order to promote economic development in this State.

(t) The Authority may adopt rules and regulations as may be necessary or advisable to implement the powers conferred by this Act.

(u) The Authority shall have the power to issue bonds, notes or other evidences of indebtedness, which may be used to make loans to units of local government which are authorized to enter into loan agreements and other documents and to issue bonds, notes and other evidences of indebtedness for the purpose of financing the protection of storm sewer outfalls, the construction of adequate storm sewer outfalls, and the provision for flood protection of sanitary sewage treatment plans, in counties that have established a stormwater management planning committee in accordance with Section 5-1062 of the Counties Code. Any such loan shall be made by the Authority pursuant to the provisions of Section 820-5 to 820-60 of this Act. The unit of local government shall pay back to the Authority the principal amount of the loan, plus annual interest as determined by the Authority. The Authority shall have the power, subject to appropriations by the General Assembly, to subsidize or buy down a portion of the interest on such loans, up to 4% per annum.

(v) The Authority may accept security interests as provided in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

(w) Moral Obligation. In the event that the Authority determines that monies of the Authority will not be sufficient for the payment of the principal of and interest on its bonds during the next State fiscal year, the Chairperson, as soon as practicable, shall certify to the Governor the amount required by the Authority to enable it to pay such principal of and interest on the bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This subsection shall apply only to any bonds or notes as to which the Authority shall have determined, in the resolution authorizing the issuance of the bonds or notes, that this subsection shall apply. Whenever the Authority makes such a determination, that fact shall be plainly stated on the face of the bonds or notes and that fact shall also be reported to the Governor. In the event of a withdrawal of moneys from a reserve fund established with respect to any issue or issues of bonds of the Authority to pay principal or interest on those bonds, the Chairperson of the Authority, as soon as practicable, shall certify to the Governor the amount required to restore the reserve fund to the level required in the resolution or indenture securing those bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. The Authority shall obtain written approval from the Governor for any bonds and notes to be issued under this Section. In addition to any other bonds authorized to be issued under Sections 825-60, 825-65(e), 830-25 and 845-5, the principal amount of Authority bonds outstanding issued under this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS 360/2-6(c), which have been assumed by the Authority, shall not exceed \$150,000,000.

Bonds issued after the effective date of this amendatory Act of the 94th General Assembly with a moral obligation of the State shall not exceed 25 years in maturity. The moral obligation pledge of the State must be secured solely or at parity with additional co-senior lien lending interests. The amount of senior lien financing provided for a project in which the State solely or jointly participates in providing a moral obligation pledge shall not exceed 70% of the total project value.

(Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3501/845-5)

Sec. 845-5. The Authority may not have outstanding at any one time bonds for any of its corporate purposes in an aggregate principal amount exceeding ~~\$29,000,000,000~~ ~~\$24,000,000,000~~, excluding bonds issued to refund the bonds of the Authority or bonds of the Predecessor Authorities.

(Source: P.A. 93-205, eff. 1-1-04; 93-1101, eff. 3-31-05.)

Section 903. The Illinois Housing Development Act is amended by changing Section 26.1 as follows:

(20 ILCS 3805/26.1) (from Ch. 67 1/2, par. 326.1)

Sec. 26.1. In the event that the Authority determines that monies of the Authority will not be sufficient for the payment of the principal of and interest on its bonds (or on any notes issued for a maturity in excess of three years) during the next State fiscal year, excluding amounts in the debt service reserve fund for those bonds or notes, the Chairman shall certify to the Governor, as soon as is practicable, the amount required by the Authority to enable it to pay such principal of and interest on the bonds or notes. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but

not later than the end of the current State fiscal year.

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

This Section shall not apply to any bonds or notes as to which the Authority shall have determined, in the resolution authorizing the issuance of the bonds or notes, that this Section shall not apply. Whenever the Authority makes such a determination that fact shall be plainly stated on the face of the bonds or notes and that fact shall also be reported to the Governor. The Authority shall obtain written approval from the Governor for bonds and notes issued under this Section.

This Section applies only with respect to bonds issued before the effective date of this amendatory Act of the 94th General Assembly.

(Source: P.A. 87-778.)

Section 905. The Quad Cities Regional Economic Development Authority Act, approved September 22, 1987 is amended by changing Sections 9, 9.1, and 15 as follows:

(70 ILCS 510/9) (from Ch. 85, par. 6209)

Sec. 9. Bonds and notes. (a)(1) The Authority may, with the written approval of the Governor, at any time and from time to time, issue bonds and notes for any corporate purpose, including the establishment of reserves and the payment of interest. In this Act the term "bonds" includes notes of any kind, interim certificates, refunding bonds or any other evidence of obligation.

(2) The bonds of any issue shall be payable solely from the property or receipts of the Authority, including, without limitation:

(I) fees, charges or other revenues payable to the Authority;

(II) payments by financial institutions, insurance companies, or others pursuant to letters or lines of credit, policies of insurance, or purchase agreements;

(III) investment earnings from funds or accounts maintained pursuant to a bond resolution or trust agreement; and

(IV) proceeds of refunding bonds.

(3) Bonds shall be authorized by a resolution of the Authority and may be secured by a trust agreement by and between the Authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or without the State. Bonds shall:

(I) be issued at, above or below par value, for cash or other valuable consideration, and mature at time or times, whether as serial bonds or as term bonds or both, not exceeding 40 years from their respective date of issue; however, the length of the term of the bond should bear a reasonable relationship to the value life of the item financed;

(II) bear interest at the fixed or variable rate or rates determined by the method provided in the resolution or trust agreement;

(III) be payable at a time or times, in the denominations and form, either coupon or registered or both, and carry the registration and privileges as to conversion and for the replacement of mutilated, lost or destroyed bonds as the resolution or trust agreement may provide;

(IV) be payable in lawful money of the United States at a designated place;

(V) be subject to the terms of purchase, payment, redemption, refunding or refinancing that the resolution or trust agreement provides;

(VI) be executed by the manual or facsimile signatures of the officers of the Authority designated by the Authority, which signatures shall be valid at delivery even for one who has ceased to hold office; and

(VII) be sold in the manner and upon the terms determined by the Authority.

(b) Any resolution or trust agreement may contain provisions which shall be a part of the contract with the holders of the bonds as to:

(1) pledging, assigning or directing the use, investment or disposition of receipts of the Authority or proceeds or benefits of any contract and conveying or otherwise securing any property or property rights;

(2) the setting aside of loan funding deposits, debt service reserves, capitalized interest accounts, cost of issuance accounts and sinking funds, and the regulations, investment and disposition thereof;

(3) limitations on the purpose to which or the investments in which the proceeds of sale of any issue of bonds may be applied and restrictions to investment of revenues or bond proceeds in government obligations for which principal and interest are unconditionally guaranteed by the United States of

America;

(4) limitations on the issue of additional bonds, the terms upon which additional bonds may be issued and secured, the terms upon which additional bonds may rank on a parity with, or be subordinate or superior to, other bonds;

(5) the refunding or refinancing of outstanding bonds;

(6) the procedure, if any, by which the terms of any contract with bondholders may be altered or amended and the amount of bonds and holders of which must consent thereto, and the manner in which consent shall be given;

(7) defining the acts or omissions which shall constitute a default in the duties of the Authority to holders of bonds and providing the rights or remedies of such holders in the event of a default which may include provisions restricting individual right of action by bondholders;

(8) providing for guaranties, pledges of property, letters of credit, or other security, or insurance for the benefit of bondholders; and

(9) any other matter relating to the bonds which the Authority determines appropriate.

(c) No member of the Authority nor any person executing the bonds shall be liable personally on the bonds or subject to any personal liability by reason of the issuance of the bonds.

(d) The Authority may enter into agreements with agents, banks, insurers or others for the purpose of enhancing the marketability of or as security for its bonds.

(e)(1) A pledge by the Authority of revenues as security for an issue of bonds shall be valid and binding from the time when the pledge is made.

(2) The revenues pledged shall immediately be subject to the lien of the pledge without any physical delivery or further act, and the lien of any pledge shall be valid and binding against any person having any claim of any kind in tort, contract or otherwise against the Authority, irrespective of whether the person has notice.

(3) No resolution, trust agreement or financing statement, continuation statement, or other instrument adopted or entered into by the Authority need be filed or recorded in any public record other than the records of the authority in order to perfect the lien against third persons, regardless of any contrary provision of law.

(f) The Authority may issue bonds to refund any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of the bonds. Refunding bonds may be issued for the public purposes of realizing savings in the effective costs of debt service, directly or through a debt restructuring, for alleviating impending or actual default and may be issued in one or more series in an amount in excess of that of the bonds to be refunded.

(g) Bonds or notes of the Authority may be sold by the Authority through the process of competitive bid or negotiated sale.

(h) At no time shall the total outstanding bonds and notes of the Authority exceed \$250,000,000 ~~\$400 million~~.

(i) The bonds and notes of the Authority shall not be debts of the State.

(j) In no event may proceeds of bonds or notes issued by the Authority be used to finance any structure which is not constructed pursuant to an agreement between the Authority and a party, which provides for the delivery by the party of a completed structure constructed pursuant to a fixed price contract, and which provides for the delivery of such structure at such fixed price to be insured or guaranteed by a third party determined by the Authority to be capable of completing construction of such a structure.

(Source: P.A. 85-713.)

(70 ILCS 510/9.1) (from Ch. 85, par. 6209.1)

Sec. 9.1. Moneys for payment of principal of and interest on bonds; applicability.

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

In the event of a withdrawal of moneys from a reserve fund established with respect to any issue or issues of bonds of the Authority to pay principal or interest on those bonds, the Chairman of the

Authority, as soon as practicable, shall certify to the Governor the amount required to restore the reserve fund to the level required in the resolution or indenture securing those bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year.

(b) This Section applies only with respect to bonds issued before January 1, 2006.

(Source: P.A. 86-837; 86-1470; 87-778.)

(70 ILCS 510/15) (from Ch. 85, par. 6215)

Sec. 15. Designation of Enterprise Zones.

(a) The Authority may by ordinance designate a portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone under the Illinois Enterprise Zone Act in addition to any other enterprise zones which may be created under the Act, which area shall have all the privileges and rights of an Enterprise Zone pursuant to the Illinois Enterprise Zone Act, but which shall not be counted in determining the number of Enterprise Zones to be created in any year pursuant to that Act.

(b) The Authority may not designate any portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone on or after the effective date of this amendatory Act of the 94th General Assembly.

(Source: P.A. 85-713.)

Section 910. The Quad Cities Regional Economic Development Authority Act, certified December 30, 1987 is amended by changing Sections 9, 9.1, and 14 as follows:

(70 ILCS 515/9) (from Ch. 85, par. 6509)

Sec. 9. Bonds and notes. (a)(1) The Authority may, with the written approval of the Governor, at any time and from time to time, issue bonds and notes for any corporate purpose, including the establishment of reserves and the payment of interest. In this Act the term "bonds" includes notes of any kind, interim certificates, refunding bonds or any other evidence of obligation.

(2) The bonds of any issue shall be payable solely from the property or receipts of the Authority, including, without limitation:

(I) fees, charges or other revenues payable to the Authority;

(II) payments by financial institutions, insurance companies, or others pursuant to letters or lines of credit, policies of insurance, or purchase agreements;

(III) investment earnings from funds or accounts maintained pursuant to a bond resolution or trust agreement; and

(IV) proceeds of refunding bonds.

(3) Bonds shall be authorized by a resolution of the Authority and may be secured by a trust agreement by and between the Authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or without the State. Bonds shall:

(I) be issued at, above or below par value, for cash or other valuable consideration, and mature at time or times, whether as serial bonds or as term bonds or both, not exceeding 40 years from their respective date of issue; however, the length of the term of the bond should bear a reasonable relationship to the value life of the item financed;

(II) bear interest at the fixed or variable rate or rates determined by the method provided in the resolution or trust agreement;

(III) be payable at a time or times, in the denominations and form, either coupon or registered or both, and carry the registration and privileges as to conversion and for the replacement of mutilated, lost or destroyed bonds as the resolution or trust agreement may provide;

(IV) be payable in lawful money of the United States at a designated place;

(V) be subject to the terms of purchase, payment, redemption, refunding or refinancing that the resolution or trust agreement provides;

(VI) be executed by the manual or facsimile signatures of the officers of the Authority designated by the Authority, which signatures shall be valid at delivery even for one who has ceased to hold office; and

(VII) be sold in the manner and upon the terms determined by the Authority.

(b) Any resolution or trust agreement may contain provisions which shall be a part of the contract with the holders of the bonds as to:

(1) pledging, assigning or directing the use, investment or disposition of receipts of the Authority or proceeds or benefits of any contract and conveying or otherwise securing any property or property rights;

(2) the setting aside of loan funding deposits, debt service reserves, capitalized interest accounts, cost of issuance accounts and sinking funds, and the regulations, investment and disposition thereof;

(3) limitations on the purpose to which or the investments in which the proceeds of sale of any issue

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of bonds may be applied and restrictions to investment of revenues or bond proceeds in government obligations for which principal and interest are unconditionally guaranteed by the United States of America;

(4) limitations on the issue of additional bonds, the terms upon which additional bonds may be issued and secured, the terms upon which additional bonds may rank on a parity with, or be subordinate or superior to, other bonds;

(5) the refunding or refinancing of outstanding bonds;

(6) the procedure, if any, by which the terms of any contract with bondholders may be altered or amended and the amount of bonds and holders of which must consent thereto, and the manner in which consent shall be given;

(7) defining the acts or omissions which shall constitute a default in the duties of the Authority to holders of bonds and providing the rights or remedies of such holders in the event of a default which may include provisions restricting individual right of action by bondholders;

(8) providing for guarantees, pledges of property, letters of credit, or other security, or insurance for the benefit of bondholders; and

(9) any other matter relating to the bonds which the Authority determines appropriate.

(c) No member of the Authority nor any person executing the bonds shall be liable personally on the bonds or subject to any personal liability by reason of the issuance of the bonds.

(d) The Authority may enter into agreements with agents, banks, insurers or others for the purpose of enhancing the marketability of or as security for its bonds.

(e)(1) A pledge by the Authority of revenues as security for an issue of bonds shall be valid and binding from the time when the pledge is made.

(2) The revenues pledged shall immediately be subject to the lien of the pledge without any physical delivery or further act, and the lien of any pledge shall be valid and binding against any person having any claim of any kind in tort, contract or otherwise against the Authority, irrespective of whether the person has notice.

(3) No resolution, trust agreement or financing statement, continuation statement, or other instrument adopted or entered into by the Authority need be filed or recorded in any public record other than the records of the authority in order to perfect the lien against third persons, regardless of any contrary provision of law.

(f) The Authority may issue bonds to refund any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of the bonds. Refunding bonds may be issued for the public purposes of realizing savings in the effective costs of debt service, directly or through a debt restructuring, for alleviating impending or actual default and may be issued in one or more series in an amount in excess of that of the bonds to be refunded.

(g) Bonds or notes of the Authority may be sold by the Authority through the process of competitive bid or negotiated sale.

(h) At no time shall the total outstanding bonds and notes of the Authority exceed \$250,000,000 ~~\$400 million~~.

(i) The bonds and notes of the Authority shall not be debts of the State.

(j) In no event may proceeds of bonds or notes issued by the Authority be used to finance any structure which is not constructed pursuant to an agreement between the Authority and a party, which provides for the delivery by the party of a completed structure constructed pursuant to a fixed price contract, and which provides for the delivery of such structure at such fixed price to be insured or guaranteed by a third party determined by the Authority to be capable of completing construction of such a structure.

(Source: P.A. 85-988.)

(70 ILCS 515/9.1) (from Ch. 85, par. 6509.1)

Sec. 9.1. Moneys for payment of principal of and interest on bonds; applicability.

(a) In the event that the Authority determines that moneys of the Authority will not be sufficient for the payment of the principal of and interest on its bonds during the next succeeding State fiscal year, the Chairman shall certify to the Governor, before October of the then current State fiscal year, the amount required by the Authority to enable it to pay such principal of and interest on the bonds. The Governor shall include the amount so certified in the State budget. This Section shall not apply to any bonds or notes as to which the Authority shall have determined, in the resolution authorizing the issuance of bonds or notes, that this Section shall not apply. Whenever the Authority makes such a determination, that fact shall be plainly stated on the face of the bonds or notes and that fact shall also be reported to the Governor.

(b) This Section applies only with respect to bonds issued before January 1, 2006.

(Source: P.A. 86-1470.)

(70 ILCS 515/14) (from Ch. 85, par. 6514)

Sec. 14. Designation of Enterprise Zones.

(a) The Authority may by ordinance designate a portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone under the Illinois Enterprise Zone Act in addition to any other enterprise zones which may be created under the Act, which area shall have all the privileges and rights of an Enterprise Zone pursuant to the Illinois Enterprise Zone Act, but which shall not be counted in determining the number of Enterprise Zones to be created in any year pursuant to that Act.

(b) The Authority may not designate any portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone on or after the effective date of this amendatory Act of the 94th General Assembly.

(Source: P.A. 85-988.)

Section 915. The Southeastern Illinois Economic Development Authority Act is amended by changing Sections 20, 25, 35, 45, and 50 as follows:

(70 ILCS 518/20)

Sec. 20. Creation.

(a) There is created a political subdivision, body politic, and municipal corporation named the Southeastern Illinois Economic Development Authority. The territorial jurisdiction of the Authority is that geographic area within the boundaries of the following counties: Fayette, Cumberland, Clark, Effingham, Jasper, Crawford, Marion, Clay, Richland, Lawrence, Jefferson, Wayne, Edwards, Wabash, Hamilton, and White; Irvington Township in Washington County; and any navigable waters and air space located therein.

(b) The governing and administrative powers of the Authority shall be vested in a body consisting of 10 members as follows:

(1) Nine members shall be appointed by the Governor with the advice and consent of the Senate.

(2) One member shall be appointed by the Director of Commerce and Economic Opportunity.

All public members shall reside within the territorial jurisdiction of the Authority. The public members shall be persons of recognized ability and experience in one or more of the following areas: economic development, finance, banking, industrial development, state or local government, commercial agriculture, small business management, real estate development, community development, venture finance, organized labor, or civic or community organization.

(c) Six members shall constitute a quorum.

(d) The chairman of the Authority shall be elected annually by the Board.

(e) The terms of all initial members of the Authority shall begin 30 days after the effective date of this Act. Of the 10 original members appointed pursuant to subsection (b), one shall serve until the third Monday in January, 2005; one shall serve until the third Monday in January, 2006; 2 shall serve until the third Monday in January, 2007; 2 shall serve until the third Monday in January, 2008; 2 shall serve until the third Monday in January, 2009; and 2 shall serve until the third Monday in January, 2010. All successors to these original public members shall be appointed by the Governor with the advice and consent of the Senate, or by the Director of Commerce and Economic Opportunity, as the case may be, pursuant to subsection (b), and shall hold office for a term of 3 years commencing the third Monday in January of the year in which their term commences, except in the case of an appointment to fill a vacancy. Vacancies occurring among the public members shall be filled for the remainder of the term. In case of vacancy in a Governor-appointed membership when the Senate is not in session, the Governor may make a temporary appointment until the next meeting of the Senate when a person shall be nominated to fill the office and, upon confirmation by the Senate, he or she shall hold office during the remainder of the term and until a successor is appointed and qualified. Members of the Authority are not entitled to compensation for their services as members but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. Members of the Board may participate in Board meetings by teleconference or video conference.

(f) The Governor may remove any public member of the Authority appointed by the Governor, and the Director of Commerce and Economic Opportunity may remove any public member appointed by the Director, in case of incompetence, neglect of duty, or malfeasance in office.

(g) The Board shall appoint an Executive Director who shall have a background in finance, including familiarity with the legal and procedural requirements of issuing bonds, real estate, or economic development and administration. The Executive Director shall hold office at the discretion of the Board.

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The Executive Director shall be the chief administrative and operational officer of the Authority, shall direct and supervise its administrative affairs and general management, perform such other duties as may be prescribed from time to time by the members, and receive compensation fixed by the Authority. The Executive Director shall attend all meetings of the Authority. However, no action of the Authority shall be invalid on account of the absence of the Executive Director from a meeting. The Authority may engage the services of the Illinois Finance Authority, attorneys, appraisers, engineers, accountants, credit analysts, and other consultants, if the Southeastern Illinois Economic Development Authority deems it advisable.

(Source: P.A. 93-968, eff. 8-20-04.)

(70 ILCS 518/25)

Sec. 25. Duty. All official acts of the Authority shall require the approval of at least 6 members. It shall be the duty of the Authority to promote development within the territorial jurisdiction of the Authority. The Authority shall use the powers conferred upon it to assist in the development, construction, and acquisition of industrial, commercial, housing, or residential projects within its territorial jurisdiction those counties.

(Source: P.A. 93-968, eff. 8-20-04.)

(70 ILCS 518/35)

Sec. 35. Bonds.

(a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed \$250,000,000 for the following purposes: (i) development, construction, acquisition, or improvement of projects, including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority; (ii) entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority; (iii) acquisition and improvement of any property necessary and useful in connection therewith; and (iv) for the purposes of the Employee Ownership Assistance Act. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time, issue and dispose of its interest-bearing revenue bonds, notes, or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes, or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any bonds, notes, or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such bonds, notes, or other evidences of indebtedness shall be payable solely and only from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects, or from any other funds available to the Authority for such purposes. The bonds, notes, or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may bear interest at such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium, as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided by an applicable resolution.

(b) The holder or holders of any bonds, notes, or other evidences of indebtedness issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of the bonds, notes, or other evidences of indebtedness, to compel such corporation, person, the Authority, and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of the bonds, notes, or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to join the corporation, person, the Authority, and any of its agents or employees from taking any action in conflict with any contract or covenant.

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

(d) Notwithstanding the form and tenor of any bond, note, or other evidence of indebtedness and in the absence of any express recital on its face that it is non-negotiable, all such bonds, notes, and other

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evidences of indebtedness shall be negotiable instruments. Pending the preparation and execution of any bonds, notes, or other evidences of indebtedness, temporary bonds, notes, or evidences of indebtedness may be issued as provided by ordinance.

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

(f) Bonds or notes shall be secured as provided in the authorizing ordinance which may include, notwithstanding any other provision of this Act, in addition to any other security, a specific pledge, assignment of and lien on, or security interest in any or all revenues or money of the Authority, from whatever source, which may, by law, be used for debt service purposes and a specific pledge, or assignment of and lien on, or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of the bonds or notes.

(g) In the event that the Authority determines that moneys of the Authority will not be sufficient for the payment of the principal of and interest on its bonds during the next State fiscal year, the chairman, as soon as practicable, shall certify to the Governor the amount required by the Authority to enable it to pay the principal of and interest on the bonds. The Governor shall submit the certified amount to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This Section shall not apply to any bonds or notes to which the Authority determines, in the resolution authorizing the issuance of the bonds or notes, that this Section shall not apply. Whenever the Authority makes this determination, it shall be plainly stated on the face of the bonds or notes and the determination shall also be reported to the Governor. In the event of a withdrawal of moneys from a reserve fund established with respect to any issue or issues of bonds of the Authority to pay principal or interest on those bonds, the chairman of the Authority, as soon as practicable, shall certify to the Governor the amount required to restore the reserve fund to the level required in the resolution or indenture securing those bonds. The Governor shall submit the certified amount to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This subsection (g) applies only with respect to bonds issued before the effective date of this amendatory Act of the 94th General Assembly.

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

(Source: P.A. 93-968, eff. 8-20-04.)

(70 ILCS 518/45)

Sec. 45. Acquisition.

(a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have power to acquire by purchase, lease, gift, or otherwise any property or rights therein from any person or persons, the State of Illinois, any municipal corporation, any local unit of government, the government of the United States and any agency or instrumentality of the United States, any body politic, or any county useful for its purposes, whether improved for the purposes of any prospective project or unimproved. The Authority may also accept any donation of funds for its purposes from any of these sources.

(c) The Authority shall have power to develop, construct, and improve, either under its own direction or through collaboration with any approved applicant, or to acquire, through purchase or otherwise, any

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project, using for this purpose the proceeds derived from its sale of revenue bonds, notes, or other evidences of indebtedness or governmental loans or grants and shall have the power to hold title to those projects in the name of the Authority.

(d) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Fayette, Cumberland, Clark, Effingham, Jasper, Crawford, Marion, Clay, Richland, Lawrence, Jefferson, Wayne, Edwards, Wabash, Hamilton, and White; Irvington Township in Washington County; the Illinois Development Finance Authority, the Illinois Housing Development Authority, the Illinois Education Facilities Authority, the Illinois Farm Development Authority, the Rural Bond Bank, the United States government and any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority, or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(e) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois, and agencies or personnel of any unit of local government.

(f) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3, and 74.5 of Article 11 of the Illinois Municipal Code.

(Source: P.A. 93-968, eff. 8-20-04.)

(70 ILCS 518/50)

Sec. 50. Enterprise zones.

(a) The Authority may by ordinance designate a portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone under the Illinois Enterprise Zone Act in addition to any other enterprise zones which may be created under that Act, which area shall have all the privileges and rights of an Enterprise Zone pursuant to the Illinois Enterprise Zone Act, but which shall not be counted in determining the number of Enterprise Zones to be created in any year pursuant to that Act.

(b) The Authority may not designate any portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone on or after the effective date of this amendatory Act of the 94th General Assembly.

(Source: P.A. 93-968, eff. 8-20-04.)

Section 920. The Southwestern Illinois Development Authority Act is amended by changing Sections 7 and 10 as follows:

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

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

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

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

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

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

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

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

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

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

This subsection (f) applies only with respect to bonds issued before January 1, 2006.

(g) The State of Illinois pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the rights and powers vested in the Authority by this Act so as to impair the terms of any contract made by the Authority with such holders or in any way impair the rights and remedies of such holders until such bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in

connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. In addition, the State pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the basis on which State funds are to be paid to the Authority as provided in this Act, or the use of such funds, so as to impair the terms of any such contract. The Authority is authorized to include these pledges and agreements of the State in any contract with the holders of bonds or notes issued under this Section.

(h) At no time shall the total outstanding bonds and notes of the Authority exceed \$450,000,000.
(Source: P.A. 86-1455; 87-778.)

(70 ILCS 520/10) (from Ch. 85, par. 6160)
Sec. 10. Enterprise Zone.

(a) The Authority may by ordinance designate a portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone under the Illinois Enterprise Zone Act in addition to any other enterprise zones which may be created under that Act, which area shall have all the privileges and rights of an Enterprise Zone pursuant to the Illinois Enterprise Zone Act, but which shall not be counted in determining the number of Enterprise Zones to be created in any year pursuant to that Act.

(b) Prior to January 1, 1999, the Authority may by ordinance designate a portion of the territorial jurisdiction of the Authority located in the southeastern portion of Chouteau Township and the southwestern portion of Edwardsville Township along FAR 310 for certification as an Enterprise Zone under the Illinois Enterprise Zone Act in addition to any other enterprise zones which may be created under that Act, which area shall have all the privileges and rights of an Enterprise Zone under the Illinois Enterprise Zone Act, but which shall not be counted in determining the number of Enterprise Zones to be created in any year pursuant to that Act.

(c) Prior to January 1, 2000 the Authority may by ordinance designate a portion of the territorial jurisdiction of the Authority located in the townships of O'Fallon, Lebanon, Mascoutah, and Shiloh Valley of the county of St. Clair for certification as an Enterprise Zone under the Illinois Enterprise Zone Act in addition to any other Enterprise Zones which may be created under that Act. The area shall have all the privileges and rights of an Enterprise Zone under the Illinois Enterprise Zone Act but shall not be counted in determining the number of Enterprise Zones to be created in any year under that Act.

(d) The Authority may not designate any portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone on or after the effective date of this amendatory Act of the 94th General Assembly.
(Source: P.A. 90-5, eff. 3-19-97; 91-567, eff. 8-14-99.)

Section 925. The Tri-County River Valley Development Authority Law is amended by changing Section 2007 as follows:

(70 ILCS 525/2007) (from Ch. 85, par. 7507)

Sec. 2007. Bonds.

(a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed \$100,000,000 for the purpose of developing, constructing, acquiring or improving projects, including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority, for entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority, for acquiring and improving any property necessary and useful in connection therewith and for the purposes of the Employee Ownership Assistance Act. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time issue and dispose of its interest bearing revenue bonds, notes or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any bonds, notes or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such bonds, notes or other evidences of indebtedness shall be payable from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects or from any other funds available to the Authority for such purposes. The bonds, notes or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may bear interest at such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided by an applicable resolution.

(b-1) The holder or holders of any bonds, notes or other evidences of indebtedness issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of such bonds, notes or other evidences of indebtedness, to compel such corporation, person, the Authority and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of any such bonds, notes or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to enjoin such corporation, person, the Authority and any of its agents or employees from taking any action in conflict with any such contract or covenant.

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

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

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

(e) Such bonds or notes shall be secured as provided in the authorizing ordinance which may, notwithstanding any other provision of this Article, include in addition to any other security a specific pledge or assignment of and lien on or security interest in any or all revenues or money of the Authority from whatever source which may by law be used for debt service purposes and a specific pledge or assignment of and lien on or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of such bonds or notes.

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

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

This subsection (f) applies only with respect to bonds issued before the effective date of this amendatory Act of the 94th General Assembly.

(g) The State of Illinois pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the rights and powers vested in the Authority by this Article so as to impair the terms of any contract made by the Authority with such holders or in any way impair the rights and remedies of such holders until such bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in

connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. In addition, the State pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the basis on which State funds are to be paid to the Authority as provided in this Act, or the use of such funds, so as to impair the terms of any such contract. The Authority is authorized to include these pledges and agreements of the State in any contract with the holders of bonds or notes issued pursuant to this Section.

(h) Not less than 30 days prior to the commitment to issue bonds, notes, or other evidences of indebtedness for the purpose of developing, constructing, acquiring or improving housing or residential projects, as defined in Section 2003, the Authority shall provide notice to the Executive Director of the Illinois Housing Development Authority. Within 30 days after receipt of the notice, the Illinois Housing Development Authority shall notify the Authority as to its interest in financing the project. If the Illinois Housing Development Authority notifies the Authority that it is not interested in financing the project, the Authority may finance the project or seek alternative financing for the project.

(Source: P.A. 91-357, eff. 7-29-99.)

Section 930. The Upper Illinois River Valley Development Authority Act is amended by changing Sections 7 and 10 as follows:

(70 ILCS 530/7) (from Ch. 85, par. 7157)

Sec. 7. Bonds.

(a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed \$250,000,000 for the purpose of developing, constructing, acquiring or improving projects, including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority, for entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority, for acquiring and improving any property necessary and useful in connection therewith and for the purposes of the Employee Ownership Assistance Act. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time issue and dispose of its interest bearing revenue bonds, notes or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any bonds, notes or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such bonds, notes or other evidences of indebtedness shall be payable solely and only from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects or from any other funds available to the Authority for such purposes. The bonds, notes or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may bear interest at such rate or rates not exceeding the maximum rate permitted by "An Act to authorize public corporations to issue bonds, other evidences of indebtedness and tax anticipation warrants subject to interest rate limitations set forth therein", approved May 26, 1970, as amended, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided by an applicable resolution.

(b-1) The holder or holders of any bonds, notes or other evidences of indebtedness issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of such bonds, notes or other evidences of indebtedness, to compel such corporation, person, the Authority and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of any such bonds, notes or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to enjoin such corporation, person, the Authority and any of its agents or employees from taking any action in conflict with any such contract or covenant.

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

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relates to the revenue of the State of Illinois.

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

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

(e) Such bonds or notes shall be secured as provided in the authorizing ordinance which may, notwithstanding any other provision of this Act, include in addition to any other security a specific pledge or assignment of and lien on or security interest in any or all revenues or money of the Authority from whatever source which may by law be used for debt service purposes and a specific pledge or assignment of and lien on or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of such bonds or notes.

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

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

This subsection (f) applies only with respect to bonds issued before January 1, 2006.

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

(h) Not less than 30 days prior to the commitment to issue bonds, notes, or other evidences of indebtedness for the purpose of developing, constructing, acquiring or improving housing or residential projects, as defined in Section 3, the Authority shall provide notice to the Executive Director of the Illinois Housing Development Authority. Within 30 days after notice is provided, the Illinois Housing Development Authority shall either in writing express interest in financing the project or notify the Authority that it is not interested in providing such financing and the Authority may finance the project or seek alternative financing.

(Source: P.A. 91-905, eff. 7-7-00.)

(70 ILCS 530/10) (from Ch. 85, par. 7160)

Sec. 10. Enterprise zones.

(a) The Authority may by ordinance designate a portion of the territorial jurisdiction of the Authority

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for certification as an Enterprise Zone under the Illinois Enterprise Zone Act in addition to any other enterprise zones which may be created under that Act, which area shall have all the privileges and rights of an Enterprise Zone pursuant to the Illinois Enterprise Zone Act, but which shall not be counted in determining the number of Enterprise Zones to be created in any year pursuant to that Act.

(b) The Authority may not designate any portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone on or after the effective date of this amendatory Act of the 94th General Assembly.

(Source: P.A. 86-1024.)

Section 935. The Western Illinois Economic Development Authority Act is amended by changing Sections 40 and 55 as follows:

(70 ILCS 532/40)

Sec. 40. Bonds.

(a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed \$250,000,000 for the following purposes: (i) development, construction, acquisition, or improvement of projects, including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority; (ii) entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority; (iii) acquisition and improvement of any property necessary and useful in connection therewith; and (iv) for the purposes of the Employee Ownership Assistance Act. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time, issue and dispose of its interest-bearing revenue bonds, notes, or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes, or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any bonds, notes, or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such bonds, notes, or other evidences of indebtedness shall be payable solely and only from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects, or from any other funds available to the Authority for such purposes. The bonds, notes, or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may bear interest at such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium, as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided by an applicable resolution.

(b) The holder or holders of any bonds, notes, or other evidences of indebtedness issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of the bonds, notes, or other evidences of indebtedness, to compel such corporation, person, the Authority, and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of the bonds, notes, or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to enjoin the corporation, person, the Authority, and any of its agents or employees from taking any action in conflict with any contract or covenant.

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

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

(e) To secure the payment of any or all of such bonds, notes, or other evidences of indebtedness, the revenues to be received by the Authority from a lease agreement or loan agreement shall be pledged,

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and, for the purpose of setting forth the covenants and undertakings of the Authority in connection with the issuance of the bonds, notes, or other evidences of indebtedness and the issuance of any additional bonds, notes or other evidences of indebtedness payable from such revenues, income, or other funds to be derived from projects, the Authority may execute and deliver a mortgage or trust agreement. A remedy for any breach or default of the terms of any mortgage or trust agreement by the Authority may be by mandamus proceeding in the appropriate circuit court to compel performance and compliance under the terms of the mortgage or trust agreement, but the trust agreement may prescribe by whom or on whose behalf the action may be instituted.

(f) Bonds or notes shall be secured as provided in the authorizing ordinance which may include, notwithstanding any other provision of this Act, in addition to any other security, a specific pledge, assignment of and lien on, or security interest in any or all revenues or money of the Authority, from whatever source, which may, by law, be used for debt service purposes and a specific pledge, or assignment of and lien on, or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of the bonds or notes.

(g) In the event that the Authority determines that moneys of the Authority will not be sufficient for the payment of the principal of and interest on its bonds during the next State fiscal year, the chairman, as soon as practicable, shall certify to the Governor the amount required by the Authority to enable it to pay the principal of and interest on the bonds. The Governor shall submit the certified amount to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This Section shall not apply to any bonds or notes to which the Authority determines, in the resolution authorizing the issuance of the bonds or notes, that this Section shall not apply. Whenever the Authority makes this determination, it shall be plainly stated on the face of the bonds or notes and the determination shall also be reported to the Governor. In the event of a withdrawal of moneys from a reserve fund established with respect to any issue or issues of bonds of the Authority to pay principal or interest on those bonds, the chairman of the Authority, as soon as practicable, shall certify to the Governor the amount required to restore the reserve fund to the level required in the resolution or indenture securing those bonds. The Governor shall submit the certified amount to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This subsection (g) applies only with respect to bonds issued before the effective date of this amendatory Act of the 94th General Assembly.

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

(i) Not less than 30 days prior to the commitment to issue bonds, notes, or other evidences of indebtedness for the purpose of developing, constructing, acquiring, or improving housing or residential projects, as defined in this Act, the Authority shall provide notice to the Executive Director of the Illinois Housing Development Authority. Within 30 days after the notice is provided, the Illinois Housing Development Authority shall, in writing, either express interest in financing the project or notify the Authority that it is not interested in providing financing and that the Authority may finance the project or seek alternative financing.

(Source: P.A. 93-874, eff. 8-6-04.)

(70 ILCS 532/55)

Sec. 55. Enterprise zones.

(a) The Authority may by ordinance designate a portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone under the Illinois Enterprise Zone Act in addition to any other enterprise zones which may be created under that Act, which area shall have all the privileges and rights of an Enterprise Zone pursuant to the Illinois Enterprise Zone Act, but which shall not be counted in determining the number of Enterprise Zones to be created in any year pursuant to that Act.

(d) The Authority may not designate any portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone on or after January 1, 2006.

(Source: P.A. 93-874, eff. 8-6-04.)

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Section 940. The Will-Kankakee Regional Development Authority Law is amended by changing Section 7 as follows:

(70 ILCS 535/7) (from Ch. 85, par. 7457)

Sec. 7. Bonds.

(a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed \$100,000,000 for the purpose of developing, constructing, acquiring or improving projects, including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority, for entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority, for acquiring and improving any property necessary and useful in connection therewith and for the purposes of the Employee Ownership Assistance Act. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time issue and dispose of its interest bearing revenue bonds, notes or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any bonds, notes or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such bonds, notes or other evidences of indebtedness shall be payable from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects or from any other funds available to the Authority for such purposes. The bonds, notes or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may bear interest at such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided by an applicable resolution.

(b-1) The holder or holders of any bonds, notes or other evidences of indebtedness issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of such bonds, notes or other evidences of indebtedness, to compel such corporation, person, the Authority and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of any such bonds, notes or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to enjoin such corporation, person, the Authority and any of its agents or employees from taking any action in conflict with any such contract or covenant.

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

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

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

(e) Such bonds or notes shall be secured as provided in the authorizing ordinance which may,

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notwithstanding any other provision of this Act, include in addition to any other security a specific pledge or assignment of and lien on or security interest in any or all revenues or money of the Authority from whatever source which may by law be used for debt service purposes and a specific pledge or assignment of and lien on or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of such bonds or notes.

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

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

This subsection (f) applies only with respect to bonds issued before January 1, 2006.

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

(Source: P.A. 86-1481; 87-778.)

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

AMENDMENT NO. 4 TO SENATE BILL 1625

AMENDMENT NO. 4. Amend Senate Bill 1625, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Finance Authority Act is amended by changing Section 845-5 as follows:
(20 ILCS 3501/845-5)

Sec. 845-5. The Authority may not have outstanding at any one time bonds for any of its corporate purposes in an aggregate principal amount exceeding \$25,200,000,000 ~~\$24,000,000,000~~, excluding bonds issued to refund the bonds of the Authority or bonds of the Predecessor Authorities.

(Source: P.A. 93-205, eff. 1-1-04; 93-1101, eff. 3-31-05.)

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

Under the rules, the foregoing **Senate Bill No. 1625**, with House Amendments numbered 1 and 4, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, 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. 2277

A bill for AN ACT concerning gaming.

[May 2, 2006]

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. 2277
Passed the House, as amended, May 2, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 2 TO SENATE BILL 2277

AMENDMENT NO. 2. Amend Senate Bill 2277, on page 2, line 8, after the comma, by inserting "in lieu of payments to the Champaign Park District for museum purposes,".

Under the rules, the foregoing **Senate Bill No. 2277**, with House Amendment No. 2, was referred to the Secretary's Desk.

A message from the House by
Mr. Mahoney, 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. 2872

A bill for AN ACT concerning revenue.

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

House Amendment No. 2 to SENATE BILL NO. 2872
Passed the House, as amended, May 2, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 2 TO SENATE BILL 2872

AMENDMENT NO. 2. Amend Senate Bill 2872 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Local Government Facility Lease Act.

Section 5. Definitions. As used in this Act:

"Facility property" means property owned by a municipality with a population of over 500,000 inhabitants, or a unit of local government whose jurisdiction includes territory located in whole or in part within a municipality with a population of over 500,000 inhabitants, that is used by the municipality or other unit of local government for the purpose of an airport, parking, or waste disposal or processing. "Airport", however, does not include any airport property, as defined under Section 10 of the O'Hare Modernization Act.

"Leased facility property" means facility property that is leased to a private entity for continued use for the same airport, parking, or waste disposal or processing purpose.

Section 10. Compliance with applicable ordinances. Each party to whom facility property is leased shall comply with all applicable ordinances of the municipality in which the property is located governing contracting with minority-owned and women-owned businesses and prohibiting discrimination and requiring appropriate affirmative action, to the extent permitted by law and federal funding restrictions, as if the party to whom the property is leased were that municipality.

Section 15. Limitation on the expansion of airport property. Chicago Midway International Airport is facility property used for airport purposes under this Act. No runway of Chicago Midway International Airport shall be expanded beyond the territory bounded by 55th Street on the north, Cicero Avenue on the east, 63rd Street on the south, and Central Avenue on the west, as those avenues and streets are situated on the effective date of this Act.

Section 20. Use of lease proceeds by lessor.

(a) With respect to any leased facility property used for airport purposes, at least 90% of the net proceeds of the lease shall be expended or obligated by the lessor municipality for:

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- (i) the construction and maintenance of infrastructure within the municipality;
 - (ii) contributions to pension funds created for municipal employees; or
 - (iii) any combination of (i) or (ii).
- (b) The amount of net proceeds expended or obligated for item (ii) in subsection (a) may not exceed the amount of net proceeds expended or obligated for item (i) in subsection (a). As used in this Section, "net proceeds" means the gross proceeds less any debt service payments on, and payments to retire, debt that is specifically associated with the leased facility property or otherwise required to be paid out of lease proceeds.

Section 25. Project labor agreements for projects funded by airport lease proceeds. With respect to the construction of public works funded by the proceeds described in Section 20, where the project has an estimated contract value of \$500,000 or more, where there has been a written determination that the public interest in cost, timely and orderly construction, labor stability, and advancement of minority-owned and women-owned businesses and minority and female employment would be served by a project labor agreement, and where not otherwise prohibited by applicable law, the municipality or municipal corporation responsible for implementing the project shall in good faith negotiate a project labor agreement with labor organizations engaged in the construction industry. Any project labor agreement shall:

- (1) set forth effective, immediate, and mutually binding procedures for resolving jurisdictional disputes and grievances arising before completion of work;
- (2) contain guarantees against strikes, lockouts, or similar actions;
- (3) ensure a reliable source of skilled and experienced labor;
- (4) further public policy objectives as to improved employment opportunities for minorities and women in the construction industry to the extent permitted by State and federal law;
- (5) be made binding on all contractors and subcontractors on the public works project through inclusion of appropriate bid specifications in all relevant bid documents; and
- (6) include such other terms as the parties deem appropriate.

Section 30. Labor neutrality and card check procedure agreement at the leased property. With respect to employees assigned to work on the premises of leased facility property used for airport purposes and who are not otherwise members of an existing bargaining unit cognizable under the National Labor Relations Act, and where not otherwise prohibited by applicable law, the lessee shall negotiate in good faith, with any union that seeks to represent its employees, for a labor neutrality and card check procedure agreement. The agreement shall apply only to employees actually assigned to work on the premises of the leased facility property used for airport purposes and shall have no applicability to employees not so assigned. The agreement shall contain provisions accomplishing the following objectives: resolution by a third party neutral of disagreements regarding bargaining unit scope, inclusions, and exclusions; determination of the existence of majority support for a bargaining agent by means of a card check procedure; employer neutrality; prohibition of coercion or intimidation of employees by either the employer or the union; and a prohibition on strikes, work stoppages, or picketing for the duration of the agreement.

Section 35. Wage requirements. In order to protect the wages, working conditions, and job opportunities of employees employed by the lessee of leased facility property used for airport purposes to perform work on the site of the leased premises previously performed by employees of the lessor on the site of the leased premises and who were in recognized bargaining units at the time of the lease, the lessee, and any subcontractor retained by the lessee to perform such work on the site of the leased premises, shall be required to pay to those employees an amount not less than the economic equivalent of the standard of wages and benefits enjoyed by the lessor's employees who previously performed that work. The lessor shall certify to the lessee the amount of wages and benefits (or their equivalent) as of the time of the lease, and any changes to those amounts as they may occur during the term of the lease. All projects at the leased facility property used for airport purposes shall be considered public works for purposes of the Prevailing Wage Act.

Section 40. Required offers of employment. As part of any transaction to lease facility property that is used for airport purposes:

- (1) the lessee must offer employment, under substantially similar terms and conditions, to the employees of the municipality who are employed, at the time of the lease, with respect to the

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facility property used for airport purposes; and

(2) the municipality must offer employment in another department, division, or unit of the municipality, under substantially similar terms and conditions, to employees of the municipality who are employed, at the time of the lease, with respect to the facility property used for airport purposes.

Section 45. Judicial enforcement. The provisions of this Act are judicially enforceable by injunctive relief and an award of actual damages.

Section 50. Home rule preemption; exemption from State Mandates Act.

(a) A home rule unit may not exercise its home rule powers and functions in a manner that is inconsistent with this Act. This subsection 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.

(b) Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Act.

Section 900. The Property Tax Code is amended by changing Section 15-185 as follows:
(35 ILCS 200/15-185)

Sec. 15-185. Exemption for leaseback property and qualified leased property ~~Leaseback exemption.~~

(a) Notwithstanding anything in this Code to the contrary, all property owned by a municipality with a population of over 500,000 inhabitants, or a unit of local government whose jurisdiction includes territory located in whole or in part within a municipality with a population of over 500,000 inhabitants, shall remain exempt from taxation and any leasehold interest in that property shall not be subject to taxation under Section 9-195 if ~~for the purpose of obtaining financing,~~ the property is directly or indirectly leased, sold, or otherwise transferred to another entity whose property is not exempt and immediately thereafter is the subject of a leaseback or other agreement that directly or indirectly gives the municipality or unit of local government (i) a right to use, control, and possess the property or (ii) a right to require the other entity, or the other entity's designee or assignee, to use the property in the performance of services for the municipality or unit of local government. ~~Property~~ The property shall no longer be exempt under this ~~subsection~~ Section as of the date when the right of the municipality or unit of local government to use, control, and possess the property or to require the performance of services is terminated and the municipality or unit of local government no longer has any option to purchase or otherwise reacquire the interest in the property which was transferred by the municipality or unit of local government.

(b) Notwithstanding anything in this Code to the contrary, all property owned by a municipality with a population of over 500,000 inhabitants, or a unit of local government whose jurisdiction includes territory located in whole or in part within a municipality with a population of over 500,000 inhabitants, shall remain exempt from taxation and any leasehold interest in that property is not subject to taxation under Section 9-195 if the property, including dedicated public property, is used by a municipality or other unit of local government for the purpose of an airport or parking or for waste disposal or processing and is leased for continued use for the same purpose to another entity whose property is not exempt.

For the purposes of this subsection (b), "airport" does not include any airport property, as defined under Section 10 of the O'Hare Modernization Act.

Any transaction described under this subsection must be undertaken in accordance with all appropriate federal laws and regulations.

(c) For purposes of this Section, "municipality" means a municipality as defined in Section 1-1-2 of the Illinois Municipal Code, and "unit of local government" means a unit of local government as defined in Article VII, Section 1 of the Constitution of the State of Illinois. The provisions of this Section supersede and control over any conflicting provisions of this Code.

(Source: P.A. 93-19, eff. 6-20-03.)

Section 905. The Illinois Municipal Code is amended by adding Section 11-102-15 as follows:
(65 ILCS 5/11-102-15 new)

Sec. 11-102-15. Chicago Midway International Airport; application of other Acts. In addition to the provisions of this Division 102, Chicago Midway International Airport is subject to the provisions of the Local Government Facility Lease Act.

Section 910. The Prevailing Wage Act is amended by changing Section 2 as follows:

(820 ILCS 130/2) (from Ch. 48, par. 39s-2)

Sec. 2. This Act applies to the wages of laborers, mechanics and other workers employed in any public works, as hereinafter defined, by any public body and to anyone under contracts for public works.

As used in this Act, unless the context indicates otherwise:

"Public works" means all fixed works constructed by any public body, other than work done directly by any public utility company, whether or not done under public supervision or direction, or paid for wholly or in part out of public funds. "Public works" as defined herein includes all projects financed in whole or in part with bonds issued under the Industrial Project Revenue Bond Act (Article 11, Division 74 of the Illinois Municipal Code), the Industrial Building Revenue Bond Act, the Illinois Finance Authority Act, the Illinois Sports Facilities Authority Act, or the Build Illinois Bond Act, and all projects financed in whole or in part with loans or other funds made available pursuant to the Build Illinois Act. "Public works" also includes all projects financed in whole or in part with funds from the Fund for Illinois' Future under Section 6z-47 of the State Finance Act, funds for school construction under Section 5 of the General Obligation Bond Act, funds authorized under Section 3 of the School Construction Bond Act, funds for school infrastructure under Section 6z-45 of the State Finance Act, and funds for transportation purposes under Section 4 of the General Obligation Bond Act. "Public works" also includes all projects financed in whole or in part with funds from the Department of Commerce and Economic Opportunity Community Affairs under the Illinois Renewable Fuels Development Program Act for which there is no project labor agreement. "Public works" also includes all projects at leased facility property used for airport purposes under Section 35 of the Local Government Facility Lease Act.

"Construction" means all work on public works involving laborers, workers or mechanics.

"Locality" means the county where the physical work upon public works is performed, except (1) that if there is not available in the county a sufficient number of competent skilled laborers, workers and mechanics to construct the public works efficiently and properly, "locality" includes any other county nearest the one in which the work or construction is to be performed and from which such persons may be obtained in sufficient numbers to perform the work and (2) that, with respect to contracts for highway work with the Department of Transportation of this State, "locality" may at the discretion of the Secretary of the Department of Transportation be construed to include two or more adjacent counties from which workers may be accessible for work on such construction.

"Public body" means the State or any officer, board or commission of the State or any political subdivision or department thereof, or any institution supported in whole or in part by public funds, and includes every county, city, town, village, township, school district, irrigation, utility, reclamation improvement or other district and every other political subdivision, district or municipality of the state whether such political subdivision, municipality or district operates under a special charter or not.

The terms "general prevailing rate of hourly wages", "general prevailing rate of wages" or "prevailing rate of wages" when used in this Act mean the hourly cash wages plus fringe benefits for training and apprenticeship programs approved by the U.S. Department of Labor, Bureau of Apprenticeship and Training, health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character on public works.

(Source: P.A. 92-16, eff. 6-28-01; 93-15, eff. 6-11-03; 93-16, eff. 1-1-04; 93-205, eff. 1-1-04; revised 1-12-04.)

Section 915. The State Mandates Act is amended by adding Section 8.30 as follows:

(30 ILCS 805/8.30 new)

Sec. 8.30. 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 94th General Assembly.

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

Under the rules, the foregoing **Senate Bill No. 2872**, with House Amendment No. 2, was referred to the Secretary's Desk.

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

[May 2, 2006]

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 1814

A bill for AN ACT concerning pensions.
Passed the House, May 2, 2006.

MARK MAHONEY, Clerk of the House

The foregoing **House Bill No. 1814** was taken up, ordered printed and placed on first reading.

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

Mr. President -- I am directed to inform the Senate that the House of Representatives has adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE JOINT RESOLUTION NO. 112

WHEREAS, It is appropriate to honor members of the U.S. Armed Forces who willingly and faithfully serve and as result, pay the ultimate sacrifice; and

WHEREAS, Sergeant First Class Kyle B. Wehrly was a member of Battery C of the 123rd Artillery Unit the Illinois National Guard based out of Galesburg, but was deployed with Battery B, based out of Macomb; he was serving in in Ashraf, Iraq, when an improvised explosive device detonated near his vehicle during patrol operations; he died on November 3, 2005; and

WHEREAS, He was born on October 4, 1977, in Nashville, Illinois, to Reverend Peter Wehrly and Nita Cross; he was a 1996 midterm graduate of Galesburg High School, where he is remembered for his sense of humor, the way he looked out for his brother, and his willingness to accept responsibility; he joined the Illinois National Guard during his junior year on September 28, 1995; and

WHEREAS, He worked at Lowe's and had also worked for Hansen Lumber and Carter Lumber; he officiated soccer and played slow-pitch softball; he loved the Cubs; and

WHEREAS, He was awarded the Bronze Star and the Purple Heart among many other citations; and

WHEREAS, The sacrifice Sergeant Wehrly made is one that should be remembered; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that we strongly urge the Illinois National Guard to either name the National Guard Readiness Facility under construction in Galesburg in his honor or make some other appropriate honorary designation; and be it further

RESOLVED, That copies of this resolution be delivered to the Illinois National Guard and to the family of Sergeant First Class Wehrly.

Adopted by the House, April 19, 2006.

MARK MAHONEY, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 112 was referred to the Committee on Rules.

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

[May 2, 2006]

Mr. President -- I am directed to inform the Senate that the House of Representatives has adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE JOINT RESOLUTION NO. 122

WHEREAS, There are 39 public community college districts serving all 102 counties within the State of Illinois; and

WHEREAS, Within the 39 community college districts, there are 48 community colleges, serving nearly 1.2 million Illinoisans annually; and

WHEREAS, Over the past decade, enrollment at the 48 community colleges has increased by more than 20% and the role of the community college has expanded dramatically; local communities and businesses have become reliant on community colleges as the primary provider of worker education and training; and

WHEREAS, The U.S. Department of Labor estimates that by the end of this decade 85% of all jobs in the State of Illinois that are capable of sustaining a middle-class lifestyle will require access to post-secondary education; and

WHEREAS, The U.S. Department of Labor also reports that 75% of all current workers will require re-skilling or retraining during the current decade in order to maintain the jobs they presently hold; and

WHEREAS, The reimbursement rules that are currently in place for community colleges are, in some instances, more than 30 years old and do not reflect the vast diversity of the structure and operation of the community college model of today; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that there is created a Joint Task Force on Community Colleges, to be facilitated by the Illinois Community College Board, for the purpose of reviewing the present community college system and making recommendations to the General Assembly pertaining to whether the mechanisms that are in place will handle the expanded role and demands on the system in the future; and be it further

RESOLVED, That the Joint Task Force on Community Colleges shall consist of the following members: 2 co-chairpersons, each a member of the General Assembly, with one appointed by the Speaker of the House and one appointed by the President of the Senate; 2 spokespersons, each a member of the General Assembly, with one appointed by the Minority Leader of the House and one appointed by the Minority Leader of the Senate; 3 community college presidents appointed by an organization representing public community college presidents; 3 community college trustees appointed by an organization representing Illinois community college trustees; 2 community college faculty members appointed by the Chairperson of the Illinois Community College Board; 2 community college students appointed by the Illinois Community College Board Student Advisory Committee; and 2 members appointed by the Chairperson of the Illinois Community College Board, one of whom is a nationally recognized community college expert; and be it further

RESOLVED, That the Joint Task Force members shall serve on a voluntary basis and shall not be responsible for any costs associated with their participation in the Joint Task Force; and be it further

RESOLVED, That the Joint Task Force shall meet initially at the call of the Chairperson of the Illinois Community College Board and thereafter as necessary and shall report its findings to the General Assembly by filing copies of its report with the Clerk of the House and the Secretary of the Senate no later than December 31, 2006; and that upon filing its report the Joint Task Force is dissolved; and be it further

RESOLVED, That suitable copies of this resolution be delivered to the Chairperson of the Illinois Community College Board and to the Illinois Community College Board Student Advisory Committee.

[May 2, 2006]

Adopted by the House, April 25, 2006.

MARK MAHONEY, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 122 was referred to the Committee on Rules.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 1814, sponsored by Senator Forby, was taken up, read by title a first time and referred to the Committee on Rules.

At the hour of 6:13 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 6:19 o'clock p.m., the Senate resumed consideration of business.
Senator Halvorson, presiding.

MESSAGES FROM THE HOUSE

A message from the House by
Mr. Mahoney, 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. 185

A bill for AN ACT concerning the Metropolitan Water Reclamation District.

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. 185

Passed the House, as amended, May 2, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 185

AMENDMENT NO. 1. Amend Senate Bill 185 by replacing everything after the enacting clause with the following:

"Section 5. The Metropolitan Water Reclamation District Act is amended by changing Section 4 as follows:

(70 ILCS 2605/4) (from Ch. 42, par. 323)

Sec. 4. The commissioners elected under this Act constitute a board of commissioners for the district by which they are elected, which board of commissioners is the corporate authority of the sanitary district, and, in addition to all other powers specified in this Act, shall establish the policies and goals of the sanitary district. The general superintendent, in addition to all other powers specified in this Act, shall manage and control all the affairs and property of the sanitary district and shall regularly report to the Board of Commissioners on the activities of the sanitary district in executing the policies and goals established by the board. At the regularly scheduled meeting of odd numbered years following the induction of new commissioners the board of commissioners shall elect from its own number a president and a vice-president to serve in the absence of the president, and the chairman of the committee on finance. The board shall provide by rule when a vacancy occurs in the office of the president, vice-president, or the chairman of the committee on finance and the manner of filling such vacancy.

The board shall appoint from outside its own number the general superintendent and treasurer for the district.

The general superintendent must be a resident of the sanitary district and a citizen of the United States.

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He must be selected solely upon his administrative and technical qualifications and without regard to his political affiliations.

In the event of illness or other prolonged absence, death or resignation creating a vacancy in the office of the general superintendent, or treasurer, the board of commissioners may appoint an acting officer from outside its own number, to perform the duties and responsibilities of the office during the term of the absence or vacancy.

The general superintendent with the advice and consent of the board of commissioners, shall appoint the chief engineer, chief of maintenance and operations, director of personnel, purchasing agent, clerk, attorney, director of research and development, and director of information technology. These constitute the heads of the Department of Engineering, Maintenance and Operations, Personnel, Purchasing, Finance, Law, Research and Development, and Information Technology, respectively. No other departments or heads of departments may be created without subsequent amendment to this Act. All such department heads are under the direct supervision of the general superintendent.

The director of personnel must be qualified under Section 4.2a of this Act.

The purchasing agent must be selected in accordance with Section 11.16 of this Act.

In the event of illness or other prolonged absence, death or resignation creating a vacancy in the office of chief engineer, chief of maintenance and operations, director of personnel, purchasing agent, clerk, attorney, director of research and development, or director of information technology, the general superintendent shall appoint an acting officer to perform the duties and responsibilities of the office during the term of the absence or vacancy. Any such officers appointed in an acting capacity are under the direct supervision of the general superintendent.

All appointive officers and acting officers shall give bond as may be required by the board.

The general superintendent, treasurer, acting general superintendent and acting treasurer hold their offices at the pleasure of the board of commissioners.

The acting chief engineer, acting chief of maintenance and operations, acting purchasing agent, acting director of personnel, acting clerk, acting attorney, acting director of research and development, and acting director of information technology hold their offices at the pleasure of the general superintendent.

The chief engineer, chief of maintenance and operations, director of personnel, purchasing agent, clerk, attorney, director of research and development, and director of information technology may be removed from office for cause by the general superintendent. Prior to removal, such officers are entitled to a public hearing before the general superintendent at which hearing they may be represented by counsel. Before the hearing, the general superintendent shall notify the board of commissioners of the date, time, place and nature of the hearing.

In addition to the attorney appointed by the general superintendent, the board of commissioners may appoint from outside its own number an attorney, or retain counsel, to advise the board of commissioners with respect to its powers and duties and with respect to legal questions and matters of policy for which the board of commissioners is responsible.

The general superintendent is the chief administrative officer of the district, has supervision over and is responsible for all administrative and operational matters of the sanitary district including the duties of all employees which are not otherwise designated by law, and is the appointing authority as specified in Section 4.11 of this Act.

The board, through the budget process, shall ~~set fix~~ the compensation of all the officers and employees of the sanitary district. Any incumbent of the office of president may appoint an administrative aide which appointment remains in force during his incumbency unless revoked by the president.

Effective upon the election in January, 1985 of the president and vice-president of the board of commissioners and the chairman of the committee on finance, the annual salary of the president shall be \$37,500 and shall be increased to \$39,500 in January, 1987, \$41,500 in January, 1989, \$50,000 in January, 1991, and \$60,000 in January, 2001; the annual salary of the vice-president shall be \$35,000 and shall be increased to \$37,000 in January, 1987, \$39,000 in January, 1989, \$45,000 in January, 1991, and \$55,000 in January, 2001; the annual salary of the chairman of the committee on finance shall be \$32,500 and shall be increased to \$34,500 in January, 1987, \$36,500 in January, 1989, \$45,000 in January, 1991, and \$55,000 in January, 2001.

The annual salaries of the other members of the Board shall be as follows:

For the three members elected in November, 1980, \$26,500 per annum for the first two years of the term; \$28,000 per annum for the next two years of the term and \$30,000 per annum for the last two years.

For the three members elected in November, 1982, \$28,000 per annum for the first two years of the term and \$30,000 per annum thereafter.

For members elected in November, 1984, \$30,000 per annum.

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For the three members elected in November, 1986, \$32,000 for each of the first two years of the term, \$34,000 for each of the next two years and \$36,000 for the last two years;

For three members elected in November, 1988, \$34,000 for each of the first two years of the term and \$36,000 for each year thereafter.

For members elected in November, 1990, 1992, 1994, 1996, or 1998, \$40,000.

For members elected in November, 2000 and thereafter, \$50,000.

Notwithstanding the other provisions of this Section, the board, prior to January 1, 2007 and with a two-thirds vote, may increase the annual rate of compensation at a separate flat amount for each of the following: the president, the vice-president, the chairman of the committee on finance, and the other members; the increased annual rate of compensation shall apply to all such officers and members whose terms as members of the board commence after the increase in compensation is adopted by the board.

The board of commissioners has full power to pass all necessary ordinances, orders, rules, resolutions and regulations for the proper management and conduct of the business of the board of commissioners and the corporation and for carrying into effect the object for which the sanitary district is formed. All ordinances, orders, rules, resolutions and regulations passed by the board of commissioners must, before they take effect, be approved by the president of the board of commissioners. If he approves thereof, he shall sign them, and such as he does not approve he shall return to the board of commissioners with his objections in writing at the next regular meeting of the board of commissioners occurring after the passage thereof. Such veto may extend to any one or more items or appropriations contained in any ordinance making an appropriation, or to the entire ordinance. If the veto extends to a part of such ordinance, the residue takes effect. If the president of such board of commissioners fails to return any ordinance, order, rule, resolution or regulation with his objections thereto in the time required, he is deemed to have approved it, and it takes effect accordingly. Upon the return of any ordinance, order, rule, resolution, or regulation by the president, the vote by which it was passed must be reconsidered by the board of commissioners, and if upon such reconsideration two-thirds of all the members agree by yeas and nays to pass it, it takes effect notwithstanding the president's refusal to approve thereof.

It is the policy of this State that all powers granted, either expressly or by necessary implication, by this Act or any other Illinois statute to the District may be exercised by the District notwithstanding effects on competition. It is the intention of the General Assembly that the "State action exemption" to the application of federal antitrust statutes be fully available to the District to the extent its activities are authorized by law as stated herein.

(Source: P.A. 91-722, eff. 6-2-00.)

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

Under the rules, the foregoing **Senate Bill No. 185**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, 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. 929

A bill for AN ACT concerning regulation.

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

House Amendment No. 1 to SENATE BILL NO. 929

House Amendment No. 2 to SENATE BILL NO. 929

Passed the House, as amended, May 2, 2006.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 929

AMENDMENT NO. 1. Amend Senate Bill 929 by replacing everything after the enacting clause with the following:

"Section 5. The Coal Mining Act is amended by changing Sections 11.01, 19.11, 22.18, and 38.3 and the heading of Article 29 and by adding Sections 1.19, 1.20, 1.21, 1.22, 1.23, 1.24, 10.08, 11.07, 11.08,

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11.09, 11.10, 11.11, 13.16, 13.17, 13.18, 29.05, 29.06, 29.07, 38.4, and 38.5 as follows:

(225 ILCS 705/1.19 new)

Sec. 1.19. "Lifeline cord" means a fire-retardant, nylon line of at least one quarter inch thickness, with cone-shaped directional indicators incorporated into it, that is permanently installed in an escape way and gives a clear indication of the direction out of a mine.

(225 ILCS 705/1.20 new)

Sec. 1.20. "Self-contained self-rescue (SCSR) device" means a breathing apparatus that contains a minimum of one hour of oxygen for one person and is approved by the Mine Safety and Health Administration of the U.S. Department of Labor and the Mining Board.

(225 ILCS 705/1.21 new)

Sec. 1.21. "Surface supervisor of an underground mine" means a certified supervisor at a mine whose duties do not include the extraction of coal, but do include other activities resulting in the preparation of coal, supervision of construction or demolition of mine buildings, earth moving, gob moving projects, or other surface projects involving the supervision of people and machinery.

(225 ILCS 705/1.22 new)

Sec. 1.22. "Tag-line" means a nylon line of at least one quarter inch thickness that has mechanical clips or other suitable connecting devices incorporated therein that are spaced between 3 feet and 5 feet apart that allow a group of persons underground to attach themselves together.

(225 ILCS 705/1.23 new)

Sec. 1.23. "Rescue chamber" means a chamber within a mine that is properly constructed to protect against potential hazards in case of an emergency and is properly equipped with first aid materials, an oxygen-generating device capable of providing a minimum of 48 hours of oxygen for at least 10 people, and proper accommodations for persons underground awaiting rescue, as determined by the Mining Board.

(225 ILCS 705/1.24 new)

Sec. 1.24. "Cache" means a storage facility within a mine that is properly constructed to store SCSR devices in case of an emergency for use by persons underground in emergency situations, as determined by the Mining Board.

(225 ILCS 705/10.08 new)

Sec. 10.08. Use of telecommunications center. In order to ensure a quick and efficient means of effectively disseminating duties and responsibilities to those agencies involved in mining emergency response, the Department shall use the telecommunications center maintained by the Illinois Emergency Management Agency to notify agents of the Department and other State, federal, and local agencies in the event of an emergency in or about any coal mine. The Illinois Emergency Management Agency, in conjunction with the Mining Board, shall establish procedures concerning the manner in which the Illinois Emergency Management Agency shall record pertinent information regarding a mining emergency, determine the urgency of a call, and forward information to the Department.

(225 ILCS 705/11.01) (from Ch. 96 1/2, par. 1101)

Sec. 11.01. Mine rescue stations. For the purpose of providing prompt and efficient means of fighting fires and of saving lives and property jeopardized by fires, explosions or other accidents in coal mines in Illinois, there shall be constructed, equipped and maintained at public expense ~~4~~ four mine rescue stations, certified by the Mine Safety and Health Administration of the U.S. Department of Labor, to serve the coal fields of the State. Notwithstanding any other law of this State, the primary responsibility for the control and maintenance of the mine rescue stations shall be vested with the Department. Each station shall be equipped with a mobile mine rescue unit. The Department may establish, equip and maintain three additional substations for preservation of health and safety if the conditions warrant. Temporary certification may be issued by the Mining Board for a maximum of 6 months after the effective date of this amendatory Act of the 94th General Assembly.

(Source: P.A. 87-895.)

(225 ILCS 705/11.07 new)

Sec. 11.07. Rescue teams. Rescue teams shall be based out of each mine rescue station to serve the Illinois coal industry as either a primary or secondary responder. Every operator in the State must provide employees to serve on a rescue team and must compensate these employees who are serving as rescue team members at their regular rate of pay.

(225 ILCS 705/11.08 new)

Sec. 11.08. Self-contained self-rescuer (SCSR) devices; caches; strobe lights; luminescent signs.

(a) An operator must require each person underground to carry a SCSR device on his or her person or, alternatively, a SCSR device must be kept within 25 feet of the person underground or may be kept more than 25 feet from the person underground if done according to a plan approved by the Mining Board.

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(b) An operator must provide for each person who is underground at least one SCSR device, in addition to the device required under subsection (a), that provides protection for a period of one hour or longer, to cover all persons in the mine. This additional SCSR device must be kept within 25 feet of the person underground or may be kept more than 25 feet from the person underground if done according to a plan approved by the Mining Board.

(c) If a mantrip or mobile equipment is used to enter or exit the mine, additional SCSR devices, each of which must provide protection for a period of one hour or longer, must be available for all persons who use such transportation from portal to portal.

(d) If the SCSR devices required under subsections (a), (b), and (c) are not adequate to provide enough oxygen for all persons to safely evacuate the mine under mine emergency conditions, the mine operator must provide additional SCSR devices in the primary and alternate escapeways to ensure safe evacuation for all persons underground through both primary and alternate escapeways. The Mining Board must determine the time needed for safe evacuation under emergency conditions from each of those locations at 1,000 foot intervals. The mine operator must submit a SCSR storage plan to the Mining Board for approval. The mine operator must include in the SCSR storage plan the location, quantity, and type of additional SCSR devices, each of which must provide protection for a period of one hour or longer, that are stored in the primary and alternate escapeways. The SCSR storage plan must also show how each storage location in the primary and alternate escapeways was determined. The Mining Board must require the mine operator to demonstrate that the location, quantity, and type of the additional SCSRs provide protection to all persons to safely evacuate the mine. The SCSR storage plan must be kept current by the mine operator and made available for inspection by an authorized representative of the Mining Board and by the miners' representative.

(e) All SCSR devices required under this Section shall be stored in caches that are conspicuous and readily accessible by each person in the mine.

(f) An operator must require luminescent direction signs leading to each cache and rescue chamber to be posted in a mine, and a luminescent sign with the words "SELF-CONTAINED SELF-RESCUER" or "SELF-CONTAINED SELF-RESCUERS" must be conspicuously posted at each cache and rescue chamber.

(g) Intrinsically safe, battery-powered strobe lights must be affixed to each cache and rescue chamber and must be capable of automatic activation in the event of an emergency.

(h) The Mining Board shall adopt and impose all federal requirements concerning the testing and storage of the SCSR devices.

(i) Any person who, without the authorization of the operator or the Mining Board, knowingly removes or attempts to remove any self-contained self-rescue device or battery-powered strobe light approved by the Department from a mine or mine site with the intent to permanently deprive the operator of the device or light or who knowingly tampers with or attempts to tamper with the device or light is guilty of a Class 4 felony.

(j) Beginning January 31, 2007, in addition to the SCSR devices required under subsections (a), (b), and (c), an operator must provide a minimum of 30 SCSR devices in each cache located within a mine, in addition to federal Mine Safety and Health Administration requirements. Caches must be located no more than 4,000 feet apart throughout a mine.

(k) An operator must submit for approval a plan addressing the requirements of subsection (j) of this Section to the Mining Board within 3 months after the effective date of this amendatory Act of the 94th General Assembly.

(225 ILCS 705/11.09 new)

Sec. 11.09. Rescue chambers.

(a) Rescue chambers approved by the Mining Board must be provided at suitable locations throughout a mine.

(b) Beginning January 31, 2007, rescue chambers approved by the Mining Board must be provided and located within 3,000 feet of each working section of a mine.

(c) An operator must submit a plan for approval concerning the construction and maintenance of rescue chambers required under this Section to the Mining Board within 3 months after the effective date of this amendatory Act of the 94th General Assembly.

(225 ILCS 705/11.10 new)

Sec. 11.10. Materials for barricade. Each working section of a mine must have an emergency sled or wagon located no more than 1,000 feet from the working faces of the mine with the following materials and amounts in constant supply:

(1) 8 timbers of suitable length or roof jacks of equal capability;

(2) 200 linear feet of brattice cloth of adequate height to the coal seam;

- (3) 2 hand saws;
- (4) 20 1 x 6 brattice boards at least 12 feet long each;
- (5) 10 pounds of 10d nails;
- (6) 10 pounds of 16d nails;
- (7) 10 pounds of spads;
- (8) 25 cap boards;
- (9) 20 header boards;
- (10) 2 axes;
- (11) 2 claw hammers;
- (12) one sledge hammer;
- (13) one shovel;
- (14) 10 bags of wood fiber plaster or 5 bags of cement or the equivalent;
- (15) 4 sets of rubber gloves; and
- (16) 5 gallons of sealed, distilled drinking water.

(225 ILCS 705/11.11 new)

Sec. 11.11. Rulemaking. The Mining Board shall adopt all rules necessary for the administration of this Article.

(225 ILCS 705/13.16 new)

Sec. 13.16. Tag-lines. Tag-lines must be provided in every working section of a mine and on any vehicle capable of hauling 4 or more people within the mine.

(225 ILCS 705/13.17 new)

Sec. 13.17. Methane extraction.

(a) In this Section:

"Blowout preventer" means an emergency shut-off valve installed on the wellhead during the drilling or testing of a well that incorporates hydraulic pipe rams capable of closing the space around the drillpipe against very high pressure.

"Conductor pipe" means a short string of large-diameter casing used to keep the top of the wellbore open and to provide a means of conveying the up-flowing drilling fluid from the wellbore to the mud pit.

"Gas detector" means a mechanical, electrical, or chemical device that automatically identifies and records or registers the levels of various gases.

(b) Methane extraction from sealed areas of active mines or abandoned mines that are attached to active working mines must include a conductor pipe cemented in place, a blowout preventer, and a gas detector.

(225 ILCS 705/13.18 new)

Sec. 13.18. Non-production related bore holes exempt. Non-production related bore holes that are drilled or operated by an operator and are intended for the safety or maintenance of a mine are exempt from this Act.

(225 ILCS 705/19.11) (from Ch. 96 1/2, par. 1911)

Sec. 19.11. Travelable passageways; obstructions; ventilation of escape ways. There shall be at least two travelable passageways, to be designated as escape ways, from each working section to the surface whether the mine openings are shafts, slopes, or drifts. At least one of these passageways must be equipped with a lifeline cord. Escape ways ~~They~~ shall be kept in safe condition for travel and reasonably free from standing water and other obstructions. One of the designated escape ways may be the haulage road. One of the escape ways shall be ventilated with intake air. At mines now operating with only one free passageway to the surface, immediate action shall be taken to provide a second passageway. The return air passageway to the surface must be marked with reflectors or other appropriate signage, as approved by the Department.

(Source: Laws 1953, p. 701.)

(225 ILCS 705/22.18) (from Ch. 96 1/2, par. 2218)

Sec. 22.18. Vehicle for transporting workforce and injured persons. A vehicle suitable for transporting all persons underground working on a unit and injured persons shall be maintained in ~~on~~ each underground working section ~~where workers are working for use in case of accident.~~

(Source: P.A. 79-460.)

(225 ILCS 705/Art. 29 heading)

ARTICLE 29. TELEPHONE AND WIRELESS COMMUNICATION SYSTEMS

(225 ILCS 705/29.05 new)

Sec. 29.05. Wireless emergency communication devices. A wireless emergency communication device approved by the Mining Board must be worn by each person underground. The operator shall

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provide these devices. The wireless emergency communication device must, at a minimum, be capable of receiving emergency communications from the surface at any location throughout the mine. Each operator must provide for the training of each underground employee in the use of the device and, annually, provide a refresher training course for all underground employees. The operator must install in or around the mine any and all equipment necessary to transmit emergency communications from the surface to each wireless emergency communication device at any location throughout the mine.

An operator must submit for approval a plan concerning the implementation of the wireless emergency communication devices required under this Section to the Mining Board within 3 months after the effective date of this amendatory Act of the 94th General Assembly.

Any person who, without the authorization of the operator or the Mining Board, knowingly removes or attempts to remove any wireless emergency communication device or related equipment approved by the Mining Board from the mine or mine site with the intent to permanently deprive the operator of the device or equipment or who knowingly tampers with or attempts to tamper with the device or equipment is guilty of a Class 4 felony.

(225 ILCS 705/29.06 new)

Sec. 29.06. Wireless tracking devices. A wireless tracking device approved by the Mining Board must be worn by each person underground. The operator shall provide these devices. The tracking device must be capable of providing real-time monitoring of the physical location of each person underground in the event of an accident or other emergency. No person may discharge or discriminate against any underground employee based on information gathered by a wireless tracking device during non-emergency monitoring. Each operator must provide for the training of each underground employee in the use of the device and provide refresher training courses for all underground employees during each calendar year. The operator must install in or around the mine all equipment necessary to provide real-time emergency monitoring of the physical location of each person underground.

An operator must submit for approval a plan concerning the implementation of the wireless tracking devices required under this Section to the Mining Board within 3 months after the effective date of this amendatory Act of the 94th General Assembly.

Any person who, without the authorization of the operator or the Mining Board, knowingly removes or attempts to remove any wireless tracking device or related equipment approved by the Mining Board from a mine or mine site with the intent to permanently deprive the operator of the device or equipment or who knowingly tampers with or attempts to tamper with the device or equipment is guilty of a Class 4 felony.

(225 ILCS 705/29.07 new)

Sec. 29.07. Mine Technology Task Force; provision of rescue chambers and wireless devices.

(a) The Director shall establish a Mine Technology Task Force composed of representatives of an organization representing mine employees, coal operators, academia, and the communications industry. Each group shall submit the name of its representative to the Director. The task force shall review and make recommendations to the Mining Board regarding the best available mine safety technologies, including, but not limited to, rescue chambers, wireless communications equipment, and wireless tracking devices for use in underground mines. The task force shall submit its initial findings to the Mining Board within 3 months after the effective date of this amendatory Act of the 94th General Assembly.

(b) Rescue chambers, wireless emergency communications devices, and wireless tracking devices must be provided in each underground mine within 90 days after the equipment is approved by the federal Mine Safety and Health Administration. To the extent that any of these devices have already been approved by the federal Mine Safety and Health Administration, the operator shall provide the equipment in each underground mine within 90 days after the effective date of this amendatory Act of the 94th General Assembly.

(c) A temporary waiver of the requirements of subsection (b) of this Section of up to 90 days may be issued by the Mining Board if (i) the mine operator submits to the Mining Board a receipt of the product order and (ii) the manufacturer has certified that the product will be delivered within 90 days of the product order.

(225 ILCS 705/38.3) (from Ch. 96 1/2, par. 3803)

Sec. 38.3. Surface mine supervisor ~~Supervisors~~. On or after September 1, 1977, it shall be unlawful for any operator of a surface coal mine to employ, in a supervisory capacity listed below any person who does not hold a certificate of competency issued by the Mining Board.

Those persons assigned to supervise:

- (a) Overburden stripping
- (b) Drilling and shooting

- (c) The pit coal loading operation
- (d) Reclamation work at the mine.

Each applicant must have a minimum of 2 years of surface mining experience and pass an examination, administered by the Mining Board, based on Illinois State Mining Law as it pertains to his responsibilities. Temporary certification will be provided by the Mining Board for persons with at least 2 years surface mining experience up to the time of the next examination or up to a maximum of 6 months. (Source: P.A. 79-460; 79-1505.)

(225 ILCS 705/38.4 new)

Sec. 38.4. General surface supervisor of an underground mine. On or after July 1, 2006, it shall be unlawful for an operator of an underground coal mine surface facility or a coal preparation plant or a contractor engaged in the construction, demolition, or dismantling of an underground coal mine surface facility or a coal preparation plant to employ, in a supervisory capacity, any person who does not hold a certificate of competency issued by the Mining Board to oversee any of the following activities:

- (1) Coal preparation and storage.
- (2) Mine equipment storage and repair.
- (3) Mobile equipment operation.
- (4) Site construction, demolition, or dismantling operations.

Each applicant for a certificate as a general surface supervisor of an underground mine must have a minimum of 2 years of work experience at a coal mine surface facility or coal preparation plant. In addition to the work experience requirement set forth in this Section, a contractor engaged in the construction, demolition, or dismantling of surface structures must successfully complete an examination concerning the Department's health and safety regulations as these regulations pertain to the contractor's responsibilities, which shall be administered by the Mining Board. Temporary certification may be issued by the Mining Board for persons with at least 2 years of the required work experience and shall be valid until the time of the next examination or for a maximum of 6 months, whichever is shorter.

(225 ILCS 705/38.5 new)

Sec. 38.5. Independent contractor supervisor. On or after July 1, 2006, it shall be unlawful for an operator of an underground coal mine surface facility or a surface coal mine facility to employ an independent contractor who does not have an independent contractor supervisor certificate issued by the Mining Board to oversee and supervise the work for which the services of an independent contractor have been obtained, including, but not limited to, work in the area of construction, demolition, repair or maintenance, or major renovations of existing facilities or other heavy or extensive work planned for an extended period of time.

Each applicant for an independent contractor supervisor certificate must provide proof of at least 2 years of experience in independent contract work at surface mines or at the surface of underground mines and successfully complete an examination based on the mining laws of this State as these laws pertain to the applicant's responsibilities, which shall be administered by the Mining Board. Temporary certification may be issued by the Mining Board for persons with at least 2 years of the required work experience and shall be valid until the time of the next examination or for a maximum of 6 months, whichever is shorter.

Independent contractors employed to engage in routine maintenance work within a facility, including, but not limited to, plumbing repair, roof repair, and carpentry work, are not required to possess an independent contractor supervisor certificate to engage in such routine maintenance work within a facility.

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

AMENDMENT NO. 2 TO SENATE BILL 929

AMENDMENT NO. 2. Amend Senate Bill 929, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 5, by replacing lines 27 through 29 with the following:

"(h) The Mining Board must adopt and impose a plan for the daily inspection of SCSR devices required under subsections (a), (b), and (c) of this Section in order to ensure that the devices perform their designated functions each working day. Additional SCSR devices required under subsection (d) must be inspected every 90 days to ensure that the devices perform their designated functions, in addition to meeting all federal Mine Safety and Health Administration requirements."

Under the rules, the foregoing **Senate Bill No. 929**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

[May 2, 2006]

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 1815

A bill for AN ACT concerning pensions.

Passed the House, May 2, 2006.

MARK MAHONEY, Clerk of the House

The foregoing **House Bill No. 1815** was taken up, ordered printed and placed on first reading.

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 185
 Motion to Concur in House Amendment 1 to Senate Bill 304
 Motion to Concur in House Amendment 1 to Senate Bill 630
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 929
 Motion to Concur in House Amendments 1 and 4 to Senate Bill 1625
 Motion to Concur in House Amendment 2 to Senate Bill 2277
 Motion to Concur in House Amendment 2 to Senate Bill 2872

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 4442
 Senate Floor Amendment No. 2 to House Bill 4974
 Senate Floor Amendment No. 1 to House Bill 5370

READING BILL FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 1815, sponsored by Senator Schoenberg, was taken up, read by title a first time and referred to the Committee on Rules.

REPORT FROM RULES COMMITTEE

Senator Viverito, Chairperson of the Committee on Rules, during its May 2, 2006 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Agriculture & Conservation: **Motion to Concur in House Amendment 1 to Senate Bill 2841**

Education: **Motion to Concur in House Amendment 1 to Senate Bill 859**
Motion to Concur in House Amendment 1 to Senate Bill 860
Motion to Concur in House Amendment 1 to Senate Bill 861
Motion to Concur in House Amendment 1 to Senate Bill 2202
Motion to Concur in House Amendment 1 to Senate Bill 2795

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Environment & Energy: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 929**
Motion to Concur in House Amendments 1 and 2 to Senate Bill 1827

Executive: **Motion to Concur in House Amendment 1 to Senate Bill 585**
Motion to Concur in House Amendments 1 and 4 to Senate Bill 1625
Motion to Concur in House Amendment 2 to Senate Bill 2277
Motion to Concur in House Amendment 1 to Senate Bill 2487
Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 3086

Financial Institutions: **Motion to Concur in House Amendment 1 to Senate Bill 304**

Health & Human Services: **Motion to Concur in House Amendment 1 to Senate Bill 630**
Motion to Concur in House Amendment 2 to Senate Bill 2170
Motion to Concur in House Amendment 2 to Senate Bill 2199
Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 2328

Judiciary: **Motion to Concur in House Amendment 1 to Senate Bill 1183**
Motion to Concur in House Amendment 1 to Senate Bill 2368
Motion to Concur in House Amendments 1 and 3 to Senate Bill 2570
Motion to Concur in House Amendment 1 to Senate Bill 2673
Motion to Concur in House Amendment 1 to Senate Bill 3016
Motion to Concur in House Amendment 2 to Senate Bill 3018
Motion to Recede from Senate Amendments 1 and 2 to House Bill 4298

Licensed Activities: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 279**

Local Government: **Motion to Concur in House Amendment 1 to Senate Bill 94**
Motion to Concur in House Amendment 1 to Senate Bill 185
Motion to Concur in House Amendments 1 and 2 to Senate Bill 1445

Pensions & Investments: **Motion to Concur in House Amendment 1 to Senate Bill 49**

Revenue: **Motion to Concur in House Amendments 1 and 3 to Senate Bill 17**
Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 1682
Motion to Concur in House Amendment 2 to Senate Bill 2872

State Government: **Motion to Concur in House Amendment 1 to Senate Bill 2330**
Motion to Concur in House Amendment 1 to Senate Bill 2726

Senator Viverito, Chairperson of the Committee on Rules, during its May 2, 2006 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committee of the Senate:

Education: **Senate Floor Amendment No. 2 to House Bill 4974**

Executive: **Senate Floor Amendment No. 2 to House Bill 4442 and HOUSE BILL 1918**

Higher Education: **Senate Floor Amendment No. 1 to House Bill 5370.**

State Government: **HOUSE BILL 4451**

Senator Viverito, Chairperson of the Committee on Rules, to which was referred **Senate Bill No. 1029** on July 1, 2005, 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. 1029** was returned to the order of third reading.

[May 2, 2006]

COMMITTEE MEETING ANNOUNCEMENTS

The Chair announced the following committees will meet tomorrow, May 3, 2006:

Financial Institutions, 9:30 a.m. in Room 400

Education, 10:00 a.m. in Room 212

Local Government, 10:00 a.m. in Room A-1 Stratton Building

Judiciary, 10:30 a.m. in Room 212

Housing & Community Affairs, 10:30 a.m. in Room A-1 Stratton Building

Pensions & Investments, 11:00 a.m. in Room 400

Environment & Energy, 11:30 a.m. in Room 212

Health & Human Services, 11:30 a.m. in Room 400

Agriculture & Conservation, 11:30 a.m. in Room A-1 Stratton Building

Revenue, 9:00 a.m. in Room 400

State Government, 9:00 a.m. in Room A-1 Stratton Building

Higher Education, 12:30 p.m. in Room 400

Executive Appointments, 9:30 a.m. in Room 212

Licensed Activities, 12:00 p.m. in Room A-1 Stratton Building

At the hour of 6:26 o'clock p.m., the Chair announced that the Senate stand adjourned until Wednesday, May 3, 2006, at 1:00 o'clock p.m.