



# **SENATE JOURNAL**

**STATE OF ILLINOIS**

**NINETY-FIFTH GENERAL ASSEMBLY**

**55TH LEGISLATIVE DAY**

**THURSDAY, JUNE 14, 2007**

**12:42 O'CLOCK P.M.**

**SENATE**  
**Daily Journal Index**  
**55th Legislative Day**

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The Senate met pursuant to adjournment.  
Senator Rickey R. Hendon, Chicago, Illinois, presiding.  
Prayer by Reverend Fred Prince, First Church of the Nazarene, Springfield, Illinois.  
Senator Maloney led the Senate in the Pledge of Allegiance.

The Journal of Thursday, June 7, 2007, 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.

### **REPORTS RECEIVED**

The Secretary place before the Senate the following reports:

Illinois Cares Rx 2006 Annual Report, submitted the Department of Healthcare and Family Services.

Federal Funds to State Agencies, FY 2005 – 2007, submitted by the Legislative Research Unit.

The foregoing reports were ordered received and placed on file in the Secretary's Office.

### **LEGISLATIVE MEASURES FILED**

The following Committee amendment to the House Resolution listed below has been filed with the Secretary and referred to the Committee on Rules:

Senate Committee Amendment No. 1 to House Joint Resolution 24

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

Senate Floor Amendment No. 4 to House Bill 29

### **PRESENTATION OF RESOLUTIONS**

#### **SENATE RESOLUTION 243**

Offered by Senator Raoul and all Senators:  
Mourns the death of John Henry Moore IV of Chicago.

#### **SENATE RESOLUTION 244**

Offered by Senator Dillard and all Senators:  
Mourns the death of the Reverend Robert E. Webber of Sawyer, Michigan.

#### **SENATE RESOLUTION 245**

Offered by Senator Forby and all Senators:  
Mourns the death of Thelma Randolph Lewis of West Frankfort.

#### **SENATE RESOLUTION 246**

Offered by Senator Clayborne and all Senators:  
Mourns the death of Richard George Younge, Esq., of East St. Louis.

#### **SENATE RESOLUTION 247**

Offered by Senator Demuzio and all Senators:  
Mourns the death of Specialist Jeremiah Costello of Bunker Hill.

**SENATE RESOLUTION 248**

Offered by Senator Demuzio and all Senators:  
Mourns the death of Master Sergeant David E. Sutton of Twenty Nine Palms, California, formerly of Girard.

**SENATE RESOLUTION 249**

Offered by Senator Demuzio and all Senators:  
Mourns the death of Lance B. Jubelt of Mount Olive.

**SENATE RESOLUTION 250**

Offered by Senator Demuzio and all Senators:  
Mourns the death of Lance L. Loveless of Carlinville.

**SENATE RESOLUTION 251**

Offered by Senator Hunter and all Senators:  
Mourns the death of Collins E. Brown, Sr., of Chicago.

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

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

**SENATE JOINT RESOLUTION NO. 64**

WHEREAS, The General Assembly wishes to ensure that the State of Illinois encourages economic development opportunities for citizens in all parts of the State; and

WHEREAS, The Toney Watkins Company has proposed to develop an economic development project that, if realized, will provide substantial economic benefit to the State of Illinois and Perry County, Illinois in particular; and

WHEREAS, Said project requires the transfer of certain land currently managed by the Illinois Department of Natural Resources to the Toney Watkins Company in exchange for a property of equivalent condition, size, and use; and

WHEREAS, The General Assembly finds that development opportunities expected to be facilitated by the exchange proposed by the Toney Watkins Company between it and the Illinois Department of Natural Resources will result in a minimum private investment of \$100,000,000 and approximately 2,500 jobs; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, that the General Assembly requests that the Department of Natural Resources meet with representatives of the Toney Watkins Company and its designees to explore the possibility of executing a conveyance of property within Perry County, Illinois to the Toney Watkins Company in consideration of an exchange of property of substantially equivalent condition and use for certain economic development purposes; and be it further

RESOLVED, That any legislative action required for the transfer of property proposed for this project shall be contingent upon the Director of Natural Resources making a finding that the properties involved in any proposed exchange be of equal value, size, and attributes; and be it further

RESOLVED, That, if legislative authorization is granted for such a property transfer, conveyance negotiations shall not be initiated by the Director of Natural Resources or the Director's designee until: (i) the Department of Natural Resources is in receipt of a bond in the amount of 10% of the appraised value of the property to be conveyed and (ii) the submission of completed applications for any and all

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assistance being sought from the Department of Commerce and Economic Opportunity, the Illinois Finance Authority, and any other federal, State, or local government agencies; and be it further

RESOLVED, That conveyance of the agreed upon property shall be contingent upon the State of Illinois and the Toney Watkins Company entering into a contract under which the Toney Watkins Company agrees to pay a sum of money to the State of Illinois and perform certain activities regarding the remediation and restoration of the property to be transferred to the State of Illinois.

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

**SENATE JOINT RESOLUTION NO. 65**

WHEREAS, The Illinois economy is transforming; despite having the nation's fifth largest state economy, the State ranked only 35th in economic growth over the last 15 years; and

WHEREAS, Illinois' economic growth is lagging because we are losing good jobs; between 1990 and 2005, the number of manufacturing jobs in Illinois declined by 24.3%, or 222,500; during this same period, 34% of job growth occurred in education, health services, and hospitality, sectors that currently pay, on average, 29% less than manufacturing jobs; adjusted for inflation, median wages have declined leaving families with the same income they had in 1989; nearly 685,000 working Illinoisans earn less than the living wage for a single adult - \$17,950 annually; and

WHEREAS, 40% of new job growth will be in mid- to high-wage sectors; manufacturers will continue to be a major employer, but most of these jobs will require increasingly sophisticated levels of skill; in fact, over 35% of Illinois' new jobs will require an associate degree or higher and 71% of the highest wage jobs will require a post-secondary degree; and

WHEREAS, To attract high wage jobs, Illinois will need high-skilled workers; but, at the same time that our economy demands skilled workers in order to remain competitive and thrive, federal funds for workforce development continue to shrink, after adjusting for inflation; and

WHEREAS, It is time for Illinois to make a new commitment; about 594,000 twenty-five to fifty-four year olds have no high school diploma or equivalent; 60% of these working age individuals are without an associate degree or higher; just 35% of Illinois' young adults are enrolled in postsecondary education; over the next 15 years, 33% of the State's labor force will retire and the fastest growing segments of our population who must replace them have generally lower education levels; and

WHEREAS, Strong workforce development is a key driver of long-term business retention and growth; additionally, Illinois must use its economic development policies strategically targeting disadvantage areas to foster high-wage job creation and to leverage infrastructure investments; these are the tools that can ensure Illinois' families, businesses, and communities enjoy a prosperous future; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, that, to compete successfully in a global economy and end poverty, Illinois needs an integrated economic and workforce development policy that works for everyone and that includes producing skilled workers in strong businesses with good jobs that foster thriving communities; and be it further

RESOLVED, That this new policy must provide lasting value to Illinois' 10 economic regions and offer sustainable programming in urbanized and rural communities throughout the State that allows for the flexibility necessary to address regional differences in the economy, business climate and the workforce; and be it further

RESOLVED, That the General Assembly create, upon adoption of this resolution, a bipartisan task force, whose work shall endeavor to fulfill the following goals:

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- (1) Ensure Illinoisans develop the skills businesses demand in a modern economy;
- (2) Create career paths and job opportunities for all working-age Illinoisans, from the least skilled and most disadvantaged to middle income workers whose skills have become obsolete;
- (3) Invest resources in the capital and human infrastructure needed to attract and retain "high road" employers that provide quality jobs, wages, and benefits;
- (4) Encourage entrepreneurship, small business growth, technology transfers from Illinois' higher education system, and other economic/workforce development innovation in all communities across Illinois to grow competitive State businesses; and
- (5) Support economic and workforce development that is environmentally, socially, and economically sustainable; and be it further

RESOLVED, That this task force shall conduct a thorough discovery process that will include identification of effective policies and programs; conduct public hearings; invite expert testimony and shall furnish a report of its findings whereupon clear and concise information of programs and policies will be made available to the public throughout Illinois; new legislation or policy changes developed during the course of the deliberations of the task force shall be introduced at the earliest possible moment; hearings shall be held within 6 months of the first meeting of the task force and the report shall be issued within 12 months of the meeting and not later than September 30, 2008 to the Governor and the General Assembly; and be it further

RESOLVED, That the requirement for the reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader, and the Clerk of the House of Representatives, and the President, the Minority Leader, and the Secretary of the Senate, and the Legislative Research Unit, as required by Section 3.1 of the General Assembly Organization Act, and filing additional copies with the State Government Report Distribution Center for the General Assembly as required under paragraph (t) of Section 7 of the State Library Act; and be it further

RESOLVED, That the task force shall have the following members: 16 voting members, as follows: 4 members of the Senate appointed by the President of the Senate, 4 members of the Senate appointed by the Senate Minority Leader, 4 members of the House of Representatives appointed by the Speaker of the House of Representatives, and 4 members of the House of Representatives appointed by the House Minority Leader; and be it further

RESOLVED, That all actions of the task force require the affirmative vote of at least 9 voting members; and be it further

RESOLVED, That the following persons shall serve without compensation as ex-officio, non-voting members of the task force:

- (A) the Director of the Department of Commerce and Economic Opportunity, or his or her designee;
- (B) the Director of the Department of Employment Security, or his or her designee;
- (C) the Secretary of the Department of Human Services, or his or her designee;
- (D) the Secretary of the Department of Transportation, or his or her designee;
- (E) the Secretary of the Department of Labor, or his or her designee;
- (F) the Director of the Environmental Protection Agency, or his or her designee;
- (G) the Director of the Illinois Community College Board, or his or her designee; and
- (H) the Director of the Department of Corrections; and be it further

RESOLVED, That the departments of State government and the Illinois Community College Board shall work cooperatively to provide administrative support for the task force, and the Departments of Commerce and Economic Opportunity and Employment Security shall be the primary agencies in providing that support.

## MESSAGES FROM THE HOUSE

A message from the House by

[June 14, 2007]

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. 1305

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. 1305

Passed the House, as amended, June 14, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1305**

AMENDMENT NO. 1. Amend Senate Bill 1305 by replacing everything after the enacting clause with the following:

"Section 3. The Illinois Governmental Ethics Act is amended by changing Sections 4A-101, 4A-102, 4A-105, 4A-106, and 4A-107 as follows:

(5 ILCS 420/4A-101) (from Ch. 127, par. 604A-101)

Sec. 4A-101. Persons required to file. The following persons shall file verified written statements of economic interests, as provided in this Article:

- (a) Members of the General Assembly and candidates for nomination or election to the General Assembly.
- (b) Persons holding an elected office in the Executive Branch of this State, and candidates for nomination or election to these offices.
- (c) Members of a Commission or Board created by the Illinois Constitution, and candidates for nomination or election to such Commission or Board.
- (d) Persons whose appointment to office is subject to confirmation by the Senate.
- (e) Holders of, and candidates for nomination or election to, the office of judge or associate judge of the Circuit Court and the office of judge of the Appellate or Supreme Court.
- (f) Persons who are employed by any branch, agency, authority or board of the government of this State, including but not limited to, the Illinois State Toll Highway Authority, the Illinois Housing Development Authority, the Illinois Community College Board, and institutions under the jurisdiction of the Board of Trustees of the University of Illinois, Board of Trustees of Southern Illinois University, Board of Trustees of Chicago State University, Board of Trustees of Eastern Illinois University, Board of Trustees of Governor's State University, Board of Trustees of Illinois State University, Board of Trustees of Northeastern Illinois University, Board of Trustees of Northern Illinois University, Board of Trustees of Western Illinois University, or Board of Trustees of the Illinois Mathematics and Science Academy, and are compensated for services as employees and not as independent contractors and who:
  - (1) are, or function as, the head of a department, commission, board, division, bureau, authority or other administrative unit within the government of this State, or who exercise similar authority within the government of this State;
  - (2) have direct supervisory authority over, or direct responsibility for the formulation, negotiation, issuance or execution of contracts entered into by the State in the amount of \$5,000 or more;
  - (3) have authority for the issuance or promulgation of rules and regulations within areas under the authority of the State;
  - (4) have authority for the approval of professional licenses;
  - (5) have responsibility with respect to the financial inspection of regulated nongovernmental entities;
  - (6) adjudicate, arbitrate, or decide any judicial or administrative proceeding, or review the adjudication, arbitration or decision of any judicial or administrative proceeding within the authority of the State;
  - (7) have supervisory responsibility for 20 or more employees of the State; or
  - (8) negotiate, assign, authorize, or grant naming rights or sponsorship rights regarding any property or asset of the State, whether real, personal, tangible, or intangible.
- (g) Persons who are elected to office in a unit of local government, and candidates for nomination or election to that office, including regional superintendents of school districts.

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(h) Persons appointed to the governing board of a unit of local government, or of a special district, and persons appointed to a zoning board, or zoning board of appeals, or to a regional, county, or municipal plan commission, or to a board of review of any county, and persons appointed to the Board of the Metropolitan Pier and Exposition Authority and any Trustee appointed under Section 22 of the Metropolitan Pier and Exposition Authority Act, and persons appointed to a board or commission of a unit of local government who have authority to authorize the expenditure of public funds. This subsection does not apply to members of boards or commissions who function in an advisory capacity.

(i) Persons who are employed by a unit of local government and are compensated for services as employees and not as independent contractors and who:

(1) are, or function as, the head of a department, division, bureau, authority or other administrative unit within the unit of local government, or who exercise similar authority within the unit of local government;

(2) have direct supervisory authority over, or direct responsibility for the formulation, negotiation, issuance or execution of contracts entered into by the unit of local government in the amount of \$1,000 or greater;

(3) have authority to approve licenses and permits by the unit of local government; this item does not include employees who function in a ministerial capacity;

(4) adjudicate, arbitrate, or decide any judicial or administrative proceeding, or review the adjudication, arbitration or decision of any judicial or administrative proceeding within the authority of the unit of local government;

(5) have authority to issue or promulgate rules and regulations within areas under the authority of the unit of local government; or

(6) have supervisory responsibility for 20 or more employees of the unit of local government.

(j) Persons on the Board of Trustees of the Illinois Mathematics and Science Academy.

(k) Persons employed by a school district in positions that require that person to hold an administrative or a chief school business official endorsement.

(l) Special government agents. A "special government agent" is a person who is directed, retained, designated, appointed, or employed, with or without compensation, by or on behalf of a statewide executive branch constitutional officer to make an ex parte communication under Section 5-50 of the State Officials and Employees Ethics Act or Section 5-165 of the Illinois Administrative Procedure Act.

(m) Members of the board of any pension fund or retirement system established under Article 2, 14, 15, 16, or 18 of the Illinois Pension Code and members of the Illinois State Board of Investment, if not required to file under any other provision of this Section.

(n) Members of the board of any pension fund or retirement system established under Article 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 17, 19, or 22 of the Illinois Pension Code, if not required to file under any other provision of this Section.

This Section shall not be construed to prevent any unit of local government from enacting financial disclosure requirements that mandate more information than required by this Act.

(Source: P.A. 93-617, eff. 12-9-03; 93-816, eff. 7-27-04.)

(5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

Sec. 4A-102. The statement of economic interests required by this Article shall include the economic interests of the person making the statement as provided in this Section. The interest (if constructively controlled by the person making the statement) of a spouse or any other party, shall be considered to be the same as the interest of the person making the statement. Campaign receipts shall not be included in this statement.

(a) The following interests shall be listed by all persons required to file:

(1) The name, address and type of practice of any professional organization or individual professional practice in which the person making the statement was an officer, director, associate, partner or proprietor, or served in any advisory capacity, from which income in excess of \$1200 was derived during the preceding calendar year;

(2) The nature of professional services (other than services rendered to the unit or units of government in relation to which the person is required to file) and the nature of the entity to which they were rendered if fees exceeding \$5,000 were received during the preceding calendar year from the entity for professional services rendered by the person making the statement.

(3) The identity (including the address or legal description of real estate) of any capital asset from which a capital gain of \$5,000 or more was realized in the preceding calendar year.



(4) The name of any unit of government which has employed the person making the statement during the preceding calendar year other than the unit or units of government in relation to which the person is required to file.

(5) The name of any entity from which a gift or gifts, or honorarium or honoraria, valued singly or in the aggregate in excess of \$500, was received during the preceding calendar year.

(b) The following interests shall also be listed by persons listed in items (a) through (f), ~~and~~ item (l) ~~and item (m)~~ of Section 4A-101:

(1) The name and instrument of ownership in any entity doing business in the State of Illinois, in which an ownership interest held by the person at the date of filing is in excess of \$5,000 fair market value or from which dividends of in excess of \$1,200 were derived during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description). No time or demand deposit in a financial institution, nor any debt instrument need be listed;

(2) Except for professional service entities, the name of any entity and any position held therein from which income of in excess of \$1,200 was derived during the preceding calendar year, if the entity does business in the State of Illinois. No time or demand deposit in a financial institution, nor any debt instrument need be listed.

(3) The identity of any compensated lobbyist with whom the person making the statement maintains a close economic association, including the name of the lobbyist and specifying the legislative matter or matters which are the object of the lobbying activity, and describing the general type of economic activity of the client or principal on whose behalf that person is lobbying.

(c) The following interests shall also be listed by persons listed in items (g), (h), ~~and~~ (i) ~~and (n)~~ of Section 4A-101:

(1) The name and instrument of ownership in any entity doing business with a unit of local government in relation to which the person is required to file if the ownership interest of the person filing is greater than \$5,000 fair market value as of the date of filing or if dividends in excess of \$1,200 were received from the entity during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description). No time or demand deposit in a financial institution, nor any debt instrument need be listed.

(2) Except for professional service entities, the name of any entity and any position held therein from which income in excess of \$1,200 was derived during the preceding calendar year if the entity does business with a unit of local government in relation to which the person is required to file. No time or demand deposit in a financial institution, nor any debt instrument need be listed.

(3) The name of any entity and the nature of the governmental action requested by any entity which has applied to a unit of local government in relation to which the person must file for any license, franchise or permit for annexation, zoning or rezoning of real estate during the preceding calendar year if the ownership interest of the person filing is in excess of \$5,000 fair market value at the time of filing or if income or dividends in excess of \$1,200 were received by the person filing from the entity during the preceding calendar year.  
(Source: P.A. 92-101, eff. 1-1-02; 93-617, eff. 12-9-03.)

(5 ILCS 420/4A-105) (from Ch. 127, par. 604A-105)

Sec. 4A-105. Time for filing. Except as provided in Section 4A-106.1, by May 1 of each year a statement must be filed by each person whose position at that time subjects him to the filing requirements of Section 4A-101 unless he has already filed a statement in relation to the same unit of government in that calendar year.

Statements must also be filed as follows:

(a) A candidate for elective office shall file his statement not later than the end of the period during which he can take the action necessary under the laws of this State to attempt to qualify for nomination, election, or retention to such office if he has not filed a statement in relation to the same unit of government within a year preceding such action.

(b) A person whose appointment to office is subject to confirmation by the Senate shall file his statement at the time his name is submitted to the Senate for confirmation.

(b-5) A special government agent, as defined in item (1) of Section 4A-101 of this Act, shall file a statement within 30 days after making the first ex parte communication and each May 1 thereafter if he or she has made an ex parte communication within the previous 12 months.

(c) Any other person required by this Article to file the statement shall file a statement at the time of his or her initial appointment or employment in relation to that unit of government if appointed or employed by May 1.

If any person who is required to file a statement of economic interests fails to file such statement by

May 1 of any year, the officer with whom such statement is to be filed under Section 4A-106 of this Act shall, within 7 days after May 1, notify such person by certified mail of his or her failure to file by the specified date. Except as may be prescribed by rule of the Secretary of State, such person shall file his or her statement of economic interests on or before May 15 with the appropriate officer, together with a \$15 late filing fee. Any such person who fails to file by May 15 shall be subject to a penalty of \$100 for each day from May 16 to the date of filing, which shall be in addition to the \$15 late filing fee specified above. Failure to file by May 31 shall result in a forfeiture in accordance with Section 4A-107 of this Act.

Any person who takes office or otherwise becomes required to file a statement of economic interests within 30 days prior to May 1 of any year may file his or her statement at any time on or before May 31 without penalty. If such person fails to file such statement by May 31, the officer with whom such statement is to be filed under Section 4A-106 of this Act shall, within 7 days after May 31, notify such person by certified mail of his or her failure to file by the specified date. Such person shall file his or her statement of economic interests on or before June 15 with the appropriate officer, together with a \$15 late filing fee. Any such person who fails to file by June 15 shall be subject to a penalty of \$100 per day for each day from June 16 to the date of filing, which shall be in addition to the \$15 late filing fee specified above. Failure to file by June 30 shall result in a forfeiture in accordance with Section 4A-107 of this Act.

All late filing fees and penalties collected pursuant to this Section shall be paid into the General Revenue Fund in the State treasury, if the Secretary of State receives such statement for filing, or into the general fund in the county treasury, if the county clerk receives such statement for filing. The Attorney General, with respect to the State, and the several State's Attorneys, with respect to counties, shall take appropriate action to collect the prescribed penalties.

Failure to file a statement of economic interests within the time prescribed shall not result in a fine or ineligibility for, or forfeiture of, office or position of employment, as the case may be; provided that the failure to file results from not being included for notification by the appropriate agency, clerk, secretary, officer or unit of government, as the case may be, and that a statement is filed within 30 days of actual notice of the failure to file.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

Sec. 4A-106. The statements of economic interests required of persons listed in items (a) through (f), item (j), ~~and~~ item (l) and item (m) of Section 4A-101 shall be filed with the Secretary of State. The statements of economic interests required of persons listed in items (g), (h), (i), ~~and~~ (k) and (n) of Section 4A-101 shall be filed with the county clerk of the county in which the principal office of the unit of local government with which the person is associated is located. If it is not apparent which county the principal office of a unit of local government is located, the chief administrative officer, or his or her designee, has the authority, for purposes of this Act, to determine the county in which the principal office is located. On or before February 1 annually, (1) the chief administrative officer of any State agency in the executive, legislative, or judicial branch employing persons required to file under item (f) or item (l) of Section 4A-101 and the chief administrative officer of a board described in item (m) of Section 4A-101 shall certify to the Secretary of State the names and mailing addresses of ~~those persons required to file under those items~~, and (2) the chief administrative officer, or his or her designee, of each unit of local government with persons described in items (h), (i), ~~and~~ (k) and (n) of Section 4A-101 shall certify to the appropriate county clerk a list of names and addresses of persons described in items (h), (i), ~~and~~ (k) and (n) of Section 4A-101 that are required to file. In preparing the lists, each chief administrative officer, or his or her designee, shall set out the names in alphabetical order.

On or before April 1 annually, the Secretary of State shall notify (1) all persons whose names have been certified to him under items (f), ~~and~~ (l) and (m) of Section 4A-101, and (2) all persons described in items (a) through (e) and item (j) of Section 4A-101, other than candidates for office who have filed their statements with their nominating petitions, of the requirements for filing statements of economic interests. A person required to file with the Secretary of State by virtue of more than one item among items (a) through (f) and items (j), ~~and~~ (l) and (m) shall be notified of and is required to file only one statement of economic interests relating to all items under which the person is required to file with the Secretary of State.

On or before April 1 annually, the county clerk of each county shall notify all persons whose names have been certified to him under items (g), (h), (i), ~~and~~ (k) and (n) of Section 4A-101, other than candidates for office who have filed their statements with their nominating petitions, of the requirements for filing statements of economic interests. A person required to file with a county clerk by virtue of more than one item among items (g), (h), (i), ~~and~~ (k) and (n) shall be notified of and is required to file

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only one statement of economic interests relating to all items under which the person is required to file with that county clerk.

Except as provided in Section 4A-106.1, the notices provided for in this Section shall be in writing and deposited in the U.S. Mail, properly addressed, first class postage prepaid, on or before the day required by this Section for the sending of the notice. A certificate executed by the Secretary of State or county clerk attesting that he has mailed the notice constitutes prima facie evidence thereof.

From the lists certified to him under this Section of persons described in items (g), (h), (i), ~~and (k)~~, and (n) of Section 4A-101, the clerk of each county shall compile an alphabetical listing of persons required to file statements of economic interests in his office under any of those items. As the statements are filed in his office, the county clerk shall cause the fact of that filing to be indicated on the alphabetical listing of persons who are required to file statements. Within 30 days after the due dates, the county clerk shall mail to the State Board of Elections a true copy of that listing showing those who have filed statements.

The county clerk of each county shall note upon the alphabetical listing the names of all persons required to file a statement of economic interests who failed to file a statement on or before May 1. It shall be the duty of the several county clerks to give notice as provided in Section 4A-105 to any person who has failed to file his or her statement with the clerk on or before May 1.

Any person who files or has filed a statement of economic interest under this Act is entitled to receive from the Secretary of State or county clerk, as the case may be, a receipt indicating that the person has filed such a statement, the date of such filing, and the identity of the governmental unit or units in relation to which the filing is required.

The Secretary of State may employ such employees and consultants as he considers necessary to carry out his duties hereunder, and may prescribe their duties, fix their compensation, and provide for reimbursement of their expenses.

All statements of economic interests filed under this Section shall be available for examination and copying by the public at all reasonable times. Not later than 12 months after the effective date of this amendatory Act of the 93rd General Assembly, beginning with statements filed in calendar year 2004, the Secretary of State shall make statements of economic interests filed with the Secretary available for inspection and copying via the Secretary's website.

(Source: P.A. 93-617, eff. 12-9-03; 94-603, eff. 8-16-05.)

(5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

Sec. 4A-107. Any person required to file a statement of economic interests under this Article who willfully files a false or incomplete statement shall be guilty of a Class A misdemeanor.

Failure to file a statement within the time prescribed shall result in ineligibility for, or forfeiture of, office or position of employment, as the case may be; provided, however, that if the notice of failure to file a statement of economic interests provided in Section 4A-105 of this Act is not given by the Secretary of State or the county clerk, as the case may be, no forfeiture shall result if a statement is filed within 30 days of actual notice of the failure to file.

The Attorney General, with respect to offices or positions described in items (a) through (f) and items (j), ~~and (l)~~, and (m) of Section 4A-101 of this Act, or the State's Attorney of the county of the entity for which the filing of statements of economic interests is required, with respect to offices or positions described in items (g) through (i), ~~and item (k)~~, and item (n) of Section 4A-101 of this Act, shall bring an action in quo warranto against any person who has failed to file by either May 31 or June 30 of any given year.

(Source: P.A. 93-617, eff. 12-9-03.)

Section 5. The State Officials and Employees Ethics Act is amended by changing Sections 1-5, 5-10, 5-20, 5-45, 20-5, 20-23, 20-40, 20-50, 20-90, 20-95, 25-5, 25-10, 25-23, and 50-5 as follows:

(5 ILCS 430/1-5)

Sec. 1-5. Definitions. As used in this Act:

"Appointee" means a person appointed to a position in or with a State agency, regardless of whether the position is compensated.

"Campaign for elective office" means any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, State, or local public office or office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties.

"Candidate" means a person who has filed nominating papers or petitions for nomination or election to an elected State office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at either a general primary election or general election.

"Collective bargaining" has the same meaning as that term is defined in Section 3 of the Illinois Public Labor Relations Act.

"Commission" means an ethics commission created by this Act.

"Compensated time" means any time worked by or credited to a State employee that counts toward any minimum work time requirement imposed as a condition of employment with a State agency, but does not include any designated State holidays or any period when the employee is on a leave of absence.

"Compensatory time off" means authorized time off earned by or awarded to a State employee to compensate in whole or in part for time worked in excess of the minimum work time required of that employee as a condition of employment with a State agency.

"Contribution" has the same meaning as that term is defined in Section 9-1.4 of the Election Code.

"Employee" means (i) any person employed full-time, part-time, or pursuant to a contract and whose employment duties are subject to the direction and control of an employer with regard to the material details of how the work is to be performed, or (ii) any appointed or elected commissioner, trustee, director, or board member of a board of a State agency, or (iii) any other appointee.

"Executive branch constitutional officer" means the Governor, Lieutenant Governor, Attorney General, Secretary of State, Comptroller, and Treasurer.

"Gift" means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an employee, member, or officer.

"Governmental entity" means a unit of local government or a school district but not a State agency.

"Leave of absence" means any period during which a State employee does not receive (i) compensation for State employment, (ii) service credit towards State pension benefits, and (iii) health insurance benefits paid for by the State.

"Legislative branch constitutional officer" means a member of the General Assembly and the Auditor General.

"Legislative leader" means the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives.

"Member" means a member of the General Assembly.

"Officer" means an executive branch constitutional officer or a legislative branch constitutional officer.

"Political" means any activity in support of or in connection with any campaign for elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties or governmental and public service functions.

"Political organization" means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a county clerk under Section 9-3 of the Election Code, but only with regard to those activities that require filing with the State Board of Elections or a county clerk.

"Prohibited political activity" means:

(1) Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.

(2) Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.

(3) Soliciting, planning the solicitation of, or preparing any document or report regarding any thing of value intended as a campaign contribution.

(4) Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.

(5) Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.

(6) Assisting at the polls on election day on behalf of any political organization or

candidate for elective office or for or against any referendum question.

(7) Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.

(8) Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.

(9) Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.

(10) Preparing or reviewing responses to candidate questionnaires in connection with a campaign for elective office or on behalf of a political organization for political purposes.

(11) Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.

(12) Campaigning for any elective office or for or against any referendum question.

(13) Managing or working on a campaign for elective office or for or against any referendum question.

(14) Serving as a delegate, alternate, or proxy to a political party convention.

(15) Participating in any recount or challenge to the outcome of any election, except to the extent that under subsection (d) of Section 6 of Article IV of the Illinois Constitution each house of the General Assembly shall judge the elections, returns, and qualifications of its members.

"Prohibited source" means any person or entity who:

(1) is seeking official action (i) by the member or officer or (ii) in the case of an employee, by the employee or by the member, officer, State agency, or other employee directing the employee;

(2) does business or seeks to do business (i) with the member or officer or (ii) in the case of an employee, with the employee or with the member, officer, State agency, or other employee directing the employee;

(3) conducts activities regulated (i) by the member or officer or (ii) in the case of an employee, by the employee or by the member, officer, State agency, or other employee directing the employee;

(4) has interests that may be substantially affected by the performance or non-performance of the official duties of the member, officer, or employee; or

(5) is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity not otherwise a prohibited source does not become a prohibited source merely because a registered lobbyist is one of its members or serves on its board of directors.

"State agency" includes all officers, boards, commissions and agencies created by the Constitution, whether in the executive or legislative branch; all officers, departments, boards, commissions, agencies, institutions, authorities, public institutions of higher learning as defined in Section 2 of the Higher Education Cooperation Act, and bodies politic and corporate of the State; and administrative units or corporate outgrowths of the State government which are created by or pursuant to statute, other than units of local government and their officers, school districts, and boards of election commissioners; and all administrative units and corporate outgrowths of the above and as may be created by executive order of the Governor. "State agency" includes the General Assembly, the Senate, the House of Representatives, the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Senate Operations Commission, and the legislative support services agencies. "State agency" includes the Office of the Auditor General. "State agency" does not include the judicial branch.

"State employee" means any employee of a State agency.

"Ultimate jurisdictional authority" means the following:

(1) For members, legislative partisan staff, and legislative secretaries, the appropriate legislative leader: President of the Senate, Minority Leader of the Senate, Speaker of the House of Representatives, or Minority Leader of the House of Representatives.

(2) For State employees who are professional staff or employees of the Senate and not covered under item (1), the Senate Operations Commission.

(3) For State employees who are professional staff or employees of the House of Representatives and not covered under item (1), the Speaker of the House of Representatives.

(4) For State employees who are employees of the legislative support services agencies, the Joint Committee on Legislative Support Services.

(5) For State employees of the Auditor General, the Auditor General.

(6) For State employees of public institutions of higher learning as defined in Section 2 of the Higher Education Cooperation Act, the board of trustees of the appropriate public institution of higher learning.

(7) For State employees of an executive branch constitutional officer other than those described in paragraph (6), the appropriate executive branch constitutional officer.

(8) For State employees not under the jurisdiction of paragraph (1), (2), (3), (4), (5),

(6), ~~or~~ (7), or (9), the Governor.

(9) For the Legislative Inspector General, State employees of the Office of the Legislative Inspector General, commissioners of the Legislative Ethics Commission, and State employees of the Legislative Ethics Commission, the Legislative Ethics Commission.

(Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

(5 ILCS 430/5-10)

Sec. 5-10. Ethics training.

(a) Each officer, member, and employee must complete, at least annually beginning in 2004, an ethics training program conducted by the appropriate State agency. Each ultimate jurisdictional authority must implement an ethics training program for its officers, members, and employees.

(b) Each ultimate jurisdictional authority subject to the Executive Ethics Commission shall submit to the Executive Ethics Commission, at least annually, or more frequently as required by that Commission, an annual report that (1) summarizes ethics training that was completed during the previous year, and (2) lays out the plan for the ethics training programs in the coming year.

(c) These ethics training programs shall be overseen by the appropriate Ethics Commission and Inspector General appointed pursuant to this Act in consultation with the Office of the Attorney General.

(d) Each Inspector General, or the Executive Ethics Commission with respect to the ethics training of persons subject to the Executive Ethics Commission, shall set standards and determine the hours and frequency of training necessary for each position or category of positions. A person who fills a vacancy in an elective or appointed position that requires training and a person employed in a position that requires training must complete his or her initial ethics training within 6 months after commencement of his or her office or employment.

(Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

(5 ILCS 430/5-20)

Sec. 5-20. Public service announcements; other promotional material.

(a) No Beginning January 1, 2004, no public service announcement or advertisement that identifies any specific program administered by a State agency is on behalf of any State administered program and contains the proper name, image, or voice of any executive branch constitutional officer or member of the General Assembly shall be broadcast or aired on radio or television or printed in a commercial newspaper or a commercial magazine at any time.

(b) The proper name or image of any executive branch constitutional officer or member of the General Assembly may not appear on any (i) bumper stickers, (ii) commercial billboards, (iii) lapel pins or buttons, (iv) magnets, (v) stickers, and (vi) other similar promotional items, that are not in furtherance of the person's official State duties or governmental and public service functions, if designed, paid for, prepared, or distributed using public dollars. This subsection does not apply to stocks of items existing on the effective date of this amendatory Act of the 93rd General Assembly.

(c) This Section does not apply to communications funded through expenditures required to be reported under Article 9 of the Election Code.

(Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

(5 ILCS 430/5-45)

Sec. 5-45. Procurement; revolving door prohibition.

(a) No current or former officer, member, or State employee, or spouse or immediate family member living with such person, shall, during the period of State employment or within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the officer, member, or State employee, during the immediately preceding 2 years of State employment with respect to a current officer, member, or State employee, or during the year immediately preceding termination of State employment with respect to a former officer, member, or State employee, participated personally and substantially in the decision to award State contracts with a cumulative value of over \$25,000 to the person or entity, or its parent or subsidiary.

(b) No current or former officer of the executive branch or State employee of the executive branch with regulatory or licensing authority, or spouse or immediate family member living with such person, shall, during the period of State employment or within a period of one year immediately after

termination of State employment, knowingly accept employment or receive compensation of fees for services from a person or entity if the officer or State employee, during the immediately preceding 2 years of State employment with respect to a current officer, member, or State employee, or during the year immediately preceding termination of State employment with respect to a former officer, member, or State employee, made a regulatory or licensing decision that directly applied to the person or entity, or its parent or subsidiary.

(c) The requirements of this Section may be waived (i) for the executive branch, in writing by the Executive Ethics Commission, (ii) for the legislative branch, in writing by the Legislative Ethics Commission, and (iii) for the Auditor General, in writing by the Auditor General. During the time period from the effective date of this amendatory Act of the 93rd General Assembly until the Executive Ethics Commission first meets, the requirements of this Section may be waived in writing by the appropriate ultimate jurisdictional authority. During the time period from the effective date of this amendatory Act of the 93rd General Assembly until the Legislative Ethics Commission first meets, the requirements of this Section may be waived in writing by the appropriate ultimate jurisdictional authority. The waiver shall be granted upon the person seeking the waiver proving by clear and convincing evidence a showing that the prospective employment or relationship did not affect the decisions referred to in sections (a) and (b).

(d) With respect to former officers, members, State employees, spouses, and family members, this Section applies only with respect to persons who terminate an affected position on or after December 19, 2003 (the effective date of Public this amendatory Act 93-617) of the 93rd General Assembly.

(Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

(5 ILCS 430/20-5)

Sec. 20-5. Executive Ethics Commission.

(a) The Executive Ethics Commission is created.

(b) The Executive Ethics Commission shall consist of 9 commissioners. The Governor shall appoint 5 commissioners, and the Attorney General, Secretary of State, Comptroller, and Treasurer shall each appoint one commissioner. Appointments shall be made by and with the advice and consent of the Senate by three-fifths of the elected members concurring by record vote. Any nomination not acted upon by the Senate within 60 session days of the receipt thereof shall be deemed to have received the advice and consent of the Senate. If, during a recess of the Senate, there is a vacancy in an office of commissioner, the appointing authority shall make a temporary appointment until the next meeting of the Senate when the appointing authority shall make a nomination to fill that office. No person rejected for an office of commissioner shall, except by the Senate's request, be nominated again for that office at the same session of the Senate or be appointed to that office during a recess of that Senate. No more than 5 commissioners may be of the same political party.

The terms of the initial commissioners shall commence upon qualification. Four initial appointees of the Governor, as designated by the Governor, shall serve terms running through June 30, 2007. One initial appointee of the Governor, as designated by the Governor, and the initial appointees of the Attorney General, Secretary of State, Comptroller, and Treasurer shall serve terms running through June 30, 2008. The initial appointments shall be made within 60 days after the effective date of this Act.

After the initial terms, commissioners shall serve for 4-year terms commencing on July 1 of the year of appointment and running through June 30 of the fourth following year. Commissioners may be reappointed to one or more subsequent terms.

Vacancies occurring other than at the end of a term shall be filled by the appointing authority only for the balance of the term of the commissioner whose office is vacant.

Terms shall run regardless of whether the position is filled.

(c) The appointing authorities shall appoint commissioners who have experience holding governmental office or employment and shall appoint commissioners from the general public. A person is not eligible to serve as a commissioner if that person (i) has been convicted of a felony or a crime of dishonesty or moral turpitude, (ii) is, or was within the preceding 12 months, engaged in activities that require registration under the Lobbyist Registration Act, (iii) is related to the appointing authority, or (iv) is a State officer or employee.

(d) The Executive Ethics Commission shall have jurisdiction over all officers and employees of State agencies other than the General Assembly, the Senate, the House of Representatives, the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Senate Operations Commission, the legislative support services agencies, the Legislative Ethics Commission, the Office of the Legislative Inspector General, and the Office of the Auditor General. The jurisdiction of the Commission is limited to matters arising under this Act.

(e) The Executive Ethics Commission must meet, either in person or by other technological means, at least monthly and as often as necessary. At the first meeting of the Executive Ethics Commission, the commissioners shall choose from their number a chairperson and other officers that they deem appropriate. The terms of officers shall be for 2 years commencing July 1 and running through June 30 of the second following year. Meetings shall be held at the call of the chairperson or any 3 commissioners. Official action by the Commission shall require the affirmative vote of 5 commissioners, and a quorum shall consist of 5 commissioners. Commissioners shall receive compensation in an amount equal to the compensation of members of the State Board of Elections and may be reimbursed for their reasonable expenses actually incurred in the performance of their duties.

(f) No commissioner or employee of the Executive Ethics Commission may during his or her term of appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
- (3) be actively involved in the affairs of any political party or political organization; or
- (4) actively participate in any campaign for any elective office.

(g) An appointing authority may remove a commissioner only for cause.

(h) The Executive Ethics Commission shall appoint an Executive Director. The compensation of the Executive Director shall be as determined by the Commission or by the Compensation Review Board, whichever amount is higher. The Executive Director of the Executive Ethics Commission may employ and determine the compensation of staff, as appropriations permit.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/20-23)

Sec. 20-23. Ethics Officers. Each officer and the head of each State agency under the jurisdiction of the Executive Ethics Commission, including without limitation the Executive Ethics Commission and each Executive Inspector General, shall designate an Ethics Officer for the office or State agency. Ethics Officers shall:

- (1) act as liaisons between the State agency and the appropriate Executive Inspector General and between the State agency and the Executive Ethics Commission;
- (2) review statements of economic interest and disclosure forms of officers, senior employees, and contract monitors before they are filed with the Secretary of State; and
- (3) provide guidance to officers and employees in the interpretation and implementation of this Act, which the officer or employee may in good faith rely upon. Such guidance shall be based, wherever possible, upon legal precedent in court decisions, opinions of the Attorney General, and the findings and opinions of the Executive Ethics Commission.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/20-40)

Sec. 20-40. Collective bargaining agreements. Any investigation or inquiry by an Executive Inspector General or any agent or representative of an Executive Inspector General must be conducted with awareness of the provisions of a collective bargaining agreement that applies to the employees of the relevant State agency and with an awareness of the rights of the employees as set forth by State and federal law and applicable judicial decisions. In implementing any Any recommendation for discipline or in taking any action ~~taken~~ against any State employee pursuant to this Act, the ultimate jurisdictional authority must comply with the provisions of the collective bargaining agreement that applies to the State employee.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/20-50)

Sec. 20-50. Investigation reports; complaint procedure.

(a) With respect to complaints received by an Executive Inspector General prior to July 1, 2010, within 10 days after an Executive Inspector General begins an investigation, the Executive Inspector General shall provide the Executive Ethics Commission with (1) a summary of allegations and alleged violations, the reason for opening the investigation, and the unique tracking number assigned to the investigation and (2) any additional information requested by the Executive Ethics Commission. At any time, if If an Executive Inspector General, upon the conclusion of an investigation, determines that reasonable cause exists to believe that a violation has occurred, then the Executive Inspector General shall issue a summary report of the investigation. The report shall be delivered to the appropriate ultimate jurisdictional authority and to the head of each State agency affected by or involved in the investigation, if appropriate.

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(a-5) With respect to complaints received by an Executive Inspector General prior to July 1, 2010, not more than 60 days after delivering a summary report to the appropriate ultimate jurisdictional authority and to the head of each State agency, the Executive Inspector General shall deliver the summary report to the Executive Ethics Commission. The Executive Inspector General shall also provide the Executive Ethics Commission with a report detailing the discipline related to the summary report, if any, that the ultimate jurisdictional authority or head of the State agency has imposed or intends to impose. The Executive Inspector General shall provide any additional information requested by the Executive Ethics Commission. In the event the Executive Inspector General seeks to file a petition for leave to file a complaint with the Executive Ethics Commission pursuant to subsection (c), the Executive Inspector General shall not deliver the summary report to the Executive Ethics Commission and instead shall notify the Commission and the Attorney General. If the Attorney General does not file a petition for leave to file a complaint with the Executive Ethics Commission within the time permitted by statute, the Executive Inspector General must deliver a summary report to the Executive Ethics Commission within 30 days.

Any report delivered to the Executive Ethics Commission under this subsection shall not contain the name, office, or position title of any individual person.

(b) The summary report of the investigation shall include the following:

- (1) A description of any allegations or other information received by the Executive Inspector General pertinent to the investigation.
- (2) A description of any alleged misconduct discovered in the course of the investigation.

(2.5) With respect to complaints received by an Executive Inspector General prior to July 1, 2010, a specific recommendation for any corrective or disciplinary action to be taken in response to any alleged misconduct described in the report, including but not limited to suspension or discharge.

(3) With respect to complaints received by an Executive Inspector General on or after July 1, 2010, recommendations ~~Recommendations~~ for any corrective or disciplinary action to be taken in response to any alleged

misconduct described in the report, including but not limited to discharge.

- (4) Other information the Executive Inspector General deems relevant to the investigation or resulting recommendations.

(c) Not less than 30 days after delivery, under subsection (a), of the summary report of an investigation to the appropriate ultimate jurisdictional authority and to the head of each State agency affected by or involved in the investigation ~~under subsection (a)~~, if the Executive Inspector General desires to file a petition for leave to file a complaint, the Executive Inspector General shall notify the Commission and the Attorney General. If the Attorney General determines that reasonable cause exists to believe that a violation has occurred, then the Executive Inspector General, represented by the Attorney General, may file with the Executive Ethics Commission a petition for leave to file a complaint. The petition shall set forth the alleged violation and the grounds that exist to support the petition. The petition for leave to file a complaint must be filed with the Commission within 18 months after the most recent act of the alleged violation or of a series of alleged violations except where there is reasonable cause to believe that fraudulent concealment has occurred. To constitute fraudulent concealment sufficient to toll this limitations period, there must be an affirmative act or representation calculated to prevent discovery of the fact that a violation has occurred. If a petition for leave to file a complaint is not filed with the Commission within 6 months after notice by the Inspector General to the Commission and the Attorney General, then the Commission may set a meeting of the Commission at which the Attorney General shall appear and provide a status report to the Commission.

(d) A copy of the petition must be served on all respondents named in the complaint and on each respondent's ultimate jurisdictional authority in the same manner as process is served under the Code of Civil Procedure.

(e) A respondent may file objections to the petition for leave to file a complaint within 30 days after notice of the petition has been served on the respondent.

(f) The Commission shall meet, either in person or by telephone, in a closed session to review the sufficiency of the complaint. If the Commission finds that complaint is sufficient, the Commission shall grant the petition for leave to file the complaint. The Commission shall issue notice to the Executive Inspector General and all respondents of the Commission's ruling on the sufficiency of the complaint. If the complaint is deemed to sufficiently allege a violation of this Act, then the Commission shall notify the parties and shall include a hearing date scheduled within 4 weeks after the date of the notice, unless all of the parties consent to a later date. If the complaint is deemed not to sufficiently allege a violation, then the Commission shall send by certified mail, return receipt requested, a notice to the parties of the

decision to dismiss the complaint.

(g) On the scheduled date the Commission shall conduct a closed meeting, either in person or, if the parties consent, by telephone, on the complaint and allow all parties the opportunity to present testimony and evidence. All such proceedings shall be transcribed.

(h) Within an appropriate time limit set by rules of the Executive Ethics Commission, the Commission shall (i) dismiss the complaint or (ii) issue a recommendation of discipline to the respondent and the respondent's ultimate jurisdictional authority or impose an administrative fine upon the respondent, or both.

(i) The proceedings on any complaint filed with the Commission shall be conducted pursuant to rules promulgated by the Commission.

(j) The Commission may designate hearing officers to conduct proceedings as determined by rule of the Commission.

(k) In all proceedings before the Commission, the standard of proof is by a preponderance of the evidence.

(l) When the Inspector General concludes that there is insufficient evidence that a violation has occurred, the Inspector General shall close the investigation. At the request of the subject of the investigation, the Inspector General shall provide a written statement to the subject of the investigation and to the Commission of the Inspector General's decision to close the investigation. Closure by the Inspector General does not bar the Inspector General from resuming the investigation if circumstances warrant.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/20-90)

Sec. 20-90. Confidentiality.

(a) The identity of any individual providing information or reporting any possible or alleged misconduct to an Executive Inspector General or the Executive Ethics Commission shall be kept confidential and may not be disclosed without the consent of that individual, unless the individual consents to disclosure of his or her name or disclosure of the individual's identity is otherwise required by law. The confidentiality granted by this subsection does not preclude the disclosure of the identity of a person in any capacity other than as the source of an allegation.

(a-5) Each summary provided to the Executive Ethics Commission by an Executive Inspector General within 10 days after beginning an investigation, as required by subsection (a) of Section 20-50, and each report provided to the Executive Ethics Commission by an Executive Inspector General under subsection (a-5) of Section 20-50 shall be kept confidential and may not be disclosed.

(b) Subject to the provisions of Section 20-50(c), commissioners, employees, and agents of the Executive Ethics Commission, the Executive Inspectors General, and employees and agents of each Office of an Executive Inspector General shall keep confidential and shall not disclose information exempted from disclosure under the Freedom of Information Act or by this Act.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/20-95)

Sec. 20-95. Exemptions.

(a) Documents generated by an ethics officer under this Act, except Section 5-50, are exempt from the provisions of the Freedom of Information Act.

(a-5) Summaries provided to the Executive Ethics Commission by an Executive Inspector General within 10 days after beginning an investigation, as required by subsection (a) of Section 20-50, and reports provided to the Executive Ethics Commission by an Executive Inspector General under subsection (a-5) of Section 20-50 are exempt from the provisions of the Freedom of Information Act.

(b) Any allegations and related documents submitted to an Executive Inspector General and any pleadings and related documents brought before the Executive Ethics Commission are exempt from the provisions of the Freedom of Information Act so long as the Executive Ethics Commission does not make a finding of a violation of this Act. If the Executive Ethics Commission finds that a violation has occurred, the entire record of proceedings before the Commission, the decision and recommendation, and the mandatory report from the agency head or ultimate jurisdictional authority to the Executive Ethics Commission are not exempt from the provisions of the Freedom of Information Act but information contained therein that is otherwise exempt from the Freedom of Information Act must be redacted before disclosure as provided in Section 8 of the Freedom of Information Act.

(c) Meetings of the Commission under Sections 20-5 and 20-15 of this Act are exempt from the provisions of the Open Meetings Act.

(d) Unless otherwise provided in this Act, all investigatory files and reports of the Office of an Executive Inspector General, other than quarterly reports, are confidential, are exempt from disclosure

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under the Freedom of Information Act, and shall not be divulged to any person or agency, except as necessary (i) to the appropriate law enforcement authority if the matter is referred pursuant to this Act, (ii) to the ultimate jurisdictional authority, (iii) to the Executive Ethics Commission; or (iv) to another Inspector General appointed pursuant to this Act.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/25-5)

Sec. 25-5. Legislative Ethics Commission.

(a) The Legislative Ethics Commission is created.

(b) The Legislative Ethics Commission shall consist of 8 commissioners appointed 2 each by the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives.

The terms of the initial commissioners shall commence upon qualification. Each appointing authority shall designate one appointee who shall serve for a 2-year term running through June 30, 2005. Each appointing authority shall designate one appointee who shall serve for a 4-year term running through June 30, 2007. The initial appointments shall be made within 60 days after the effective date of this Act.

After the initial terms, commissioners shall serve for 4-year terms commencing on July 1 of the year of appointment and running through June 30 of the fourth following year. Commissioners may be reappointed to one or more subsequent terms.

Vacancies occurring other than at the end of a term shall be filled by the appointing authority only for the balance of the term of the commissioner whose office is vacant.

Terms shall run regardless of whether the position is filled.

(c) The appointing authorities shall appoint commissioners who have experience holding governmental office or employment and may appoint commissioners who are members of the General Assembly as well as commissioners from the general public. A commissioner who is a member of the General Assembly must recuse himself or herself from participating in any matter relating to any investigation or proceeding in which he or she is the subject. A person is not eligible to serve as a commissioner if that person (i) has been convicted of a felony or a crime of dishonesty or moral turpitude, (ii) is, or was within the preceding 12 months, engaged in activities that require registration under the Lobbyist Registration Act, (iii) is a relative of the appointing authority, or (iv) is a State officer or employee other than a member of the General Assembly.

(d) The Legislative Ethics Commission shall have jurisdiction over members of the General Assembly and all State employees whose ultimate jurisdictional authority is (i) a legislative leader, (ii) the Senate Operations Commission, or (iii) the Joint Committee on Legislative Support Services, or (iv) the Legislative Ethics Commission. The jurisdiction of the Commission is limited to matters arising under this Act.

(e) The Legislative Ethics Commission must meet, either in person or by other technological means, monthly or as often as necessary. At the first meeting of the Legislative Ethics Commission, the commissioners shall choose from their number a chairperson and other officers that they deem appropriate. The terms of officers shall be for 2 years commencing July 1 and running through June 30 of the second following year. Meetings shall be held at the call of the chairperson or any 3 commissioners. Official action by the Commission shall require the affirmative vote of 5 commissioners, and a quorum shall consist of 5 commissioners. Commissioners shall receive no compensation but may be reimbursed for their reasonable expenses actually incurred in the performance of their duties.

(f) No commissioner, other than a commissioner who is a member of the General Assembly, or employee of the Legislative Ethics Commission may during his or her term of appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
- (3) be actively involved in the affairs of any political party or political organization; or
- (4) actively participate in any campaign for any elective office.

(g) An appointing authority may remove a commissioner only for cause.

(h) The Legislative Ethics Commission shall appoint an Executive Director subject to the approval of at least 3 of the 4 legislative leaders. The compensation of the Executive Director shall be as determined by the Commission or by the Compensation Review Board, whichever amount is higher. The Executive Director of the Legislative Ethics Commission may employ, subject to the approval of at least 3 of the 4 legislative leaders, and determine the compensation of staff, as appropriations permit.

(Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

(5 ILCS 430/25-10)

Sec. 25-10. Office of Legislative Inspector General.

(a) The independent Office of the Legislative Inspector General is created. The Office shall be under the direction and supervision of the Legislative Inspector General and shall be a fully independent office with its own appropriation.

(b) The Legislative Inspector General shall be appointed without regard to political affiliation and solely on the basis of integrity and demonstrated ability. The Legislative Ethics Commission shall diligently search out qualified candidates for Legislative Inspector General and shall make recommendations to the General Assembly.

The Legislative Inspector General shall be appointed by a joint resolution of the Senate and the House of Representatives, which may specify the date on which the appointment takes effect. A joint resolution, or other document as may be specified by the Joint Rules of the General Assembly, appointing the Legislative Inspector General must be certified by the Speaker of the House of Representatives and the President of the Senate as having been adopted by the affirmative vote of three-fifths of the members elected to each house, respectively, and be filed with the Secretary of State. The appointment of the Legislative Inspector General takes effect on the day the appointment is completed by the General Assembly, unless the appointment specifies a later date on which it is to become effective.

The Legislative Inspector General shall have the following qualifications:

- (1) has not been convicted of any felony under the laws of this State, another state, or the United States;
- (2) has earned a baccalaureate degree from an institution of higher education; and
- (3) has 5 or more years of cumulative service (A) with a federal, State, or local law enforcement agency, at least 2 years of which have been in a progressive investigatory capacity; (B) as a federal, State, or local prosecutor; (C) as a senior manager or executive of a federal, State, or local agency; (D) as a member, an officer, or a State or federal judge; or (E) representing any combination of (A) through (D).

The Legislative Inspector General may not be a relative of a commissioner.

The term of the initial Legislative Inspector General shall commence upon qualification and shall run through June 30, 2008.

After the initial term, the Legislative Inspector General shall serve for 5-year terms commencing on July 1 of the year of appointment and running through June 30 of the fifth following year. The Legislative Inspector General may be reappointed to one or more subsequent terms.

A vacancy occurring other than at the end of a term shall be filled in the same manner as an appointment only for the balance of the term of the Legislative Inspector General whose office is vacant.

Terms shall run regardless of whether the position is filled.

(c) The Legislative Inspector General shall have jurisdiction over the members of the General Assembly and all State employees whose ultimate jurisdictional authority is (i) a legislative leader, (ii) the Senate Operations Commission, or (iii) the Joint Committee on Legislative Support Services or (iv) the Legislative Ethics Commission.

The jurisdiction of each Legislative Inspector General is to investigate allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of this Act or violations of other related laws and rules.

(d) The compensation of the Legislative Inspector General shall be the greater of an amount (i) determined by the Commission or (ii) by joint resolution of the General Assembly passed by a majority of members elected in each chamber. Subject to Section 25-45 of this Act, the Legislative Inspector General has full authority to organize the Office of the Legislative Inspector General, including the employment and determination of the compensation of staff, such as deputies, assistants, and other employees, as appropriations permit. Employment of staff is subject to the approval of at least 3 of the 4 legislative leaders.

(e) No Legislative Inspector General or employee of the Office of the Legislative Inspector General may, during his or her term of appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
- (3) be actively involved in the affairs of any political party or political organization; or
- (4) actively participate in any campaign for any elective office.

In this subsection an appointed public office means a position authorized by law that is filled by an

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appointing authority as provided by law and does not include employment by hiring in the ordinary course of business.

(e-1) No Legislative Inspector General or employee of the Office of the Legislative Inspector General may, for one year after the termination of his or her appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any elected public office; or
- (3) hold any appointed State, county, or local judicial office.

(e-2) The requirements of item (3) of subsection (e-1) may be waived by the Legislative Ethics Commission.

(f) The Commission may remove the Legislative Inspector General only for cause. At the time of the removal, the Commission must report to the General Assembly the justification for the removal.

(Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

(5 ILCS 430/25-23)

Sec. 25-23. Ethics Officers. The President and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives shall each appoint an ethics officer for the members and employees of his or her legislative caucus. The commissioners of the Legislative Ethics Commission shall designate an ethics officer for the Legislative Ethics Commission. The Legislative Inspector General shall designate an ethics officer for the Office of the Legislative Inspector General. No later than January 1, 2004, the head of each other State agency under the jurisdiction of the Legislative Ethics Commission, other than the General Assembly, shall designate an ethics officer for the State agency. Ethics Officers shall:

- (1) act as liaisons between the State agency and the Legislative Inspector General and between the State agency and the Legislative Ethics Commission;
- (2) review statements of economic interest and disclosure forms of officers, senior employees, and contract monitors before they are filed with the Secretary of State; and
- (3) provide guidance to officers and employees in the interpretation and implementation of this Act, which the officer or employee may in good faith rely upon. Such guidance shall be based, wherever possible, upon legal precedent in court decisions, opinions of the Attorney General, and the findings and opinions of the Legislative Ethics Commission.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/50-5)

Sec. 50-5. Penalties.

(a) A person is guilty of a Class A misdemeanor if that person intentionally violates (i) subsection (a-5) of Section 20-90 or (ii) any provision of Section 5-15, 5-30, 5-40, or 5-45 or Article 15.

(b) A person who intentionally violates any provision of Section 5-20, 5-35, 5-50, or 5-55 is guilty of a business offense subject to a fine of at least \$1,001 and up to \$5,000.

(c) A person who intentionally violates any provision of Article 10 is guilty of a business offense and subject to a fine of at least \$1,001 and up to \$5,000.

(d) Any person who intentionally makes a false report alleging a violation of any provision of this Act to an ethics commission, an inspector general, the State Police, a State's Attorney, the Attorney General, or any other law enforcement official is guilty of a Class A misdemeanor.

(e) An ethics commission may levy an administrative fine of up to \$5,000 against any person who violates this Act, who intentionally obstructs or interferes with an investigation conducted under this Act by an inspector general, or who intentionally makes a false, frivolous, or bad faith allegation.

(f) In addition to any other penalty that may apply, whether criminal or civil, a State employee who intentionally violates any provision of Section 5-15, 5-20, 5-30, 5-35, 5-40, or 5-50, Article 10, Article 15, or Section 20-90 or 25-90 is subject to discipline or discharge by the appropriate ultimate jurisdictional authority.

(Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)".

Section 10. The Compensation Review Act is amended by changing Sections 4 and 5 as follows:  
(25 ILCS 120/4) (from Ch. 63, par. 904)

Sec. 4. Meetings of the Board; determining compensation; public hearings; reports. The Board shall meet as often as may be necessary and shall determine, upon a vote requiring at least 7 affirmative votes, the compensation for members of the General Assembly, judges, other than the county supplement, State's attorneys, other than the county supplement, the elected constitutional officers of State government, and certain appointed officers of State government.

In determining the compensation for each office, the Compensation Review Board shall consider the following factors:

- (a) the skill required,
- (b) the time required,
- (c) the opportunity for other earned income,
- (d) the value of public services as performed in comparable states,
- (e) the value of such services as performed in the private sector in Illinois and comparable states based on the responsibility and discretion required in the office,
- (f) the average consumer prices commonly known as the cost of living,
- (g) the overall compensation presently received by the public officials and all other benefits received,
- (h) the interests and welfare of the public and the financial ability of the State to meet those costs, and
- (i) such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of such compensation.

The Board shall conduct public hearings prior to filing its report.

At the public hearings, the Board shall allow interested persons to present their views and comments. The Board may prescribe reasonable rules for the conduct of public hearings, to prevent undue repetition. The meetings of the Board are subject to the Open Meetings Act.

The Board shall file an initial report with the House of Representatives, the Senate, the Comptroller and the Secretary of State. Subsequent reports shall be filed therewith before March 1 in each even-numbered year thereafter stating the annual salary for members of the General Assembly, the elected State constitutional officers and certain appointed State officers and compensated employees and members of certain State departments, agencies, boards and commissions whose terms begin in the next calendar year; the annual salary for State's attorneys; and the annual salary for the Auditor General and for Supreme Court, Appellate Court, Circuit Court and Associate judges. If the report increases the annual salary of judges, State's attorneys, and the Auditor General, such increase shall take effect as soon as the time period for disapproval or reduction, as provided in subsection (b) of Section 5, has expired.

The salaries in the report or as reduced by the General Assembly, other than for judges, State's attorneys, and the Auditor General, shall take effect as provided by law.

(Source: P.A. 90-375, eff. 8-14-97; 91-798, eff. 7-9-00.)

(25 ILCS 120/5) (from Ch. 63, par. 905)

Sec. 5. (a) If the Board fails to recommend a change in salary or the General Assembly disapproves the report as provided in subsection (b), and a new term for any officer provided for in this Act begins, the salary for the new term shall be the same as the salary in effect when the previous term ended.

(b) The General Assembly may disapprove the report of the Board in whole, or reduce it in whole proportionately, (i) within 30 session days after each house of the legislature next convenes after the report is filed or (ii) by the May 31st next occurring after the report is filed, whichever is earlier, by adoption of a resolution by a record vote of the majority of the members elected in each house directed to the Board. Such resolution shall be binding upon the Board.

For the initial report filed by the Board after this Act takes effect, the General Assembly may, by January 9, 1985, disapprove the report of the Board in whole, or reduce it in whole proportionately, after the report is filed, by the adoption of a resolution by a record vote of the majority of the members.

(Source: P.A. 83-1177.)

Section 15. The Lobbyist Registration Act is amended by changing Section 2 as follows:

(25 ILCS 170/2) (from Ch. 63, par. 172)

Sec. 2. Definitions. As used in this Act, unless the context otherwise requires:

(a) "Person" means any individual, firm, partnership, committee, association, corporation, or any other organization or group of persons.

(b) "Expenditure" means a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure, for the ultimate purpose of influencing executive, legislative, or administrative action, other than compensation as defined in subsection (d).

(c) "Official" means:

- (1) the Governor, Lieutenant Governor, Secretary of State, Attorney General, State Treasurer, and State Comptroller;
- (2) Chiefs of Staff for officials described in item (1);
- (3) Cabinet members of any elected constitutional officer, including Directors, Assistant Directors and Chief Legal Counsel or General Counsel;
- (4) Members of the General Assembly.

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(d) "Compensation" means any money, thing of value or financial benefits received or to be received in return for services rendered or to be rendered, for lobbying as defined in subsection (e).

Monies paid to members of the General Assembly by the State as remuneration for performance of their Constitutional and statutory duties as members of the General Assembly shall not constitute compensation as defined by this Act.

(e) "Lobbying" means any communication with (i) an official of the executive or legislative branch of State government as defined in subsection (c) or (ii) a State employee as defined in this Section, for the ultimate purpose of influencing executive, legislative, or administrative action.

(f) "Influencing" means any communication, action, reportable expenditure as prescribed in Section 6 or other means used to promote, support, affect, modify, oppose or delay any executive, legislative or administrative action or to promote goodwill with officials as defined in subsection (c).

(g) "Executive action" means the proposal, drafting, development, consideration, amendment, adoption, approval, promulgation, issuance, modification, rejection or postponement by a State entity of a rule, regulation, order, decision, determination, contractual arrangement, purchasing agreement or other quasi-legislative or quasi-judicial action or proceeding.

(h) "Legislative action" means the development, drafting, introduction, consideration, modification, adoption, rejection, review, enactment, or passage or defeat of any bill, amendment, resolution, report, nomination, administrative rule or other matter by either house of the General Assembly or a committee thereof, or by a legislator. Legislative action also means the action of the Governor in approving or vetoing any bill or portion thereof, and the action of the Governor or any agency in the development of a proposal for introduction in the legislature.

(i) "Administrative action" means the execution or rejection of any rule, regulation, legislative rule, standard, fee, rate, contractual arrangement, purchasing agreement or other delegated legislative or quasi-legislative action to be taken or withheld by any executive agency, department, board or commission of the State.

(j) "Lobbyist" means any person who undertakes to lobby State government as provided in subsection (e).

(k) "State employee" is defined as that term is defined in Section 1-5 of the State Officials and Employees Ethics Act.

(l) "Employee", with respect to a State employee, is defined as that term is defined in Section 1-5 of the State Officials and Employees Ethics Act.

(m) "State agency" is defined as that term is defined in Section 1-5 of the State Officials and Employees Ethics Act.

(Source: P.A. 88-187.)

Section 25. The Illinois Procurement Code is amended by changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 20-30, 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 40-25, 50-13, 50-20, and 50-30 and by adding Sections 20-43, 50-21, and 50-37 as follows:

(30 ILCS 500/1-15.15)

Sec. 1-15.15. Chief Procurement Officer. "Chief Procurement Officer" means:

(1) for procurements for construction and construction-related services committed by law to the jurisdiction or responsibility of the Capital Development Board, the executive director of the Capital Development Board.

(2) for procurements for all construction, construction-related services, operation of any facility, and the provision of any service or activity committed by law to the jurisdiction or responsibility of the Illinois Department of Transportation, including the direct or reimbursable expenditure of all federal funds for which the Department of Transportation is responsible or accountable for the use thereof in accordance with federal law, regulation, or procedure, the Secretary of Transportation.

(3) for all procurements made by a public institution of higher education, (i) a representative designated by the Governor for procurements made before July 1, 2007, and (ii) for procurements made on or after July 1, 2007, an employee of the Board of Higher Education designated by the Board of Higher Education. The higher education chief procurement officer designated by the Board of Higher Education shall not be a trustee, officer, or employee of a public institution of higher education.

(4) for the selection and appointment of consultants by a pension fund or retirement system created under Article 2, 14, 15, 16, or 18 of the Illinois Pension Code or an investment board created under Article 22A of the Illinois Pension Code, as the term "consultant" is defined in subsection (a-5) of Section 1-113.5 or subsection (e) of Section 22A-111, respectively, of the Illinois Pension Code, a representative designated by the board of trustees of that pension fund or retirement system or by the Illinois State Board of Investment, as the case may be, for a total of 6 pension chiefs of procurement.

(5) (4) for all other procurements, the Director of the Department of Central Management Services.  
(Source: P.A. 90-572, eff. 2-6-98.)

(30 ILCS 500/1-15.100)

Sec. 1-15.100. State agency. "State agency" means and includes all boards, commissions, agencies, institutions, authorities, and bodies politic and corporate of the State, created by or in accordance with the constitution or statute, of the executive branch of State government and does include colleges, universities, and institutions under the jurisdiction of the governing boards of the University of Illinois, Southern Illinois University, Illinois State University, Eastern Illinois University, Northern Illinois University, Western Illinois University, Chicago State University, Governor State University, Northeastern Illinois University, and the Board of Higher Education. However, this term applies does not apply to public employee pension funds, retirement systems, or investment boards that are subject to fiduciary duties imposed by the Illinois Pension Code only to the extent and for the purpose of procurements required under Sections 1-113.5 and 22A-111 of the Illinois Pension Code to be made in accordance with Article 35 of this Code. The term "State agency" does not apply to the University of Illinois Foundation. "State agency" does not include units of local government, school districts, community colleges under the Public Community College Act, and the Illinois Comprehensive Health Insurance Board.

(Source: P.A. 90-572, eff. 2-6-98.)

(30 ILCS 500/15-25)

Sec. 15-25. Bulletin content.

(a) Invitations for bids. Notice of each and every contract that is offered, including renegotiated contracts and change orders, shall be published in the Bulletin. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least the date first offered, the date submission of offers is due, the location that offers are to be submitted to, the purchasing State agency, the responsible State purchasing officer, a brief purchase description, the method of source selection, information of how to obtain a comprehensive purchase description and any disclosure and contract forms, and encouragement to prospective vendors to hire qualified veterans, as defined by Section 45-67 of this Code, and Illinois residents discharged from any Illinois adult correctional center.

(b) Contracts let or awarded. Notice of each and every contract that is let or awarded, including renegotiated contracts and change orders, shall be published in the next available subsequent Bulletin, and the applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least all of the information specified in subsection (a) as well as the name of the successful responsive bidder or offeror, the contract price, the number of unsuccessful responsive bidders, and any other disclosure specified in any Section of this Code. This notice shall include the disclosures under Section 50-37, if those disclosures are required. In addition, the notice shall summarize the outreach efforts undertaken by the agency to make potential bidders or offerors aware of any contract offer other than publication in the Bulletin. This notice must be posted in the online electronic Bulletin no later than 10 business days after services or goods are first provided.

(c) Emergency purchase disclosure. Any chief procurement officer, State purchasing officer, or designee exercising emergency purchase authority under this Code shall publish a written description and reasons and the total cost, if known, or an estimate if unknown and the name of the responsible chief procurement officer and State purchasing officer, and the business or person contracted with for all emergency purchases in the next timely, practicable Bulletin. This notice must be posted in the online electronic Bulletin within 10 business days after the earlier of (i) execution of the contract or (ii) whenever services or goods begin to be provided under the contract and, in any event, prior to any payment by the State under the contract.

(c-5) Each State agency shall post in the online electronic Bulletin a copy of its annual report of utilization of businesses owned by minorities, females, and persons with disabilities as submitted to the Business Enterprise Council for Minorities, Females, and Persons with Disabilities pursuant to Section 6(c) of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act within 10 business days of its submission of its report to the Council.

(c-10) Renewals. Notice of each contract renewal shall be posted online on the Procurement Bulletin. The Procurement Policy Board by rule shall specify the information to be included in the notice, and the applicable chief procurement officer by rule may provide a format for the information.

(d) Other required disclosure. The applicable chief procurement officer shall provide by rule for the organized publication of all other disclosure required in other Sections of this Code in a timely manner.

(e) The changes to subsections (b), (c), and (c-5) of this Section made by this amendatory Act of the 95th General Assembly apply to reports submitted, offers made, and notices on contracts executed on or



after its effective date.

(Source: P.A. 94-1067, eff. 8-1-06.)

(30 ILCS 500/20-10)

Sec. 20-10. Competitive sealed bidding.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement Bulletin at least 14 days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, the amount of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:

(1) a description of the agency's needs;

(2) a determination that the anticipated cost will be fair and reasonable;

(3) a listing of all responsible and responsive bidders; and

(4) the name of the bidder selected, pricing, and the reasons for selecting that bidder instead of the

lowest responsible and responsive bidder.

Each agency may adopt rules to implement the requirements of this subsection (g).

The written explanation shall be filed with the Legislative Audit Commission and the Procurement Policy Board and be made available for inspection by the public within 30 days after the agency's decision to award the contract.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/20-30)

Sec. 20-30. Emergency purchases.

(a) Conditions for use. In accordance with standards set by rule, a purchasing agency may make emergency procurements without competitive sealed bidding or prior notice when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collections of substantial State revenue, or to ensure the integrity of State records; provided, however, that the term of the emergency purchase shall be limited to the time reasonably needed for a competitive procurement, not to exceed 6 months. Emergency procurements shall be made with as much competition as is practicable under the circumstances. A written description of the basis for the emergency and reasons for the selection of the particular contractor shall be included in the contract file.

(b) Notice. Before the next appropriate volume of the Illinois Procurement Bulletin, the purchasing agency shall publish in the Illinois Procurement Bulletin a copy of each written description and reasons and the total cost of each emergency procurement made during the previous month. When only an estimate of the total cost is known at the time of publication, the estimate shall be published in like manner and published. When the actual total cost is determined, it shall also be published in like manner before the 10th day of the next succeeding month.

(c) Affidavits. A purchasing agency making a procurement under this Section shall file affidavits with the chief procurement officer and the Auditor General within 10 days after the procurement setting forth the amount expended, the name of the contractor involved, and the conditions and circumstances requiring the emergency procurement. When only an estimate of the cost is available within 10 days after the procurement, the actual cost shall be reported immediately after it is determined. At the end of each fiscal quarter, the Auditor General shall file with the Legislative Audit Commission and the Governor a complete listing of all emergency procurements reported during that fiscal quarter. The Legislative Audit Commission shall review the emergency procurements so reported and, in its annual reports, advise the General Assembly of procurements that appear to constitute an abuse of this Section.

(d) Quick purchases. The chief procurement officer may promulgate rules extending the circumstances by which a purchasing agency may make purchases under this Section, including but not limited to the procurement of items available at a discount for a limited period of time.

(e) The changes to this Section made by this amendatory Act of the 95th General Assembly apply to procurements executed on or after its effective date.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/20-43 new)

Sec. 20-43. Bidder or offeror authorized to do business in Illinois. In addition to meeting any other requirement of law or rule, a person (other than an individual acting as a sole proprietor) may qualify as a bidder or offeror under this Code only if the person is a legal entity authorized to do business in Illinois prior to submitting the bid, offer, or proposal.

(30 ILCS 500/35-15)

Sec. 35-15. Prequalification.

(a) The Director of Central Management Services, the pension chief procurement officers, and the higher education chief procurement officer shall each develop appropriate and reasonable prequalification standards and categories of professional and artistic services.

(b) The prequalifications and categorizations shall be submitted to the Procurement Policy Board and published for public comment prior to their submission to the Joint Committee on Administrative Rules for approval.

(c) The Director of Central Management Services, the pension chief procurement officers, and the higher education chief procurement officer shall each also assemble and maintain a comprehensive list of prequalified and categorized businesses and persons.

(d) Prequalification shall not be used to bar or prevent any qualified business or person for bidding or responding to invitations for bid or proposal.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/35-20)

Sec. 35-20. Uniformity in procurement.

(a) The Director of Central Management Services, the pension chief procurement officers, and the higher education chief procurement officer shall each develop, cause to be printed, and distribute uniform documents for the solicitation, review, and acceptance of all professional and artistic services.

(b) All chief procurement officers, State purchasing officers, and their designees shall use the appropriate uniform procedures and forms specified in this Code for all professional and artistic services.

(c) These forms shall include in detail, in writing, at least:

- (1) a description of the goal to be achieved;
- (2) the services to be performed;
- (3) the need for the service;
- (4) the qualifications that are necessary; and
- (5) a plan for post-performance review.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/35-25)

Sec. 35-25. Uniformity in contract.

(a) The Director of Central Management Services, the pension chief procurement officers, and the higher education chief procurement officer shall each develop, cause to be printed, and distribute uniform documents for the contracting of professional and artistic services.

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(b) All chief procurement officers, State purchasing officers, and their designees shall use the appropriate uniform contracts and forms in contracting for all professional and artistic services.

(c) These contracts and forms shall include in detail, in writing, in at least:

- (1) the detail listed in subsection (c) of Section 35-20;
- (2) the duration of the contract, with a schedule of delivery, when applicable;
- (3) the method for charging and measuring cost (hourly, per day, etc.);
- (4) the rate of remuneration; and
- (5) the maximum price.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/35-30)

Sec. 35-30. Awards.

(a) All State contracts for professional and artistic services, except as provided in this Section, shall be awarded using the competitive request for proposal process outlined in this Section.

(b) For each contract offered, the chief procurement officer, State purchasing officer, or his or her designee shall use the appropriate standard solicitation forms available from the Department of Central Management Services, the appropriate pension chief procurement officer, or the higher education chief procurement officer.

(c) Prepared forms shall be submitted to the Department of Central Management Services, a pension chief procurement officer, or the higher education chief procurement officer, whichever is appropriate, for publication in its Illinois Procurement Bulletin and circulation to the Department of Central Management Services', the pension chief procurement officer's, or the higher education chief procurement officer's list of prequalified vendors. Notice of the offer or request for proposal shall appear at least 14 days before the response to the offer is due.

(d) All interested respondents shall return their responses to the Department of Central Management Services, the pension chief procurement officer, or the higher education chief procurement officer, whichever is appropriate, which shall open and record them. The Department, the pension chief procurement officer, or higher education chief procurement officer then shall forward the responses, together with any information it has available about the qualifications and other State work of the respondents.

(e) After evaluation, ranking, and selection, the responsible chief procurement officer, State purchasing officer, or his or her designee shall notify the Department of Central Management Services, the pension chief procurement officer, or the higher education chief procurement officer, whichever is appropriate, of the successful respondent and shall forward a copy of the signed contract for the Department's, pension chief procurement officer's, or higher education chief procurement officer's file. The Department, the pension chief procurement officer, or higher education chief procurement officer shall publish the names of the responsible procurement decision-maker, the agency letting the contract, the successful respondent, a contract reference, and value of the let contract in the next appropriate volume of the Illinois Procurement Bulletin.

(f) For all professional and artistic contracts with annualized value that exceeds \$25,000, evaluation and ranking by price are required. Any chief procurement officer or State purchasing officer, but not their designees, may select an offeror other than the lowest bidder by price. In any case, when the contract exceeds the \$25,000 ~~threshold~~ ~~threshold~~ and the lowest bidder is not selected, the chief procurement officer or the State purchasing officer shall forward together with the contract notice of who the low bidder was and a written decision as to why another was selected to the Department of Central Management Services, the pension chief procurement officer, or the higher education chief procurement officer, whichever is appropriate. The Department, the pension chief procurement officer, or higher education chief procurement officer shall publish as provided in subsection (e) of Section 35-30, but shall include notice of the chief procurement officer's or State purchasing officer's written decision.

(g) The Department of Central Management Services, the pension chief procurement officers, and higher education chief procurement officer may each refine, but not contradict, this Section by promulgating rules for submission to the Procurement Policy Board and then to the Joint Committee on Administrative Rules. Any refinement shall be based on the principles and procedures of the federal Architect-Engineer Selection Law, Public Law 92-582 Brooks Act, and the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act; except that pricing shall be an integral part of the selection process.

(Source: P.A. 90-572, eff. date - See Sec. 99-5; revised 10-19-05.)

(30 ILCS 500/35-35)

Sec. 35-35. Exceptions.

(a) Exceptions to Section 35-30 are allowed for sole source procurements, emergency procurements, and at the discretion of the chief procurement officer or the State purchasing officer, but not their designees, for professional and artistic contracts that are nonrenewable, one year or less in duration, and have a value of less than \$20,000.

(b) All exceptions granted under this Article must still be submitted to the Department of Central Management Services, the appropriate pension chief procurement officer, or the higher education chief procurement officer, whichever is appropriate, and published as provided for in subsection (f) of Section 35-30, shall name the authorizing chief procurement officer or State purchasing officer, and shall include a brief explanation of the reason for the exception.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/35-40)

Sec. 35-40. Subcontractors.

(a) Any contract granted under this Article shall state whether the services of a subcontractor will be used. The contract shall include the names and addresses of all subcontractors and the expected amount of money each will receive under the contract.

(b) If at any time during the term of a contract, a contractor adds or changes any subcontractors, he or she shall promptly notify, in writing, the Department of Central Management Services, the appropriate pension chief procurement officer, or the higher education chief procurement officer, whichever is appropriate, and the responsible chief procurement officer, State purchasing officer, or their designee of the names and addresses and the expected amount of money each new or replaced subcontractor will receive.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/40-15)

Sec. 40-15. Method of source selection.

(a) Request for information. Except as provided in subsections (b) and (c), all State contracts for leases of real property or capital improvements shall be awarded by a request for information process in accordance with Section 40-20.

(b) Other methods. A request for information process need not be used in procuring any of the following leases:

- (1) Property of less than 10,000 square feet.
- (2) Rent of less than \$100,000 per year.
- (3) Duration of less than one year that cannot be renewed.
- (4) Specialized space available at only one location.

(5) Renewal or extension of a lease ~~in effect before July 1, 2002~~; provided that: (i) the chief procurement officer

determines in writing that the renewal or extension is in the best interest of the State; (ii) the chief procurement officer submits his or her written determination and the renewal or extension to the Board; (iii) the Board does not object in writing to the renewal or extension within 30 days after its submission; and (iv) the chief procurement officer publishes the renewal or extension in the appropriate volume of the Procurement Bulletin.

(c) Leases with governmental units. Leases with other governmental units may be negotiated without using the request for information process when deemed by the chief procurement officer to be in the best interest of the State.

(Source: P.A. 93-133, eff. 1-1-04; 93-839, eff. 7-30-04.)

(30 ILCS 500/40-25)

Sec. 40-25. Length of leases.

(a) Maximum term. Leases shall be for a term not to exceed 10 years and shall include a termination option in favor of the State after 5 years.

(b) Renewal. Leases may include a renewal option. An option to renew may be exercised only when a State purchasing officer determines in writing that renewal is in the best interest of the State and notice of the exercise of the option is published in the appropriate volume of the Procurement Bulletin at least 60 days prior to the exercise of the option.

(c) Subject to appropriation. All leases shall recite that they are subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to make payments under the terms of the lease.

(d) Holdover. No lease may continue on a month-to-month or other holdover basis for a total of more than 6 months.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/50-13)

[June 14, 2007]

Sec. 50-13. Conflicts of interest.

(a) Prohibition. It is unlawful for any person holding an elective office in this State, holding a seat in the General Assembly, or appointed to or employed in any of the offices or agencies of State government and who receives compensation for such employment in excess of 60% of the salary of the Governor of the State of Illinois, or who is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority, or who is the spouse or minor child of any such person to have or acquire any contract, or any direct pecuniary interest in any contract therein, whether for stationery, printing, paper, or any services, materials, or supplies, that will be wholly or partially satisfied by the payment of funds appropriated by the General Assembly of the State of Illinois or in any contract of the Capital Development Board or the Illinois Toll Highway Authority.

(b) Interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) is entitled to receive (i) more than 7 1/2% of the total distributable income or (ii) an amount in excess of the salary of the Governor, to have or acquire any such contract or direct pecuniary interest therein.

(b-5) Notwithstanding any other provision of law, no person listed in subsection (a) may receive a legal, banking, consulting, or other fee related to the issuance of any bond issued by the State or by any agency or other entity of State government.

(c) Combined interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) together with his or her spouse or minor children is entitled to receive (i) more than 15%, in the aggregate, of the total distributable income or (ii) an amount in excess of 2 times the salary of the Governor, to have or acquire any such contract or direct pecuniary interest therein.

(c-5) Appointees and firms. In addition to any provisions of this Code, the interests of certain appointees and their firms are subject to Section 3A-35 of the Illinois Governmental Ethics Act.

(d) Securities. Nothing in this Section invalidates the provisions of any bond or other security previously offered or to be offered for sale or sold by or for the State of Illinois.

(e) Prior interests. This Section does not affect the validity of any contract made between the State and an officer or employee of the State or member of the General Assembly, his or her spouse, minor child, or other immediate family member living in his or her residence or any combination of those persons if that contract was in existence before his or her election or employment as an officer, member, or employee. The contract is voidable, however, if it cannot be completed within 365 days after the officer, member, or employee takes office or is employed.

(f) Exceptions.

(1) Public aid payments. This Section does not apply to payments made for a public aid recipient.

(2) Teaching. This Section does not apply to a contract for personal services as a teacher or school administrator between a member of the General Assembly or his or her spouse, or a State officer or employee or his or her spouse, and any school district, public community college district, the University of Illinois, Southern Illinois University, Illinois State University, Eastern Illinois University, Northern Illinois University, Western Illinois University, Chicago State University, Governor State University, or Northeastern Illinois University.

(3) Ministerial duties. This Section does not apply to a contract for personal services of a wholly ministerial character, including but not limited to services as a laborer, clerk, typist, stenographer, page, bookkeeper, receptionist, or telephone switchboard operator, made by a spouse or minor child of an elective or appointive State officer or employee or of a member of the General Assembly.

(4) Child and family services. This Section does not apply to payments made to a member of the General Assembly, a State officer or employee, his or her spouse or minor child acting as a foster parent, homemaker, advocate, or volunteer for or in behalf of a child or family served by the Department of Children and Family Services.

(5) Licensed professionals. Contracts with licensed professionals, provided they are competitively bid or part of a reimbursement program for specific, customary goods and services through the Department of Children and Family Services, the Department of Human Services, the Department of Healthcare and Family Services ~~Public Aid~~, the Department of Public Health, or the Department on Aging.

(g) Penalty. A person convicted of a violation of this Section is guilty of a business offense and shall be fined not less than \$1,000 nor more than \$5,000.

(Source: P.A. 93-615, eff. 11-19-03; revised 12-15-05.)

(30 ILCS 500/50-20)

Sec. 50-20. Exemptions. With the approval of the appropriate chief procurement officer involved, the Governor, or an executive ethics board or commission he or she designates, may exempt named individuals from the prohibitions of Section 50-13, except the prohibition set forth in subsection (b-5) of Section 50-13, when, in his, her, or its judgment, the public interest in having the individual in the service of the State outweighs the public policy evidenced in that Section. An exemption is effective only when it is filed with the Secretary of State and the Comptroller within 60 days after its issuance or when performance of the contract begins, whichever is earlier, and includes a statement setting forth the name of the individual and all the pertinent facts that would make that Section applicable, setting forth the reason for the exemption, and declaring the individual exempted from that Section. Exemptions must be filed with the Secretary of State and Comptroller prior to execution of any contracts. A copy of Notice of each exemption shall be published in the Illinois Procurement Bulletin in its electronic form prior to execution of the contract. The changes to this Section made by this amendatory Act of the 95th General Assembly apply to exemptions granted on or after its effective date.

A contract for which a waiver has been issued but has not been filed in accordance with this Section is voidable.

(Source: P.A. 90-572, eff. 2-6-98.)

(30 ILCS 500/50-21 new)

Sec. 50-21. Bond issuances.

(a) A State agency shall not enter into a contract with respect to the issuance of bonds or other securities by the State or a State agency with any entity that uses an independent consultant.

As used in this subsection, "independent consultant" means a person used by the entity to obtain or retain securities business through direct or indirect communication by the person with a State official or employee on behalf of the entity when the communication is undertaken by the person in exchange for or with the understanding of receiving payment from the entity or another person. "Independent consultant" does not include (i) a finance professional employed by the entity or (ii) a person whose sole basis of compensation from the entity is the actual provision of legal, accounting, or engineering advice, services, or assistance in connection with the securities business that the entity seeks to obtain or retain.

(b) Each contract entered into by a State agency with respect to the issuance of bonds or other securities by the State or a State agency shall include a certification by any contracting party subject to the Municipal Securities Rulemaking Board's Rule G-37, or a successor rule, that the contracting entity is and shall remain for the duration of the contract in compliance with the Rule's requirements for reporting political contributions. Violation of the certification makes the contract voidable by the State and shall bar the awarding of a State agency contract with respect to the issuance of bonds or other securities to the violator for a period of 10 years after the determination of the violation.

(c) Any entity convicted of violating the Municipal Securities Rulemaking Board's Rule G-37, or any successor rule, with respect to the prohibitions of that rule against obtaining or retaining municipal securities business and the making of political contributions or payments is permanently barred from participating in any State agency contract with respect to the issuance of bonds or other securities.

(30 ILCS 500/50-37 new)

Sec. 50-37. Disclosure of political contributions.

(a) All offers from responsive bidders or offerors with an annual value of more than \$10,000 shall be accompanied by disclosure of the political contributions of the contractor, bidder, or proposer as provided in this Section. The appropriate chief procurement officer shall ensure that this disclosure is not used in the awarding of the contract or selection of the vendor and further ensure that the disclosure remains confidential until after the contract is awarded or vendor is selected. The disclosure of each successful bidder or offeror shall become part of the publicly available contract or procurement file maintained by the appropriate chief procurement officer and shall also be filed with the Comptroller as part of the filing required pursuant to Section 20-80 of this Code.

(b) Disclosure by the responsive bidders or offerors shall include at least the names and addresses of the contributors and the dollar amounts of any contributions to the officeholder responsible for awarding the contract or to any political committees established to promote the candidacy of such officeholder made within the previous 2 years by the responsive bidders or offerors and any affiliated persons or entities.

(c) As used in this Section:

"Contribution" means contribution as defined in Section 9-1.4 of the Election Code.

"Officeholder" means the Governor, Lieutenant Governor, Attorney General, Secretary of State, Comptroller, or Treasurer. The Governor shall be considered the officeholder responsible for awarding all contracts by all officers and employees of, and vendors and others doing business with, executive branch State agencies under the jurisdiction of the Executive Ethics Commission and not within the

jurisdiction of the Attorney General, the Secretary of State, the Comptroller, or the Treasurer.

"Sponsoring entity" means sponsoring entity as defined in Section 9-3 of the Election Code.

"Affiliated person" means (i) any person with any ownership interest or distributive share of the bidding or contracting entity in excess of 5%, (ii) executive employees of the bidding or contracting entity, and (iii) the spouse and minor children of any such persons.

"Affiliated entity" means (i) any subsidiary of the bidding or contracting entity, (ii) any member of the same unitary business group, or (iii) any political committee for which the bidding or contracting entity is the sponsoring entity.

(d) Pursuant to Section 9 of the State Comptroller Act, the Comptroller may refuse to draw a warrant for payment on any voucher based on the obligation of any contract if the disclosures required by this Section are not filed with the Comptroller.

(e) Notwithstanding subsection (b), contributions to any candidate that in the aggregate do not exceed \$500 within the previous 2 years do not need to be disclosed.

(f) Any business whose contracts with State agencies, in the aggregate, annually total more than \$25,000 is prohibited from making any contributions to the officeholder responsible for awarding the contracts or to any political committees established to promote the candidacy of that officeholder. This prohibition shall be effective for the current term of office of the incumbent awarding the contracts or for a period of 2 years following the conclusion of the contracts, whichever is longer. This prohibition shall also apply to contributions from any affiliated persons or entities.

(f-5) Any business whose aggregate bids and proposals on State contracts total more than \$25,000, or whose aggregate bids and proposals on State contracts combined with the business' aggregate annual total value of State contracts exceed \$25,000, is prohibited from making any contributions to the officeholder responsible for awarding the contract on which the business has submitted a bid or proposal, or to any political committee established to promote the candidacy of that officeholder, during the period beginning on the date the invitation for bids or request for proposals is issued and ending on the day after the date the contract is awarded. This prohibition shall also apply to contributions from any affiliated persons or entities.

(g) All contracts between State agencies and a business that violates subsection (f) or (f-5) shall be voidable under Section 50-60.

If a business violates subsection (f) 3 or more times within a 36-month period, then all contracts between State agencies and that business shall be void, and that business shall not bid or respond to any invitation to bid or request for proposals from any State agency or otherwise enter into any contract with any State agency for 3 years from the date of the last violation.

A notice of each violation and the penalty imposed shall be published in both the Procurement Bulletin and the Illinois Register.

(h) Any political committee that has received a contribution in violation of subsection (f) shall pay an amount equal to the value of the contribution to the State no more than 30 days after notice of the violation concerning the contribution appears in the Illinois Register. Payments received by the State pursuant to this subsection shall be deposited into the general revenue fund.

Section 35. The Illinois Pension Code is amended by changing Sections 1-101.2, 1-101.4, 1-109.1, 1-110, 1-113.5, 1-113.12, 1A-113, 22A-108.1, and 22A-111 and by adding Sections 1-125, 1-130, 1-135, and 1-140 as follows:

(40 ILCS 5/1-101.2)

Sec. 1-101.2. Fiduciary. A person is a "fiduciary" with respect to a pension fund or retirement system established under this Code to the extent that the person:

(1) exercises any discretionary authority or discretionary control respecting management of the pension fund or retirement system, or exercises any authority or control respecting management or disposition of its assets;

(2) renders investment advice, or advice with respect to the selection of other fiduciaries, for a fee or other compensation, direct or indirect, with respect to any moneys or other property of the pension fund or retirement system, or has any authority or responsibility to do so; or

(3) has any discretionary authority or discretionary responsibility in the administration of the pension fund or retirement system.

(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/1-101.4)

Sec. 1-101.4. Investment adviser. A person is an "investment adviser", "investment advisor", or "investment manager" with respect to a pension fund or retirement system established under this Code if

~~the~~ the person:

- (1) is a fiduciary appointed by the board of trustees of the pension fund or retirement system in accordance with Section 1-109.1;
- (2) has the power to manage, acquire, or dispose of any asset of the retirement system or pension fund;
- (3) has acknowledged in writing that he or she is a fiduciary with respect to the pension fund or retirement system; and
- (4) is at least one of the following: (i) registered as an investment adviser under the federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii) registered as an investment adviser under the Illinois Securities Law of 1953; (iii) a bank, as defined in the Investment Advisers Act of 1940; or (iv) an insurance company authorized to transact business in this State.

(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/1-109.1) (from Ch. 108 1/2, par. 1-109.1)

Sec. 1-109.1. Allocation and Delegation of Fiduciary Duties.

(1) Subject to the provisions of Section 22A-113 of this Code and subsections (2) and (3) of this Section, the board of trustees of a retirement system or pension fund established under this Code may:

- (a) Appoint one or more investment managers as fiduciaries to manage (including the power to acquire and dispose of) any assets of the retirement system or pension fund; and
- (b) Allocate duties among themselves and designate others as fiduciaries to carry out specific fiduciary activities other than the management of the assets of the retirement system or pension fund.

(2) The board of trustees of a pension fund established under Article 5, 6, 8, 9, 10, 11, 12 or 17 of this Code may not transfer its investment authority, nor transfer the assets of the fund to any other person or entity for the purpose of consolidating or merging its assets and management with any other pension fund or public investment authority, unless the board resolution authorizing such transfer is submitted for approval to the contributors and pensioners of the fund at elections held not less than 30 days after the adoption of such resolution by the board, and such resolution is approved by a majority of the votes cast on the question in both the contributors election and the pensioners election. The election procedures and qualifications governing the election of trustees shall govern the submission of resolutions for approval under this paragraph, insofar as they may be made applicable.

(3) Pursuant to subsections (h) and (i) of Section 6 of Article VII of the Illinois Constitution, the investment authority of boards of trustees of retirement systems and pension funds established under this Code is declared to be a subject of exclusive State jurisdiction, and the concurrent exercise by a home rule unit of any power affecting such investment authority is hereby specifically denied and preempted.

(4) For the purposes of this Code, "emerging investment manager" means a qualified investment adviser that manages an investment portfolio of at least \$10,000,000 but less than \$2,000,000,000 and is a "minority owned business" or "female owned business" as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

It is hereby declared to be the public policy of the State of Illinois to encourage the trustees of public employee retirement systems to use emerging investment managers in managing their system's assets to the greatest extent feasible within the bounds of financial and fiduciary prudence, and to take affirmative steps to remove any barriers to the full participation of emerging investment managers in investment opportunities afforded by those retirement systems.

On or before July 1, 2007 each system or fund subject to Article 2, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, or 18 of this Code and the Illinois State Board of Investment shall adopt a policy including quantifiable goals for the utilization of emerging investment managers. This policy shall also include quantifiable goals for the management of assets in specific classes by emerging investment managers, including but not limited to: large cap domestic equity, small and medium cap domestic equity, international equity, fixed income investments, and private equity.

Each retirement system subject to this Code shall prepare a report to be submitted to the Governor and the General Assembly by September 1 of each year. The report shall identify the emerging investment managers used by the system, the percentage of the system's assets under the investment control of emerging investment managers, and the actions it has undertaken to increase the use of emerging investment managers, including encouraging other investment managers to use emerging investment managers as subcontractors when the opportunity arises.

The use of an emerging investment manager does not constitute a transfer of investment authority for the purposes of subsection (2) of this Section.

(Source: P.A. 94-471, eff. 8-4-05.)

(40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

[June 14, 2007]



Sec. 1-110. Prohibited Transactions.

(a) A fiduciary with respect to a retirement system or pension fund shall not cause the retirement system or pension fund to engage in a transaction if he or she knows or should know that such transaction constitutes a direct or indirect:

(1) Sale or exchange, or leasing of any property from the retirement system or pension fund to a party in interest for less than adequate consideration, or from a party in interest to a retirement system or pension fund for more than adequate consideration.

(2) Lending of money or other extension of credit from the retirement system or pension fund to a party in interest without the receipt of adequate security and a reasonable rate of interest, or from a party in interest to a retirement system or pension fund with the provision of excessive security or an unreasonably high rate of interest.

(3) Furnishing of goods, services or facilities from the retirement system or pension fund to a party in interest for less than adequate consideration, or from a party in interest to a retirement system or pension fund for more than adequate consideration.

(4) Transfer to, or use by or for the benefit of, a party in interest of any assets of a retirement system or pension fund for less than adequate consideration.

(b) A fiduciary with respect to a retirement system or pension fund established under this Code shall not:

(1) Deal with the assets of the retirement system or pension fund in his own interest or for his own account;

(2) In his individual or any other capacity act in any transaction involving the retirement system or pension fund on behalf of a party whose interests are adverse to the interests of the retirement system or pension fund or the interests of its participants or beneficiaries; or

(3) Receive any consideration for his own personal account from any party dealing with the retirement system or pension fund in connection with a transaction involving the assets of the retirement system or pension fund.

(c) Nothing in this Section shall be construed to prohibit any trustee from:

(1) Receiving any benefit to which he may be entitled as a participant or beneficiary in the retirement system or pension fund.

(2) Receiving any reimbursement of expenses properly and actually incurred in the performance of his duties with the retirement system or pension fund.

(3) Serving as a trustee in addition to being an officer, employee, agent or other representative of a party in interest.

(d) A fiduciary with respect to a retirement system or pension fund shall not knowingly cause or advise the retirement system or pension fund to engage in an investment transaction when the fiduciary (i) has any direct interest in the income, gains, or profits of the investment advisor through which the investment transaction is made or (ii) has a business relationship with that investment advisor that would result in a pecuniary benefit to the fiduciary as a result of the investment transaction.

Whoever violates the provisions of this subsection (d) is guilty of a Class 3 felony.  
(Source: P.A. 88-535.)

(40 ILCS 5/1-113.5)

Sec. 1-113.5. Investment advisers; consultants; and investment services.

(a) The board of trustees of a pension fund or retirement system may appoint investment advisers as defined in Section 1-101.4. The board of any pension fund investing in common or preferred stock under Section 1-113.4 shall appoint an investment adviser before making such investments.

The investment adviser shall be a fiduciary, as defined in Section 1-101.2, with respect to the pension fund or retirement system and shall be one of the following:

(1) an investment adviser registered under the federal Investment Advisers Act of 1940 and the Illinois Securities Law of 1953;

(2) a bank or trust company authorized to conduct a trust business in Illinois;

(3) a life insurance company authorized to transact business in Illinois; or

(4) an investment company as defined and registered under the federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.

(a-5) Notwithstanding any other provision of law, a person or entity that provides consulting services (referred to as a "consultant" in this Section) to a pension fund or retirement system with respect to the selection of fiduciaries may not be awarded a contract to provide those consulting services that is more than 5 years in duration. No contract to provide such consulting services may be renewed or extended. At the end of the term of a contract, however, the contractor is eligible to compete for a new contract as provided in subsection (a-10). No pension fund, retirement system, or consultant shall attempt to avoid

or contravene the restrictions of this subsection by any means.

(a-10) For the board of trustees of a pension fund or retirement system created under Article 2, 14, 15, 16, or 18, the selection and appointment of a consultant, and the contracting for investment services from a consultant, constitute procurements of professional and artistic services under the Illinois Procurement Code that must be made and awarded in accordance with and through the use of the method of selection required by Article 35 of that Code. For the board of trustees of a pension fund or retirement system created under any other Article of this Code, the selection and appointment of a consultant, and the contracting for investment services by a consultant, constitute procurements that must be made and awarded in a manner substantially similar to the method of selection required for the procurement of professional and artistic services under Article 35 of the Illinois Procurement Code. All offers from responsive offerors shall be accompanied by disclosure of the names and addresses of the offeror and any affiliated persons or entities.

"Affiliated person" means (i) any person with any ownership interest or distributive share of the bidding or contracting entity in excess of 5%, (ii) executive employees of the bidding or contracting entity, and (iii) the spouse and minor children of any such persons.

"Affiliated entity" means (i) any subsidiary of the bidding or contracting entity, (ii) any member of the same unitary business group, or (iii) any political committee for which the bidding or contracting entity is the sponsoring entity.

Beginning on July 1, 2007, a person, other than a trustee or an employee of a pension fund or retirement system, may not act as a consultant under this Section unless that person is at least one of the following: (i) registered as an investment adviser under the federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii) registered as an investment adviser under the Illinois Securities Law of 1953; (iii) a bank, as defined in the Investment Advisers Act of 1940; or (iv) an insurance company authorized to transact business in this State.

(b) All investment advice and services provided by an investment adviser or a consultant appointed under this Section shall be (i) rendered pursuant to a written contract between the investment adviser or consultant and the board, awarded as provided in subsection (a-10), and (ii) in accordance with the board's investment policy.

The contract shall include all of the following:

(1) acknowledgement in writing by the investment adviser or consultant that he or she is a fiduciary with respect to the pension fund or retirement system;

(2) the board's investment policy;

(3) full disclosure of direct and indirect fees, commissions, penalties, and any other compensation that may be received by the investment adviser or consultant, including reimbursement for expenses; and

(4) a requirement that the investment adviser or consultant submit periodic written reports, on at least a quarterly basis, for the board's review at its regularly scheduled meetings. All returns on investment shall be reported as net returns after payment of all fees, commissions, and any other compensation.

(b-5) Each contract described in subsection (b) shall also include (i) full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the investment adviser or consultant in connection with the provision of services to the pension fund or retirement system and (ii) a requirement that the investment adviser or consultant update the disclosure promptly after a modification of those payments or an additional payment.

Within 30 days after the effective date of this amendatory Act of the 95th General Assembly, each investment adviser and consultant currently providing services or subject to an existing contract for the provision of services must disclose to the board of trustees all direct and indirect fees, commissions, penalties, and other compensation paid by or on behalf of the investment adviser or consultant in connection with the provision of those services and shall update that disclosure promptly after a modification of those payments or an additional payment.

A person required to make a disclosure under subsection (d) is also required to disclose direct and indirect fees, commissions, penalties, or other compensation that shall or may be paid by or on behalf of the person in connection with the rendering of those services. The person shall update the disclosure promptly after a modification of those payments or an additional payment.

The disclosures required by this subsection shall be in writing and shall include the date and amount of each payment and the name and address of each recipient of a payment.

(c) Within 30 days after appointing an investment adviser or consultant, the board shall submit a copy of the contract to the ~~Division~~ Department of Insurance of the Department of Financial and Professional

[June 14, 2007]

Regulation.

(d) Investment services provided by a person other than an investment adviser appointed under this Section, including but not limited to services provided by the kinds of persons listed in items (1) through (4) of subsection (a), shall be rendered only after full written disclosure of direct and indirect fees, commissions, penalties, and any other compensation that shall or may be received by the person rendering those services.

(e) The board of trustees of each pension fund or retirement system shall retain records of investment transactions in accordance with the rules of the Department of Financial and Professional Regulation Insurance.

(f) This subsection applies to the board of trustees of a pension fund or retirement system created under Article 2, 14, 15, 16, or 18. Notwithstanding any other provision of law, a board of trustees shall comply with the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. The board of trustees shall post upon its website the percentage of its contracts awarded under this Section currently and during the preceding 5 fiscal years that were awarded to "minority owned businesses", "female owned businesses", and "businesses owned by a person with a disability", as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(g) This Section is a denial and limitation of home rule powers and functions in accordance with subsection (i) of Section 6 of Article VII of the Illinois Constitution. A home rule unit may not regulate investment adviser and consultant contracts in a manner that is less restrictive than the provisions of this Section.

(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/1-113.12)

Sec. 1-113.12. Application. Sections 1-113.1 through 1-113.10 apply only to pension funds established under Article 3 or 4 of this Code, except that Section 1-113.5 applies to all pension funds and retirement systems established under this Code.

(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/1-125 new)

Sec. 1-125. No monetary gain on investments. No trustee or employee of the board of any retirement system or pension fund or of the Illinois State Board of Investment shall have any direct interest in the income, gains, or profits of any investments made in behalf of the retirement system or pension fund or of the Illinois State Board of Investment, nor receive any pay or emolument for services in connection with any investment. No trustee or employee of the board of any retirement system or pension fund or of the Illinois State Board of Investment shall become an endorser or surety, or in any manner an obligor for money loaned or borrowed from the retirement system or pension fund or the Illinois State Board of Investment. Whoever violates any of the provisions of this Section is guilty of a Class 3 felony.

(40 ILCS 5/1-130 new)

Sec. 1-130. Fraud. Any person who knowingly makes any false statement, or falsifies or permits to be falsified any record of a retirement system or pension fund or of the Illinois State Board of Investment, in an attempt to defraud the retirement system or pension fund or the Illinois State Board of Investment, is guilty of a Class 3 felony.

(40 ILCS 5/1-135 new)

Sec. 1-135. Prohibition on gifts.

(a) For the purposes of this Section:

(1) "Board" means (i) the board of trustees of a pension fund or retirement system created under this Code or (ii) the Illinois State Board of Investment created under Article 22A of this Code.

(2) "Gift" means a gift as defined in Section 1-5 of the State Officials and Employees Ethics Act.

(3) "Prohibited source" is a person or entity who:

(i) is seeking official action (A) by the board, (B) by a board member, or (C) in the case of a board employee, by the employee, the board, a board member, or another employee directing the employee;

(ii) does business or seeks to do business (A) with the board, (B) with a board member, or (C) in the case of a board employee, with the employee, the board, a board member, or another employee directing the employee;

(iii) has interests that may be substantially affected by the performance or non-performance of the official duties of the board member or employee; or

(iv) is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity not otherwise a prohibited source does not become a prohibited source merely because a registered lobbyist is one of its members or serves on its board of directors.

(b) No board member or employee shall solicit or accept any gift from a prohibited source or from an

officer, agent, or employee of a prohibited source. No prohibited source or officer, agent, or employee of a prohibited source shall offer to a board member or employee any gift.

(c) Violation of this Section is a Class A misdemeanor.

(40 ILCS 5/1-140 new)

Sec. 1-140. Contingent fees. No person shall retain or employ another to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services by a board of a pension fund or retirement system or the Illinois State Board of Investment for compensation contingent in whole or in part upon the decision or procurement, and no person shall accept any such retainer or employment for compensation contingent in whole or in part upon the decision or procurement. Any person who violates this Section is guilty of a business offense and shall be fined not more than \$10,000. In addition, any person convicted of a violation of this Section is prohibited for a period of 3 years from conducting such activities.

(40 ILCS 5/1A-113)

Sec. 1A-113. Penalties.

(a) A pension fund that fails, without just cause, to file its annual statement within the time prescribed under Section 1A-109 shall pay to the Department a penalty to be determined by the Department, which shall not exceed \$100 for each day's delay.

(b) A pension fund that fails, without just cause, to file its actuarial statement within the time prescribed under Section 1A-110 or 1A-111 shall pay to the Department a penalty to be determined by the Department, which shall not exceed \$100 for each day's delay.

(c) A pension fund that fails to pay a fee within the time prescribed under Section 1A-112 shall pay to the Department a penalty of 5% of the amount of the fee for each month or part of a month that the fee is late. The entire penalty shall not exceed 25% of the fee due.

(d) This subsection applies to any governmental unit, as defined in Section 1A-102, that is subject to any law establishing a pension fund or retirement system for the benefit of employees of the governmental unit.

Whenever the Division determines by examination, investigation, or in any other manner that the governing body or any elected or appointed officer or official of a governmental unit has failed to comply with any provision of that law:

(1) The Director shall notify in writing the governing body, officer, or official of the specific provision or provisions of the law with which the person has failed to comply.

(2) Upon receipt of the notice, the person notified shall take immediate steps to comply with the provisions of law specified in the notice.

(3) If the person notified fails to comply within a reasonable time after receiving the notice, the Director may hold a hearing at which the person notified may show cause for noncompliance with the law.

(4) If upon hearing the Director determines that good and sufficient cause for noncompliance has not been shown, the Director may order the person to submit evidence of compliance within a specified period of not less than 30 days.

(5) If evidence of compliance has not been submitted to the Director within the period of time prescribed in the order and no administrative appeal from the order has been initiated, the Director may assess a civil penalty of up to \$2,000 against the governing body, officer, or official for each noncompliance with an order of the Director.

The Director shall develop by rule, with as much specificity as practicable, the standards and criteria to be used in assessing penalties and their amounts. The standards and criteria shall include, but need not be limited to, consideration of evidence of efforts made in good faith to comply with applicable legal requirements. This rulemaking is subject to the provisions of the Illinois Administrative Procedure Act.

If a penalty is not paid within 30 days of the date of assessment, the Director without further notice shall report the act of noncompliance to the Attorney General of this State. It shall be the duty of the Attorney General or, if the Attorney General so designates, the State's Attorney of the county in which the governmental unit is located to apply promptly by complaint on relation of the Director of Insurance in the name of the people of the State of Illinois, as plaintiff, to the circuit court of the county in which the governmental unit is located for enforcement of the penalty prescribed in this subsection or for such additional relief as the nature of the case and the interest of the employees of the governmental unit or the public may require.

(e) Whoever knowingly makes a false certificate, entry, or memorandum upon any of the books or papers pertaining to any pension fund or upon any statement, report, or exhibit filed or offered for file with the Division or the Director of Insurance in the course of any examination, inquiry, or investigation, with intent to deceive the Director, the Division, or any of its employees is guilty of a Class 3 felony A

~~misdemeanor.~~

(Source: P.A. 90-507, eff. 8-22-97.)

(40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

Sec. 22A-108.1. Investment Advisor: Any person or business entity which provides investment advice to the Board on a personalized basis and with an understanding of the policies and goals of the Board. "Investment Advisor" shall not include any person or business entity which provides statistical or general market research data available for purchase or use by others.

(Source: P.A. 79-1171.)

(40 ILCS 5/22A-111) (from Ch. 108 1/2, par. 22A-111)

Sec. 22A-111. Duties and responsibilities.

(a) The Board shall manage the investments of any pension fund, retirement system or education fund for the purpose of obtaining a total return on investments for the long term. It also shall perform such other functions as may be assigned or directed by the General Assembly.

(b) The authority of the board to manage pension fund investments and the liability shall begin when there has been a physical transfer of the pension fund investments to the board and placed in the custody of the State Treasurer.

(c) The authority of the board to manage monies from the education fund for investment and the liability of the board shall begin when there has been a physical transfer of education fund investments to the board and placed in the custody of the State Treasurer.

(d) The board may not delegate its management functions but it may arrange to compensate for personalized investment advisory service for any or all investments under its control, with any national or state bank or trust company authorized to do a trust business and domiciled in Illinois, or other financial institution organized under the laws of Illinois, or an investment advisor who is qualified under Federal Investment Advisors Act of 1940 and is registered under the Illinois Securities Law of 1953. Nothing contained herein shall prevent the Board from subscribing to general investment research services available for purchase or use by others. The Board shall also have the authority to compensate for accounting services.

(e) Notwithstanding any other provision of law, a person or entity that provides consulting services (referred to as a "consultant" in this Section) to the board with respect to the selection of fiduciaries may not be awarded a contract to provide those consulting services that is more than 5 years in duration. No contract to provide such consulting services may be renewed or extended. At the end of the term of a contract, however, the contractor is eligible to compete for a new contract as provided in subsection (f). Neither the board nor a consultant shall attempt to avoid or contravene the restrictions of this subsection by any means.

(f) The selection of a consultant, and the contracting for investment services from a consultant, constitute procurements of professional and artistic services under the Illinois Procurement Code that must be made and awarded in accordance with and through the use of the method of selection required by Article 35 of that Code. All offers from responsive offerors shall be accompanied by disclosure of the names and addresses of the offeror and any affiliated persons or entities.

"Affiliated person" means (i) any person with any ownership interest or distributive share of the bidding or contracting entity in excess of 5%, (ii) executive employees of the bidding or contracting entity, and (iii) the spouse and minor children of any such persons.

"Affiliated entity" means (i) any subsidiary of the bidding or contracting entity, (ii) any member of the same unitary business group, or (iii) any political committee for which the bidding or contracting entity is the sponsoring entity.

Beginning on July 1, 2007, a person, other than a trustee or an employee of the board, may not act as a consultant under this Section unless that person is at least one of the following: (i) registered as an investment adviser under the federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii) registered as an investment adviser under the Illinois Securities Law of 1953; (iii) a bank, as defined in the Investment Advisers Act of 1940; or (iv) an insurance company authorized to transact business in this State.

In addition to any other requirement, each contract between the Board and an investment advisor or consultant shall include (i) full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the investment advisor or consultant in connection with the provision of services to the pension fund or retirement system and (ii) a requirement that the investment advisor or consultant update the disclosure promptly after a modification of those payments or an additional payment.

Within 30 days after the effective date of this amendatory Act of the 95th General Assembly, each investment advisor and consultant currently providing services or subject to an existing contract for the

provision of services must disclose to the Board all direct and indirect fees, commissions, penalties, and other compensation paid by or on behalf of the investment advisor or consultant in connection with the provision of those services and shall update that disclosure promptly after a modification of those payments or an additional payment.

The disclosures required by this subsection shall be in writing and shall include the date and amount of each payment and the name and address of each recipient of a payment.

Notwithstanding any other provision of law, the Board shall comply with the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. The Board shall post upon its website the percentage of its contracts awarded under this subsection currently and during the preceding 5 fiscal years that were awarded to "minority owned businesses", "female owned businesses", and "businesses owned by a person with a disability", as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(Source: P.A. 84-1127.)

(40 ILCS 5/2-152 rep.) (40 ILCS 5/2-155 rep.) (40 ILCS 5/12-190.3 rep.) (40 ILCS 5/13-806 rep.) (40 ILCS 5/14-148 rep.) (40 ILCS 5/15-186 rep.) (40 ILCS 5/15-189 rep.) (40 ILCS 5/16-191 rep.) (40 ILCS 5/16-198 rep.) (40 ILCS 5/18-159 rep.) (40 ILCS 5/18-162 rep.)

Section 40. The Illinois Pension Code is amended by repealing Sections 2-152, 2-155, 12-190.3, 13-806, 14-148, 15-186, 15-189, 16-191, 16-198, 18-159, and 18-162.

Section 45. The Whistleblower Act is amended by changing Sections 5 and 15 and by adding Section 40 as follows:

(740 ILCS 174/5)

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

"Employer" means: an individual, sole proprietorship, partnership, firm, corporation, association, and any other entity that has one or more employees in this State, including a political subdivision of the State; a unit of local government; a school district, combination of school districts, or governing body of a joint agreement of any type formed by two or more school districts; a community college district, State college or university, or any State agency whose major function is providing educational services; any authority including a department, division, bureau, board, commission, or other agency of these entities; and any person acting within the scope of his or her authority express or implied on behalf of those entities in dealing with its employees except that "employer" does not include any governmental entity.

"Employee" means any individual who is employed on a full-time, part-time, or contractual basis by an employer.

(Source: P.A. 93-544, eff. 1-1-04.)

(740 ILCS 174/15)

Sec. 15. Retaliation for certain disclosures prohibited.

(a) An employer may not retaliate against an employee who discloses information in a court, an administrative hearing, or before a legislative commission or committee, or in any other proceeding, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation.

(b) An employer may not retaliate against an employee for disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation.

(Source: P.A. 93-544, eff. 1-1-04.)

(740 ILCS 174/40 new)

Sec. 40. Home Rule Limitation. It is the public policy of this State, pursuant to paragraphs (h) and (i) of Section 6 of Article VII of the Illinois Constitution that the provisions of this Act are the exclusive exercise by the State of powers and functions which might otherwise be exercised by other home rule units. Such powers and functions may not be exercised concurrently, either directly or indirectly by any unit of local government, including any home rule unit except as otherwise authorized by this Act.

Section 50. The Whistleblower Reward and Protection Act is amended by changing Sections 2 and 3 as follows:

(740 ILCS 175/2) (from Ch. 127, par. 4102)

Sec. 2. Definitions. As used in this Act:

(a) "State" means the State of Illinois; any agency of State government; the system of State colleges and universities, any school district, community college district, county, municipality, municipal corporation, unit of local government, and any combination of the above under an intergovernmental agreement that includes provisions for a governing body of the agency created by the agreement. ~~and~~

~~any of the following entities which may elect to adopt the provisions of this Act by ordinance or resolution, a copy of which shall be filed with the Attorney General within 30 days of its adoption: the system of State colleges and universities, any school district, any public community college district, any municipality, municipal corporations, units of local government, and any combination of the above under an intergovernmental agreement that includes provisions for a governing body of the agency created by the agreement.~~

(b) "Guard" means the Illinois National Guard.

(c) "Investigation" means any inquiry conducted by any investigator for the purpose of ascertaining whether any person is or has been engaged in any violation of this Act.

(d) "Investigator" means a person who is charged by the Department of State Police with the duty of conducting any investigation under this Act, or any officer or employee of the State acting under the direction and supervision of the Department of State Police, through the Division of Operations or the Division of Internal Investigation, in the course of an investigation.

(e) "Documentary material" includes the original or any copy of any book, record, report, memorandum, paper, communication, tabulation, chart, or other document, or data compilations stored in or accessible through computer or other information retrieval systems, together with instructions and all other materials necessary to use or interpret such data compilations, and any product of discovery.

(f) "Custodian" means the custodian, or any deputy custodian, designated by the Attorney General under subsection (i)(1) of Section 6.

(g) "Product of discovery" includes:

(1) the original or duplicate of any deposition, interrogation, document, thing, result of the inspection of land or other property, examination, or admission, which is obtained by any method of discovery in any judicial or administrative proceeding of an adversarial nature;

(2) any digest, analysis, selection, compilation, or derivation of any item listed in paragraph (1); and

(3) any index or other manner of access to any item listed in paragraph (1).

(Source: P.A. 91-760, eff. 1-1-01.)

(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 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; ;

(8) knowingly takes adverse employment action against an employee for disclosing information to a government or law enforcement agency, if the employee has reasonable cause to believe that the information discloses a violation of State or federal law, rule, or regulation; or

(9) knowingly retaliates against an employee who has disclosed information in a court, an administrative hearing, before a legislative commission or committee, or in another proceeding and discloses information, if the employee has reasonable cause to believe that the information discloses a violation of State or federal law, rule, or regulation.

is liable to the State for a civil penalty of not less than \$5,500 and not more than \$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. A claim also includes a request or demand for money damages or injunctive relief on behalf of an employee who has suffered an adverse employment action taken in violation of paragraphs (8) or (9) of subsection (a).

(d) Exclusion. This Section does not apply to claims, records, or statements made under the Illinois Income Tax Act.

(Source: P.A. 94-1059, eff. 7-31-06.)

Section 90. The State Mandates Act is amended by adding Section 8.31 as follows:

(30 ILCS 805/8.31 new)

Sec. 8.31. 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 95th General Assembly.

Section 98. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

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

Under the rules, the foregoing **Senate Bill No. 1305**, 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. 1523

A bill for AN ACT concerning 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. 1523

House Amendment No. 3 to SENATE BILL NO. 1523

House Amendment No. 4 to SENATE BILL NO. 1523

Passed the House, as amended, June 14, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1523**

AMENDMENT NO. 1. Amend Senate Bill 1523 by replacing everything after the enacting clause with the following:

"Section 5. The State Employees Group Insurance Act of 1971 is amended by changing Sections 3, 6.5, 6.10, 10, 12, 13, and 13.1 as follows:

(5 ILCS 375/3) (from Ch. 127, par. 523)

Sec. 3. Definitions. Unless the context otherwise requires, the following words and phrases as used in this Act shall have the following meanings. The Department may define these and other words and phrases separately for the purpose of implementing specific programs providing benefits under this Act.

(a) "Administrative service organization" means any person, firm or corporation experienced in the handling of claims which is fully qualified, financially sound and capable of meeting the service

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requirements of a contract of administration executed with the Department.

(b) "Annuitant" means (1) an employee who retires, or has retired, on or after January 1, 1966 on an immediate annuity under the provisions of Articles 2, 14 (including an employee who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code in lieu of an annuity), 15 (including an employee who has retired under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code; (2) any person who was receiving group insurance coverage under this Act as of March 31, 1978 by reason of his status as an annuitant, even though the annuity in relation to which such coverage was provided is a proportional annuity based on less than the minimum period of service required for a retirement annuity in the system involved; (3) any person not otherwise covered by this Act who has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code; (4) the spouse of any person who is receiving a retirement annuity under Article 18 of the Illinois Pension Code and who is covered under a group health insurance program sponsored by a governmental employer other than the State of Illinois and who has irrevocably elected to waive his or her coverage under this Act and to have his or her spouse considered as the "annuitant" under this Act and not as a "dependent"; or (5) an employee who retires, or has retired, from a qualified position, as determined according to rules promulgated by the Director, under a qualified local government, a qualified rehabilitation facility, a qualified domestic violence shelter or service, or a qualified child advocacy center. (For definition of "retired employee", see (p) post).

(b-5) "New SERS annuitant" means a person who, on or after January 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 14 of the Illinois Pension Code (including an employee who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of that Code in lieu of an annuity), and is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(b-6) "New SURS annuitant" means a person who (1) on or after January 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 15 of the Illinois Pension Code, (2) has not made the election authorized under Section 15-135.1 of the Illinois Pension Code, and (3) is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(b-7) "New TRS State annuitant" means a person who, on or after July 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 16 of the Illinois Pension Code based on service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of that Code, and is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(c) "Carrier" means (1) an insurance company, a corporation organized under the Limited Health Service Organization Act or the Voluntary Health Services Plan Act, a partnership, or other nongovernmental organization, which is authorized to do group life or group health insurance business in Illinois, or (2) the State of Illinois as a self-insurer.

(d) "Compensation" means salary or wages payable on a regular payroll by the State Treasurer on a warrant of the State Comptroller out of any State, trust or federal fund, or by the Governor of the State through a disbursing officer of the State out of a trust or out of federal funds, or by any Department out of State, trust, federal or other funds held by the State Treasurer or the Department, to any person for personal services currently performed, and ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability incurred after January 1, 1966, or benefits payable under the Workers' Compensation or Occupational Diseases Act or benefits payable under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Compensation" also means salary or wages paid to an employee of any qualified local government, qualified rehabilitation facility, qualified domestic violence shelter or service, or qualified child advocacy center.

(e) "Commission" means the State Employees Group Insurance Advisory Commission authorized by this Act. Commencing July 1, 1984, "Commission" as used in this Act means the Commission on Government Forecasting and Accountability as established by the Legislative Commission Reorganization Act of 1984.

(f) "Contributory", when referred to as contributory coverage, shall mean optional coverages or benefits elected by the member toward the cost of which such member makes contribution, or which are funded in whole or in part through the acceptance of a reduction in earnings or the foregoing of an increase in earnings by an employee, as distinguished from noncontributory coverage or benefits which

are paid entirely by the State of Illinois without reduction of the member's salary.

(g) "Department" means any department, institution, board, commission, officer, court or any agency of the State government receiving appropriations and having power to certify payrolls to the Comptroller authorizing payments of salary and wages against such appropriations as are made by the General Assembly from any State fund, or against trust funds held by the State Treasurer and includes boards of trustees of the retirement systems created by Articles 2, 14, 15, 16 and 18 of the Illinois Pension Code. "Department" also includes the Illinois Comprehensive Health Insurance Board, the Board of Examiners established under the Illinois Public Accounting Act, and the Illinois Finance Authority.

(h) "Dependent", when the term is used in the context of the health and life plan, means a member's spouse and any unmarried child (1) from birth to age 19 including an adopted child, a child who lives with the member from the time of the filing of a petition for adoption until entry of an order of adoption, a stepchild or recognized child who lives with the member in a parent-child relationship, or a child who lives with the member if such member is a court appointed guardian of the child, or (2) age 19 to 23 enrolled as a full-time student in any accredited school, financially dependent upon the member, and eligible to be claimed as a dependent for income tax purposes, or (3) age 19 or over who is mentally or physically handicapped. For the purposes of item (2), an unmarried child age 19 to 23 who is a member of the United States Armed Services, including the Illinois National Guard, and is mobilized to active duty shall qualify as a dependent beyond the age of 23 and until the age of 25 and while a full-time student for the amount of time spent on active duty between the ages of 19 and 23. The individual attempting to qualify for this additional time must submit written documentation of active duty service to the Director. The changes made by this amendatory Act of the 94th General Assembly apply only to individuals mobilized to active duty in the United States Armed Services, including the Illinois National Guard, on or after January 1, 2002. For the health plan only, the term "dependent" also includes any person enrolled prior to the effective date of this Section who is dependent upon the member to the extent that the member may claim such person as a dependent for income tax deduction purposes; no other such person may be enrolled. For the health plan only, the term "dependent" also includes any person who has received after June 30, 2000 an organ transplant and who is financially dependent upon the member and eligible to be claimed as a dependent for income tax purposes.

(i) "Director" means the Director of the Illinois Department of Central Management Services or of any successor agency designated to administer this Act.

(j) "Eligibility period" means the period of time a member has to elect enrollment in programs or to select benefits without regard to age, sex or health.

(k) "Employee" means and includes each officer or employee in the service of a department who (1) receives his compensation for service rendered to the department on a warrant issued pursuant to a payroll certified by a department or on a warrant or check issued and drawn by a department upon a trust, federal or other fund or on a warrant issued pursuant to a payroll certified by an elected or duly appointed officer of the State or who receives payment of the performance of personal services on a warrant issued pursuant to a payroll certified by a Department and drawn by the Comptroller upon the State Treasurer against appropriations made by the General Assembly from any fund or against trust funds held by the State Treasurer, and (2) is employed full-time or part-time in a position normally requiring actual performance of duty during not less than 1/2 of a normal work period, as established by the Director in cooperation with each department, except that persons elected by popular vote will be considered employees during the entire term for which they are elected regardless of hours devoted to the service of the State, and (3) except that "employee" does not include any person who is not eligible by reason of such person's employment to participate in one of the State retirement systems under Articles 2, 14, 15 (either the regular Article 15 system or the optional retirement program established under Section 15-158.2) or 18, or under paragraph (2), (3), or (5) of Section 16-106, of the Illinois Pension Code, but such term does include persons who are employed during the 6 month qualifying period under Article 14 of the Illinois Pension Code. Such term also includes any person who (1) after January 1, 1966, is receiving ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability incurred after January 1, 1966, (2) receives total permanent or total temporary disability under the Workers' Compensation Act or Occupational Disease Act as a result of injuries sustained or illness contracted in the course of employment with the State of Illinois, or (3) is not otherwise covered under this Act and has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code. However, a person who satisfies the criteria of the foregoing definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of

subsection (a) of Section 15-107 of the Illinois Pension Code is also an "employee" for the purposes of this Act. "Employee" also includes any person receiving or eligible for benefits under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Employee" also includes (i) each officer or employee in the service of a qualified local government, including persons appointed as trustees of sanitary districts regardless of hours devoted to the service of the sanitary district, (ii) each employee in the service of a qualified rehabilitation facility, (iii) each full-time employee in the service of a qualified domestic violence shelter or service, and (iv) each full-time employee in the service of a qualified child advocacy center, as determined according to rules promulgated by the Director.

(l) "Member" means an employee, annuitant, retired employee or survivor.

(m) "Optional coverages or benefits" means those coverages or benefits available to the member on his or her voluntary election, and at his or her own expense.

(n) "Program" means the group life insurance, health benefits and other employee benefits designed and contracted for by the Director under this Act.

(o) "Health plan" means a health benefits program offered by the State of Illinois for persons eligible for the plan.

(p) "Retired employee" means any person who would be an annuitant as that term is defined herein but for the fact that such person retired prior to January 1, 1966. Such term also includes any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant but for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code.

(q) "Survivor" means a person receiving an annuity as a survivor of an employee or of an annuitant. "Survivor" also includes: (1) the surviving dependent of a person who satisfies the definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; (2) the surviving dependent of any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant except for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; and (3) the surviving dependent of a person who was an annuitant under this Act by virtue of receiving an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code.

(q-2) "SERS" means the State Employees' Retirement System of Illinois, created under Article 14 of the Illinois Pension Code.

(q-3) "SURS" means the State Universities Retirement System, created under Article 15 of the Illinois Pension Code.

(q-4) "TRS" means the Teachers' Retirement System of the State of Illinois, created under Article 16 of the Illinois Pension Code.

(q-5) "New SERS survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 14 of the Illinois Pension Code and is based on the death of (i) an employee whose death occurs on or after January 1, 1998, or (ii) a new SERS annuitant as defined in subsection (b-5). "New SERS survivor" includes the surviving dependent of a person who was an annuitant under this Act by virtue of receiving an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code.

(q-6) "New SURS survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 15 of the Illinois Pension Code and is based on the death of (i) an employee whose death occurs on or after January 1, 1998, or (ii) a new SURS annuitant as defined in subsection (b-6).

(q-7) "New TRS State survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 16 of the Illinois Pension Code and is based on the death of (i) an employee who is a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of that Code and whose death occurs on or after July 1, 1998, or (ii) a new TRS State annuitant as defined in subsection (b-7).

(r) "Medical services" means the services provided within the scope of their licenses by practitioners in all categories licensed under the Medical Practice Act of 1987.

(s) "Unit of local government" means any county, municipality, township, school district (including a combination of school districts under the Intergovernmental Cooperation Act), special district or other unit, designated as a unit of local government by law, which exercises limited governmental powers or powers in respect to limited governmental subjects, any not-for-profit association with a membership that primarily includes townships and township officials, that has duties that include provision of research service, dissemination of information, and other acts for the purpose of improving township government, and that is funded wholly or partly in accordance with Section 85-15 of the Township Code; any not-for-profit corporation or association, with a membership consisting primarily of

municipalities, that operates its own utility system, and provides research, training, dissemination of information, or other acts to promote cooperation between and among municipalities that provide utility services and for the advancement of the goals and purposes of its membership; the Southern Illinois Collegiate Common Market, which is a consortium of higher education institutions in Southern Illinois; the Illinois Association of Park Districts; and any hospital provider that is owned by a county that has 100 or fewer hospital beds and has not already joined the program. "Qualified local government" means a unit of local government approved by the Director and participating in a program created under subsection (i) of Section 10 of this Act.

(t) "Qualified rehabilitation facility" means any not-for-profit organization that is accredited by the Commission on Accreditation of Rehabilitation Facilities or certified by the Department of Human Services (as successor to the Department of Mental Health and Developmental Disabilities) to provide services to persons with disabilities and which receives funds from the State of Illinois for providing those services, approved by the Director and participating in a program created under subsection (j) of Section 10 of this Act.

(u) "Qualified domestic violence shelter or service" means any Illinois domestic violence shelter or service and its administrative offices funded by the Department of Human Services (as successor to the Illinois Department of Public Aid), approved by the Director and participating in a program created under subsection (k) of Section 10.

(v) "TRS benefit recipient" means a person who:

(1) is not a "member" as defined in this Section; and

(2) is receiving a monthly benefit or retirement annuity under Article 16 of the Illinois Pension Code; and

(3) either (i) has at least 8 years of creditable service under Article 16 of the Illinois Pension Code, or (ii) was enrolled in the health insurance program offered under that Article on January 1, 1996, or (iii) is the survivor of a benefit recipient who had at least 8 years of creditable service under Article 16 of the Illinois Pension Code or was enrolled in the health insurance program offered under that Article on the effective date of this amendatory Act of 1995, or (iv) is a recipient or survivor of a recipient of a disability benefit under Article 16 of the Illinois Pension Code.

(w) "TRS dependent beneficiary" means a person who:

(1) is not a "member" or "dependent" as defined in this Section; and

(2) is a TRS benefit recipient's: (A) spouse, (B) dependent parent who is receiving at least half of his or her support from the TRS benefit recipient, or (C) unmarried natural or adopted child who is (i) under age 19, or (ii) enrolled as a full-time student in an accredited school, financially dependent upon the TRS benefit recipient, eligible to be claimed as a dependent for income tax purposes, and either is under age 24 or was, on January 1, 1996, participating as a dependent beneficiary in the health insurance program offered under Article 16 of the Illinois Pension Code, or (iii) age 19 or over who is mentally or physically handicapped.

(x) "Military leave with pay and benefits" refers to individuals in basic training for reserves, special/advanced training, annual training, emergency call up, or activation by the President of the United States with approved pay and benefits.

(y) "Military leave without pay and benefits" refers to individuals who enlist for active duty in a regular component of the U.S. Armed Forces or other duty not specified or authorized under military leave with pay and benefits.

(z) "Community college benefit recipient" means a person who:

(1) is not a "member" as defined in this Section; and

(2) is receiving a monthly survivor's annuity or retirement annuity under Article 15 of the Illinois Pension Code; and

(3) either (i) was a full-time employee of a community college district or an association of community college boards created under the Public Community College Act (other than an employee whose last employer under Article 15 of the Illinois Pension Code was a community college district subject to Article VII of the Public Community College Act) and was eligible to participate in a group health benefit plan as an employee during the time of employment with a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards, or (ii) is the survivor of a person described in item (i).

(aa) "Community college dependent beneficiary" means a person who:

(1) is not a "member" or "dependent" as defined in this Section; and

(2) is a community college benefit recipient's: (A) spouse, (B) dependent parent who is receiving at least half of his or her support from the community college benefit recipient, or (C)

unmarried natural or adopted child who is (i) under age 19, or (ii) enrolled as a full-time student in an accredited school, financially dependent upon the community college benefit recipient, eligible to be claimed as a dependent for income tax purposes and under age 23, or (iii) age 19 or over and mentally or physically handicapped.

(bb) "Qualified child advocacy center" means any Illinois child advocacy center and its administrative offices funded by the Department of Children and Family Services, as defined by the Children's Advocacy Center Act (55 ILCS 80/), approved by the Director and participating in a program created under subsection (n) of Section 10.

(Source: P.A. 93-205, eff. 1-1-04; 93-839, eff. 7-30-04; 93-1067, eff. 1-15-05; 94-32, eff. 6-15-05; 94-82, eff. 1-1-06; 94-860, eff. 6-16-06; revised 8-3-06.)

(5 ILCS 375/6.5)

Sec. 6.5. Health benefits for TRS benefit recipients and TRS dependent beneficiaries.

(a) Purpose. It is the purpose of this amendatory Act of 1995 to transfer the administration of the program of health benefits established for benefit recipients and their dependent beneficiaries under Article 16 of the Illinois Pension Code to the Department of Central Management Services.

(b) Transition provisions. The Board of Trustees of the Teachers' Retirement System shall continue to administer the health benefit program established under Article 16 of the Illinois Pension Code through December 31, 1995. Beginning January 1, 1996, the Department of Central Management Services shall be responsible for administering a program of health benefits for TRS benefit recipients and TRS dependent beneficiaries under this Section. The Department of Central Management Services and the Teachers' Retirement System shall cooperate in this endeavor and shall coordinate their activities so as to ensure a smooth transition and uninterrupted health benefit coverage.

(c) Eligibility. All persons who were enrolled in the Article 16 program at the time of the transfer shall be eligible to participate in the program established under this Section without any interruption or delay in coverage or limitation as to pre-existing medical conditions. Eligibility to participate shall be determined by the Teachers' Retirement System. Eligibility information shall be communicated to the Department of Central Management Services in a format acceptable to the Department.

A TRS dependent beneficiary who is an unmarried child age 19 or over and mentally or physically disabled does not become ineligible to participate by reason of (i) becoming ineligible to be claimed as a dependent for Illinois or federal income tax purposes or (ii) receiving earned income, so long as those earnings are insufficient for the child to be fully self-sufficient.

(d) Coverage. The level of health benefits provided under this Section shall be similar to the level of benefits provided by the program previously established under Article 16 of the Illinois Pension Code.

Group life insurance benefits are not included in the benefits to be provided to TRS benefit recipients and TRS dependent beneficiaries under this Act.

The program of health benefits under this Section may include any or all of the benefit limitations, including but not limited to a reduction in benefits based on eligibility for federal medicare benefits, that are provided under subsection (a) of Section 6 of this Act for other health benefit programs under this Act.

(e) Insurance rates and premiums. The Director shall determine the insurance rates and premiums for TRS benefit recipients and TRS dependent beneficiaries, and shall present to the Teachers' Retirement System of the State of Illinois, by April 15 of each calendar year, the rate-setting methodology (including but not limited to utilization levels and costs) used to determine the amount of the health care premiums.

For Fiscal Year 1996, the premium shall be equal to the premium actually charged in Fiscal Year 1995; in subsequent years, the premium shall never be lower than the premium charged in Fiscal Year 1995.

For Fiscal Year 2003, the premium shall not exceed 110% of the premium actually charged in Fiscal Year 2002.

For Fiscal Year 2004, the premium shall not exceed 112% of the premium actually charged in Fiscal Year 2003.

For Fiscal Year 2005, the premium shall not exceed a weighted average of 106.6% of the premium actually charged in Fiscal Year 2004.

For Fiscal Year 2006, the premium shall not exceed a weighted average of 109.1% of the premium actually charged in Fiscal Year 2005.

For Fiscal Year 2007, the premium shall not exceed a weighted average of 103.9% of the premium actually charged in Fiscal Year 2006.

For Fiscal Year 2008 and thereafter, the premium in each fiscal year shall not exceed 105% of the premium actually charged in the previous fiscal year.

Rates and premiums may be based in part on age and eligibility for federal medicare coverage. However, the cost of participation for a TRS dependent beneficiary who is an unmarried child age 19 or over and mentally or physically disabled shall not exceed the cost for a TRS dependent beneficiary who is an unmarried child under age 19 and participates in the same major medical or managed care program.

The cost of health benefits under the program shall be paid as follows:

(1) For a TRS benefit recipient selecting a managed care program, up to 75% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund. Effective with Fiscal Year 2007 and thereafter, for a TRS benefit recipient selecting a managed care program, 75% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund.

(2) For a TRS benefit recipient selecting the major medical coverage program, up to 50% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund if a managed care program is accessible, as determined by the Teachers' Retirement System. Effective with Fiscal Year 2007 and thereafter, for a TRS benefit recipient selecting the major medical coverage program, 50% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund if a managed care program is accessible, as determined by the Department of Central Management Services.

(3) For a TRS benefit recipient selecting the major medical coverage program, up to 75% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund if a managed care program is not accessible, as determined by the Teachers' Retirement System. Effective with Fiscal Year 2007 and thereafter, for a TRS benefit recipient selecting the major medical coverage program, 75% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund if a managed care program is not accessible, as determined by the Department of Central Management Services.

(3.1) For a TRS dependent beneficiary who is Medicare primary and enrolled in a managed care plan, or the major medical coverage program if a managed care plan is not available, 25% of the total insurance rate shall be paid from the Teacher Health Security Fund as determined by the Department of Central Management Services. For the purpose of this item (3.1), the term "TRS dependent beneficiary who is Medicare primary" means a TRS dependent beneficiary who is participating in Medicare Parts A and B.

(4) Except as otherwise provided in item (3.1), the balance of the rate of insurance, including the entire premium of any coverage for TRS dependent beneficiaries that has been elected, shall be paid by deductions authorized by the TRS benefit recipient to be withheld from his or her monthly annuity or benefit payment from the Teachers' Retirement System; except that (i) if the balance of the cost of coverage exceeds the amount of the monthly annuity or benefit payment, the difference shall be paid directly to the Teachers' Retirement System by the TRS benefit recipient, and (ii) all or part of the balance of the cost of coverage may, at the school board's option, be paid to the Teachers' Retirement System by the school board of the school district from which the TRS benefit recipient retired, in accordance with Section 10-22.3b of the School Code. The Teachers' Retirement System shall promptly deposit all moneys withheld by or paid to it under this subdivision (e)(4) into the Teacher Health Insurance Security Fund. These moneys shall not be considered assets of the Retirement System.

(f) Financing. Beginning July 1, 1995, all revenues arising from the administration of the health benefit programs established under Article 16 of the Illinois Pension Code or this Section shall be deposited into the Teacher Health Insurance Security Fund, which is hereby created as a nonappropriated trust fund to be held outside the State Treasury, with the State Treasurer as custodian. Any interest earned on moneys in the Teacher Health Insurance Security Fund shall be deposited into the Fund.

Moneys in the Teacher Health Insurance Security Fund shall be used only to pay the costs of the health benefit program established under this Section, including associated administrative costs, and the costs associated with the health benefit program established under Article 16 of the Illinois Pension Code, as authorized in this Section. Beginning July 1, 1995, the Department of Central Management Services may make expenditures from the Teacher Health Insurance Security Fund for those costs.

After other funds authorized for the payment of the costs of the health benefit program established under Article 16 of the Illinois Pension Code are exhausted and until January 1, 1996 (or such later date as may be agreed upon by the Director of Central Management Services and the Secretary of the Teachers' Retirement System), the Secretary of the Teachers' Retirement System may make expenditures from the Teacher Health Insurance Security Fund as necessary to pay up to 75% of the cost of providing health coverage to eligible benefit recipients (as defined in Sections 16-153.1 and 16-153.3 of the Illinois Pension Code) who are enrolled in the Article 16 health benefit program and to facilitate the transfer of administration of the health benefit program to the Department of Central Management Services.

The Department of Healthcare and Family Services, or any successor agency designated to procure healthcare contracts pursuant to this Act, is authorized to establish funds, separate accounts provided by any bank or banks as defined by the Illinois Banking Act, or separate accounts provided by any savings and loan association or associations as defined by the Illinois Savings and Loan Act of 1985 to be held by the Director, outside the State treasury, for the purpose of receiving the transfer of moneys from the Teacher Health Insurance Security Fund. The Department may promulgate rules further defining the methodology for the transfers. Any interest earned by moneys in the funds or accounts shall inure to the Teacher Health Insurance Security Fund. The transferred moneys, and interest accrued thereon, shall be used exclusively for transfers to administrative service organizations or their financial institutions for payments of claims to claimants and providers under the self-insurance health plan. The transferred moneys, and interest accrued thereon, shall not be used for any other purpose including, but not limited to, reimbursement of administration fees due the administrative service organization pursuant to its contract or contracts with the Department.

(g) Contract for benefits. The Director shall by contract, self-insurance, or otherwise make available the program of health benefits for TRS benefit recipients and their TRS dependent beneficiaries that is provided for in this Section. The contract or other arrangement for the provision of these health benefits shall be on terms deemed by the Director to be in the best interest of the State of Illinois and the TRS benefit recipients based on, but not limited to, such criteria as administrative cost, service capabilities of the carrier or other contractor, and the costs of the benefits.

(g-5) Committee. A Teacher Retirement Insurance Program Committee shall be established, to consist of 10 persons appointed by the Governor.

The Committee shall convene at least 4 times each year, and shall consider and make recommendations on issues affecting the program of health benefits provided under this Section. Recommendations of the Committee shall be based on a consensus of the members of the Committee.

If the Teacher Health Insurance Security Fund experiences a deficit balance based upon the contribution and subsidy rates established in this Section and Section 6.6 for Fiscal Year 2008 or thereafter, the Committee shall make recommendations for adjustments to the funding sources established under these Sections.

(h) Continuation of program. It is the intention of the General Assembly that the program of health benefits provided under this Section be maintained on an ongoing, affordable basis.

The program of health benefits provided under this Section may be amended by the State and is not intended to be a pension or retirement benefit subject to protection under Article XIII, Section 5 of the Illinois Constitution.

(i) Repeal. (Blank).

(Source: P.A. 92-505, eff. 12-20-01; 92-862, eff. 1-3-03; 93-679, eff. 6-30-04.)

(5 ILCS 375/6.10)

Sec. 6.10. Contributions to the Community College Health Insurance Security Fund.

(a) Beginning January 1, 1999, every active contributor of the State Universities Retirement System (established under Article 15 of the Illinois Pension Code) who (1) is a full-time employee of a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards and (2) is not an employee as defined in Section 3 of this Act shall make contributions toward the cost of community college annuitant and survivor health benefits at the rate of 0.50% of salary.

These contributions shall be deducted by the employer and paid to the State Universities Retirement System as service agent for the Department of Central Management Services. The System may use the same processes for collecting the contributions required by this subsection that it uses to collect the contributions received from those employees under Section 15-157 of the Illinois Pension Code. An employer may agree to pick up or pay the contributions required under this subsection on behalf of the employee; such contributions shall be deemed to have been paid by the employee.

The State Universities Retirement System shall promptly deposit all moneys collected under this subsection (a) into the Community College Health Insurance Security Fund created in Section 6.9 of this Act. The moneys collected under this Section shall be used only for the purposes authorized in Section 6.9 of this Act and shall not be considered to be assets of the State Universities Retirement System. Contributions made under this Section are not transferable to other pension funds or retirement systems and are not refundable upon termination of service.

(b) Beginning January 1, 1999, every community college district (other than a community college district subject to Article VII of the Public Community College Act) or association of community college boards that is an employer under the State Universities Retirement System shall contribute toward the cost of the community college health benefits provided under Section 6.9 of this Act an

amount equal to 0.50% of the salary paid to its full-time employees who participate in the State Universities Retirement System and are not members as defined in Section 3 of this Act.

These contributions shall be paid by the employer to the State Universities Retirement System as service agent for the Department of Central Management Services. The System may use the same processes for collecting the contributions required by this subsection that it uses to collect the contributions received from those employers under Section 15-155 of the Illinois Pension Code.

The State Universities Retirement System shall promptly deposit all moneys collected under this subsection (b) into the Community College Health Insurance Security Fund created in Section 6.9 of this Act. The moneys collected under this Section shall be used only for the purposes authorized in Section 6.9 of this Act and shall not be considered to be assets of the State Universities Retirement System. Contributions made under this Section are not transferable to other pension funds or retirement systems and are not refundable upon termination of service.

The Department of Healthcare and Family Services, or any successor agency designated to procure healthcare contracts pursuant to this Act, is authorized to establish funds, separate accounts provided by any bank or banks as defined by the Illinois Banking Act, or separate accounts provided by any savings and loan association or associations as defined by the Illinois Savings and Loan Act of 1985 to be held by the Director, outside the State treasury, for the purpose of receiving the transfer of moneys from the Community College Health Insurance Security Fund. The Department may promulgate rules further defining the methodology for the transfers. Any interest earned by moneys in the funds or accounts shall inure to the Community College Health Insurance Security Fund. The transferred moneys, and interest accrued thereon, shall be used exclusively for transfers to administrative service organizations or their financial institutions for payments of claims to claimants and providers under the self-insurance health plan. The transferred moneys, and interest accrued thereon, shall not be used for any other purpose including, but not limited to, reimbursement of administration fees due the administrative service organization pursuant to its contract or contracts with the Department.

(c) On or before November 15 of each year, the Board of Trustees of the State Universities Retirement System shall certify to the Governor, the Director of Central Management Services, and the State Comptroller its estimate of the total amount of contributions to be paid under subsection (a) of this Section for the next fiscal year. Beginning in fiscal year 2008, the amount certified shall be decreased or increased each year by the amount that the actual active employee contributions either fell short of or exceeded the estimate used by the Board in making the certification for the previous fiscal year. The State Universities Retirement System shall calculate the amount of actual active employee contributions in fiscal years 1999 through 2005. Based upon this calculation, the fiscal year 2008 certification shall include an amount equal to the cumulative amount that the actual active employee contributions either fell short of or exceeded the estimate used by the Board in making the certification for those fiscal years. The certification shall include a detailed explanation of the methods and information that the Board relied upon in preparing its estimate. As soon as possible after the effective date of this Section, the Board shall submit its estimate for fiscal year 1999.

(d) Beginning in fiscal year 1999, on the first day of each month, or as soon thereafter as may be practical, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Community College Health Insurance Security Fund 1/12 of the annual amount appropriated for that fiscal year to the State Comptroller for deposit into the Community College Health Insurance Security Fund under Section 1.4 of the State Pension Funds Continuing Appropriation Act.

(e) Except where otherwise specified in this Section, the definitions that apply to Article 15 of the Illinois Pension Code apply to this Section.

(Source: P.A. 94-839, eff. 6-6-06.)

(5 ILCS 375/10) (from Ch. 127, par. 530)

Sec. 10. Payments by State; premiums.

(a) The State shall pay the cost of basic non-contributory group life insurance and, subject to member paid contributions set by the Department or required by this Section, the basic program of group health benefits on each eligible member, except a member, not otherwise covered by this Act, who has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code, and part of each eligible member's and retired member's premiums for health insurance coverage for enrolled dependents as provided by Section 9. The State shall pay the cost of the basic program of group health benefits only after benefits are reduced by the amount of benefits covered by Medicare for all members and dependents who are eligible for benefits under Social Security or the Railroad Retirement system or who had sufficient Medicare-covered government employment, except that such reduction in benefits shall apply only to those members and dependents who (1) first become eligible for such Medicare coverage on or after July



1, 1992; or (2) are Medicare-eligible members or dependents of a local government unit which began participation in the program on or after July 1, 1992; or (3) remain eligible for, but no longer receive Medicare coverage which they had been receiving on or after July 1, 1992. The Department may determine the aggregate level of the State's contribution on the basis of actual cost of medical services adjusted for age, sex or geographic or other demographic characteristics which affect the costs of such programs.

The cost of participation in the basic program of group health benefits for the dependent or survivor of a living or deceased retired employee who was formerly employed by the University of Illinois in the Cooperative Extension Service and would be an annuitant but for the fact that he or she was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code shall not be greater than the cost of participation that would otherwise apply to that dependent or survivor if he or she were the dependent or survivor of an annuitant under the State Universities Retirement System.

(a-1) Beginning January 1, 1998, for each person who becomes a new SERS annuitant and participates in the basic program of group health benefits, the State shall contribute toward the cost of the annuitant's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of creditable service upon which the annuitant's retirement annuity is based, up to a maximum of 100% for an annuitant with 20 or more years of creditable service. The remainder of the cost of a new SERS annuitant's coverage under the basic program of group health benefits shall be the responsibility of the annuitant. In the case of a new SERS annuitant who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code in lieu of an annuity, for the purposes of this subsection the annuitant shall be deemed to be receiving a retirement annuity based on the number of years of creditable service that the annuitant had established at the time of his or her termination of service under SERS.

(a-2) Beginning January 1, 1998, for each person who becomes a new SERS survivor and participates in the basic program of group health benefits, the State shall contribute toward the cost of the survivor's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of the deceased employee's or deceased annuitant's creditable service in the State Employees' Retirement System of Illinois on the date of death, up to a maximum of 100% for a survivor of an employee or annuitant with 20 or more years of creditable service. The remainder of the cost of the new SERS survivor's coverage under the basic program of group health benefits shall be the responsibility of the survivor. In the case of a new SERS survivor who was the dependent of an annuitant who elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code in lieu of an annuity, for the purposes of this subsection the deceased annuitant's creditable service shall be determined as of the date of termination of service rather than the date of death.

(a-3) Beginning January 1, 1998, for each person who becomes a new SERS annuitant and participates in the basic program of group health benefits, the State shall contribute toward the cost of the annuitant's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of creditable service upon which the annuitant's retirement annuity is based, up to a maximum of 100% for an annuitant with 20 or more years of creditable service. The remainder of the cost of a new SERS annuitant's coverage under the basic program of group health benefits shall be the responsibility of the annuitant.

(a-4) (Blank).

(a-5) Beginning January 1, 1998, for each person who becomes a new SERS survivor and participates in the basic program of group health benefits, the State shall contribute toward the cost of the survivor's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of the deceased employee's or deceased annuitant's creditable service in the State Universities Retirement System on the date of death, up to a maximum of 100% for a survivor of an employee or annuitant with 20 or more years of creditable service. The remainder of the cost of the new SERS survivor's coverage under the basic program of group health benefits shall be the responsibility of the survivor.

(a-6) Beginning July 1, 1998, for each person who becomes a new TRS State annuitant and participates in the basic program of group health benefits, the State shall contribute toward the cost of the annuitant's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of creditable service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of the Illinois Pension Code upon which the annuitant's retirement annuity is based, up to a maximum of 100%; except that the State contribution shall be 12.5% per year (rather than 5%) for each full year of creditable service as a regional superintendent or assistant regional superintendent of schools. The remainder of the cost of a new TRS State annuitant's coverage under the basic program of

group health benefits shall be the responsibility of the annuitant.

(a-7) Beginning July 1, 1998, for each person who becomes a new TRS State survivor and participates in the basic program of group health benefits, the State shall contribute toward the cost of the survivor's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of the deceased employee's or deceased annuitant's creditable service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of the Illinois Pension Code on the date of death, up to a maximum of 100%; except that the State contribution shall be 12.5% per year (rather than 5%) for each full year of the deceased employee's or deceased annuitant's creditable service as a regional superintendent or assistant regional superintendent of schools. The remainder of the cost of the new TRS State survivor's coverage under the basic program of group health benefits shall be the responsibility of the survivor.

(a-8) A new SERS annuitant, new SERS survivor, new SURS annuitant, new SURS survivor, new TRS State annuitant, or new TRS State survivor may waive or terminate coverage in the program of group health benefits. Any such annuitant or survivor who has waived or terminated coverage may enroll or re-enroll in the program of group health benefits only during the annual benefit choice period, as determined by the Director; except that in the event of termination of coverage due to nonpayment of premiums, the annuitant or survivor may not re-enroll in the program.

(a-9) No later than May 1 of each calendar year, the Director of Central Management Services shall certify in writing to the Executive Secretary of the State Employees' Retirement System of Illinois the amounts of the Medicare supplement health care premiums and the amounts of the health care premiums for all other retirees who are not Medicare eligible.

A separate calculation of the premiums based upon the actual cost of each health care plan shall be so certified.

The Director of Central Management Services shall provide to the Executive Secretary of the State Employees' Retirement System of Illinois such information, statistics, and other data as he or she may require to review the premium amounts certified by the Director of Central Management Services.

The Department of Healthcare and Family Services, or any successor agency designated to procure healthcare contracts pursuant to this Act, is authorized to establish funds, separate accounts provided by any bank or banks as defined by the Illinois Banking Act, or separate accounts provided by any savings and loan association or associations as defined by the Illinois Savings and Loan Act of 1985 to be held by the Director, outside the State treasury, for the purpose of receiving the transfer of moneys from the Local Government Health Insurance Reserve Fund. The Department may promulgate rules further defining the methodology for the transfers. Any interest earned by moneys in the funds or accounts shall inure to the Local Government Health Insurance Reserve Fund. The transferred moneys, and interest accrued thereon, shall be used exclusively for transfers to administrative service organizations or their financial institutions for payments of claims to claimants and providers under the self-insurance health plan. The transferred moneys, and interest accrued thereon, shall not be used for any other purpose including, but not limited to, reimbursement of administration fees due the administrative service organization pursuant to its contract or contracts with the Department.

(b) State employees who become eligible for this program on or after January 1, 1980 in positions normally requiring actual performance of duty not less than 1/2 of a normal work period but not equal to that of a normal work period, shall be given the option of participating in the available program. If the employee elects coverage, the State shall contribute on behalf of such employee to the cost of the employee's benefit and any applicable dependent supplement, that sum which bears the same percentage as that percentage of time the employee regularly works when compared to normal work period.

(c) The basic non-contributory coverage from the basic program of group health benefits shall be continued for each employee not in pay status or on active service by reason of (1) leave of absence due to illness or injury, (2) authorized educational leave of absence or sabbatical leave, or (3) military leave with pay and benefits. This coverage shall continue until expiration of authorized leave and return to active service, but not to exceed 24 months for leaves under item (1) or (2). This 24-month limitation and the requirement of returning to active service shall not apply to persons receiving ordinary or accidental disability benefits or retirement benefits through the appropriate State retirement system or benefits under the Workers' Compensation or Occupational Disease Act.

(d) The basic group life insurance coverage shall continue, with full State contribution, where such person is (1) absent from active service by reason of disability arising from any cause other than self-inflicted, (2) on authorized educational leave of absence or sabbatical leave, or (3) on military leave with pay and benefits.

(e) Where the person is in non-pay status for a period in excess of 30 days or on leave of absence, other than by reason of disability, educational or sabbatical leave, or military leave with pay and

benefits, such person may continue coverage only by making personal payment equal to the amount normally contributed by the State on such person's behalf. Such payments and coverage may be continued: (1) until such time as the person returns to a status eligible for coverage at State expense, but not to exceed 24 months, (2) until such person's employment or annuitant status with the State is terminated, or (3) for a maximum period of 4 years for members on military leave with pay and benefits and military leave without pay and benefits (exclusive of any additional service imposed pursuant to law).

(f) The Department shall establish by rule the extent to which other employee benefits will continue for persons in non-pay status or who are not in active service.

(g) The State shall not pay the cost of the basic non-contributory group life insurance, program of health benefits and other employee benefits for members who are survivors as defined by paragraphs (1) and (2) of subsection (q) of Section 3 of this Act. The costs of benefits for these survivors shall be paid by the survivors or by the University of Illinois Cooperative Extension Service, or any combination thereof. However, the State shall pay the amount of the reduction in the cost of participation, if any, resulting from the amendment to subsection (a) made by this amendatory Act of the 91st General Assembly.

(h) Those persons occupying positions with any department as a result of emergency appointments pursuant to Section 8b.8 of the Personnel Code who are not considered employees under this Act shall be given the option of participating in the programs of group life insurance, health benefits and other employee benefits. Such persons electing coverage may participate only by making payment equal to the amount normally contributed by the State for similarly situated employees. Such amounts shall be determined by the Director. Such payments and coverage may be continued until such time as the person becomes an employee pursuant to this Act or such person's appointment is terminated.

(i) Any unit of local government within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group health coverage under this Act on a non-insured basis. To participate, a unit of local government must agree to enroll all of its employees, who may select coverage under either the State group health benefits plan or a health maintenance organization that has contracted with the State to be available as a health care provider for employees as defined in this Act. A unit of local government must remit the entire cost of providing coverage under the State group health benefits plan or, for coverage under a health maintenance organization, an amount determined by the Director based on an analysis of the sex, age, geographic location, or other relevant demographic variables for its employees, except that the unit of local government shall not be required to enroll those of its employees who are covered spouses or dependents under this plan or another group policy or plan providing health benefits as long as (1) an appropriate official from the unit of local government attests that each employee not enrolled is a covered spouse or dependent under this plan or another group policy or plan, and (2) at least 85% of the employees are enrolled and the unit of local government remits the entire cost of providing coverage to those employees, except that a participating school district must have enrolled at least 85% of its full-time employees who have not waived coverage under the district's group health plan by participating in a component of the district's cafeteria plan. A participating school district is not required to enroll a full-time employee who has waived coverage under the district's health plan, provided that an appropriate official from the participating school district attests that the full-time employee has waived coverage by participating in a component of the district's cafeteria plan. For the purposes of this subsection, "participating school district" includes a unit of local government whose primary purpose is education as defined by the Department's rules.

Employees of a participating unit of local government who are not enrolled due to coverage under another group health policy or plan may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period. A participating unit of local government may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the unit of local government, its employees, or some combination of the two as determined by the unit of local government. The unit of local government shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine monthly rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages, or contributed by the State for basic insurance coverages on behalf of its employees, adjusted for differences between State employees and employees of the local government in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the unit of local government and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the unit of local government.

In the case of coverage of local government employees under a health maintenance organization, the Director shall annually determine for each participating unit of local government the maximum monthly amount the unit may contribute toward that coverage, based on an analysis of (i) the age, sex, geographic location, and other relevant demographic variables of the unit's employees and (ii) the cost to cover those employees under the State group health benefits plan. The Director may similarly determine the maximum monthly amount each unit of local government may contribute toward coverage of its employees' dependents under a health maintenance organization.

Monthly payments by the unit of local government or its employees for group health benefits plan or health maintenance organization coverage shall be deposited in the Local Government Health Insurance Reserve Fund.

The Local Government Health Insurance Reserve Fund shall be a continuing fund not subject to fiscal year limitations. All revenues arising from the administration of the health benefits program established under this Section shall be deposited into the Local Government Health Insurance Reserve Fund. All expenditures from this Fund shall be used for payments for health care benefits for local government and rehabilitation facility employees, annuitants, and dependents, and to reimburse the Department or its administrative service organization for all expenses incurred in the administration of benefits. No other State funds may be used for these purposes.

A local government employer's participation or desire to participate in a program created under this subsection shall not limit that employer's duty to bargain with the representative of any collective bargaining unit of its employees.

(j) Any rehabilitation facility within the State of Illinois may apply to the Director to have its employees, annuitants, and their eligible dependents provided group health coverage under this Act on a non-insured basis. To participate, a rehabilitation facility must agree to enroll all of its employees and remit the entire cost of providing such coverage for its employees, except that the rehabilitation facility shall not be required to enroll those of its employees who are covered spouses or dependents under this plan or another group policy or plan providing health benefits as long as (1) an appropriate official from the rehabilitation facility attests that each employee not enrolled is a covered spouse or dependent under this plan or another group policy or plan, and (2) at least 85% of the employees are enrolled and the rehabilitation facility remits the entire cost of providing coverage to those employees. Employees of a participating rehabilitation facility who are not enrolled due to coverage under another group health policy or plan may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period. A participating rehabilitation facility may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the rehabilitation facility, its employees, or some combination of the 2 as determined by the rehabilitation facility. The rehabilitation facility shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine quarterly rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the rehabilitation facility in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the rehabilitation facility and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the rehabilitation facility.

Monthly payments by the rehabilitation facility or its employees for group health benefits shall be deposited in the Local Government Health Insurance Reserve Fund.

(k) Any domestic violence shelter or service within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group health coverage under this Act on a non-insured basis. To participate, a domestic violence shelter or service must agree to enroll all of its employees and pay the entire cost of providing such coverage for its employees. A participating domestic violence shelter may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with employees, or some combination of the 2 as determined by the domestic violence shelter or service. The domestic violence shelter or service shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally

charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the domestic violence shelter or service in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the domestic violence shelter or service and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the domestic violence shelter or service.

Monthly payments by the domestic violence shelter or service or its employees for group health insurance shall be deposited in the Local Government Health Insurance Reserve Fund.

(l) A public community college or entity organized pursuant to the Public Community College Act may apply to the Director initially to have only annuitants not covered prior to July 1, 1992 by the district's health plan provided health coverage under this Act on a non-insured basis. The community college must execute a 2-year contract to participate in the Local Government Health Plan. Any annuitant may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period.

The Director shall annually determine monthly rates of payment subject to the following constraints: for those community colleges with annuitants only enrolled, first year rates shall be equal to the average cost to cover claims for a State member adjusted for demographics, Medicare participation, and other factors; and in the second year, a further adjustment of rates shall be made to reflect the actual first year's claims experience of the covered annuitants.

(l-5) The provisions of subsection (l) become inoperative on July 1, 1999.

(m) The Director shall adopt any rules deemed necessary for implementation of this amendatory Act of 1989 (Public Act 86-978).

(n) Any child advocacy center within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group health coverage under this Act on a non-insured basis. To participate, a child advocacy center must agree to enroll all of its employees and pay the entire cost of providing coverage for its employees. A participating child advocacy center may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the child advocacy center, its employees, or some combination of the 2 as determined by the child advocacy center. The child advocacy center shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally

charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the child advocacy center in age, sex, geographic location, or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the child advocacy center and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the child advocacy center.

Monthly payments by the child advocacy center or its employees for group health insurance shall be deposited into the Local Government Health Insurance Reserve Fund.

(Source: P.A. 93-839, eff. 7-30-04; 94-839, eff. 6-6-06; 94-860, eff. 6-16-06; revised 8-3-06.)

(5 ILCS 375/12) (from Ch. 127, par. 532)

Sec. 12. (a) Any surplus resulting from favorable experience of those portions of the group life insurance and group health program shall be refunded to the State of Illinois for deposit, respectively, in the Group Insurance Premium Fund or Health Insurance Reserve Fund established under this Act. Such funds may be applied to reduce member premiums, charges or fees or increase benefits, or both, in accordance with Subsection (b) of this Section.

(b) Surplus resulting from favorable experience may be applied to any current or future contract made under authority of this Act. With respect to any surplus relating to the Group Insurance Premium Fund, the surplus shall be deposited into the Group Insurance Premium Fund and may be applied either towards ~~toward~~ the reduction of the cost of optional life insurance or the provision of additional life insurance as determined by the Director. With respect to any surplus relating to the Health Insurance Reserve Fund, the surplus shall be deposited into the Health Insurance Reserve Fund and may be applied towards contributions to the program of health benefits or other ~~employee~~ benefits or ~~towards toward~~ providing additional ~~life insurance~~ or health or other benefits, or both, as determined by the Director.

(Source: P.A. 85-848.)

(5 ILCS 375/13) (from Ch. 127, par. 533)

Sec. 13. There is established a Group Insurance Premium Fund administered by the Director which shall include: (1) amounts paid by covered members for optional life insurance ~~or health benefits coverages~~; and (2) refunds which may be received from (a) the group carrier or carriers which may result from favorable experience as described in Section 12 herein or (b) from any other source from which the State is reasonably and properly entitled to refund as a result of the life insurance ~~group health benefits~~ program. The Group Insurance Premium Fund shall be a continuing fund not subject to fiscal year limitations.

The State of Illinois shall at least once each month make payment on behalf of each member, except one who is a member by virtue of participation in a program created under subsection (i), (j), (k), or (l) of Section 10 of this Act, to the appropriate carrier or, if applicable, carriers insuring State members under the contracted group life insurance ~~and group health benefits~~ program authorized by this Act.

Refunds to members for premiums paid for coverage may be paid from the Group Insurance Premium Fund without regard to the fact that the premium being refunded may have been paid in a different fiscal year.

(Source: P.A. 91-390, eff. 7-30-99.)

(5 ILCS 375/13.1) (from Ch. 127, par. 533.1)

Sec. 13.1. (a) All contributions, appropriations, interest, and dividend payments to fund the program of health benefits and other employee benefits, and all other revenues arising from the administration of any employee health benefits program, shall be deposited in a trust fund outside the State Treasury, with the State Treasurer as ex-officio custodian, to be known as the Health Insurance Reserve Fund.

(b) Upon the adoption of a self-insurance health plan, any monies attributable to the group health insurance program shall be deposited in or transferred to the Health Insurance Reserve Fund for use by the Department. As of the effective date of this amendatory Act of 1986, the Department shall certify to the Comptroller the amount of money in the Group Insurance Premium Fund attributable to the State group health insurance program and the Comptroller shall transfer such money from the Group Insurance Premium Fund to the Health Insurance Reserve Fund. Contributions by the State to the Health Insurance Reserve Fund to meet the requirements of this Act, as established by the Director, from the General Revenue Fund and the Road Fund to the Health Insurance Reserve Fund shall be by annual appropriations, and all other contributions to meet the requirements of the programs of health benefits or other employee benefits shall be deposited in the Health Insurance Reserve Fund. The Department shall draw the appropriation from the General Revenue Fund and the Road Fund from time to time as necessary to make expenditures authorized under this Act.

The Director may employ such assistance and services and may purchase such goods as may be necessary for the proper development and administration of any of the benefit programs authorized by this Act. The Director may promulgate rules and regulations in regard to the administration of these programs.

All monies received by the Department for deposit in or transfer to the Health Insurance Reserve Fund, through appropriation or otherwise, shall be used to provide for the making of payments to claimants and providers and to reimburse the Department for all expenses directly incurred relating to Department development and administration of the program of health benefits and other employee benefits.

Any administrative service organization administering any self-insurance health plan and paying claims and benefits under authority of this Act may receive, pursuant to written authorization and direction of the Director, an initial transfer and periodic transfers of funds from the Health Insurance Reserve Fund in amounts determined by the Director who may consider the amount recommended by the administrative service organization. Notwithstanding any other statute, such transferred funds shall be retained by the administrative service organization in a separate account provided by any bank as defined by the Illinois Banking Act. The Department may promulgate regulations further defining the banks authorized to accept such funds and all methodology for transfer of such funds. Any interest earned by monies in such account shall inure to the Health Insurance Reserve Fund, shall remain in such account and shall be used exclusively to pay claims and benefits under this Act. Such transferred funds shall be used exclusively for administrative service organization payment of claims to claimants and providers under the self-insurance health plan by the drawing of checks against such account. The administrative service organization may not use such transferred funds, or interest accrued thereon, for any other purpose including, but not limited to, reimbursement of administrative expenses or payments of administration fees due the organization pursuant to its contract or contracts with the Department of Central Management Services.

The account of the administrative service organization established under this Section, any transfers

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from the Health Insurance Reserve Fund to such account and the use of such account and funds shall be subject to (1) audit by the Department or private contractor authorized by the Department to conduct audits, and (2) post audit pursuant to the Illinois State Auditing Act.

The Department of Healthcare and Family Services, or any successor agency designated to procure healthcare contracts pursuant to this Act, is authorized to establish funds, separate accounts provided by any bank or banks as defined by the Illinois Banking Act, or separate accounts provided by any savings and loan association or associations as defined by the Illinois Savings and Loan Act of 1985 to be held by the Director, outside the State treasury, for the purpose of receiving the transfer of moneys from the Health Insurance Reserve Fund. The Department may promulgate rules further defining the methodology for the transfers. Any interest earned by monies in the funds or accounts shall inure to the Health Insurance Reserve Fund. The transferred moneys, and interest accrued thereon, shall be used exclusively for transfers to administrative service organizations or their financial institutions for payments of claims to claimants and providers under the self-insurance health plan. The transferred moneys, and interest accrued thereon, shall not be used for any other purpose including, but not limited to, reimbursement of administration fees due the administrative service organization pursuant to its contract or contracts with the Department.

(c) The Director, with the advice and consent of the Commission, shall establish premiums for optional coverage for dependents of eligible members for the health plans. The eligible members shall be responsible for their portion of such optional premium. The State shall contribute an amount per month for each eligible member who has enrolled one or more dependents under the health plans. Such contribution shall be made directly to the Health Insurance Reserve Fund. Those employees described in subsection (b) of Section 9 of this Act shall be allowed to continue in the health plan by making personal payments with the premiums to be deposited in the Health Insurance Reserve Fund.

(d) The Health Insurance Reserve Fund shall be a continuing fund not subject to fiscal year limitations. All expenditures from that fund shall be at the direction of the Director and shall be only for the purpose of:

- (1) the payment of administrative expenses incurred by the Department for the program of health benefits or other employee benefit programs, including but not limited to the costs of audits or actuarial consultations, professional and contractual services, electronic data processing systems and services, and expenses in connection with the development and administration of such programs;
  - (2) the payment of administrative expenses incurred by the Administrative Service Organization;
  - (3) the payment of health benefits;
  - (4) refunds to employees for erroneous payments of their selected dependent coverage;
  - (5) payment of premium for stop-loss or re-insurance;
  - (6) payment of premium to health maintenance organizations pursuant to Section 6.1 of this Act;
  - (7) payment of adoption program benefits; and
  - (8) payment of other benefits offered to members and dependents under this Act.
- (Source: P.A. 94-839, eff. 6-6-06.)

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

#### **AMENDMENT NO. 3 TO SENATE BILL 1523**

AMENDMENT NO. 3. Amend Senate Bill 1523, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The State Employees Group Insurance Act of 1971 is amended by changing Sections 3, 6.5, 6.10, 10, 12, 13, and 13.1 as follows:

(5 ILCS 375/3) (from Ch. 127, par. 523)

Sec. 3. Definitions. Unless the context otherwise requires, the following words and phrases as used in this Act shall have the following meanings. The Department may define these and other words and phrases separately for the purpose of implementing specific programs providing benefits under this Act.

(a) "Administrative service organization" means any person, firm or corporation experienced in the handling of claims which is fully qualified, financially sound and capable of meeting the service requirements of a contract of administration executed with the Department.

(b) "Annuitant" means (1) an employee who retires, or has retired, on or after January 1, 1966 on an immediate annuity under the provisions of Articles 2, 14 (including an employee who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension

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Code in lieu of an annuity), 15 (including an employee who has retired under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code; (2) any person who was receiving group insurance coverage under this Act as of March 31, 1978 by reason of his status as an annuitant, even though the annuity in relation to which such coverage was provided is a proportional annuity based on less than the minimum period of service required for a retirement annuity in the system involved; (3) any person not otherwise covered by this Act who has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code; (4) the spouse of any person who is receiving a retirement annuity under Article 18 of the Illinois Pension Code and who is covered under a group health insurance program sponsored by a governmental employer other than the State of Illinois and who has irrevocably elected to waive his or her coverage under this Act and to have his or her spouse considered as the "annuitant" under this Act and not as a "dependent"; or (5) an employee who retires, or has retired, from a qualified position, as determined according to rules promulgated by the Director, under a qualified local government, a qualified rehabilitation facility, a qualified domestic violence shelter or service, or a qualified child advocacy center. (For definition of "retired employee", see (p) post).

(b-5) "New SERS annuitant" means a person who, on or after January 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 14 of the Illinois Pension Code (including an employee who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of that Code in lieu of an annuity), and is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(b-6) "New SURS annuitant" means a person who (1) on or after January 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 15 of the Illinois Pension Code, (2) has not made the election authorized under Section 15-135.1 of the Illinois Pension Code, and (3) is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(b-7) "New TRS State annuitant" means a person who, on or after July 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 16 of the Illinois Pension Code based on service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of that Code, and is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(c) "Carrier" means (1) an insurance company, a corporation organized under the Limited Health Service Organization Act or the Voluntary Health Services Plan Act, a partnership, or other nongovernmental organization, which is authorized to do group life or group health insurance business in Illinois, or (2) the State of Illinois as a self-insurer.

(d) "Compensation" means salary or wages payable on a regular payroll by the State Treasurer on a warrant of the State Comptroller out of any State, trust or federal fund, or by the Governor of the State through a disbursing officer of the State out of a trust or out of federal funds, or by any Department out of State, trust, federal or other funds held by the State Treasurer or the Department, to any person for personal services currently performed, and ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability incurred after January 1, 1966, or benefits payable under the Workers' Compensation or Occupational Diseases Act or benefits payable under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Compensation" also means salary or wages paid to an employee of any qualified local government, qualified rehabilitation facility, qualified domestic violence shelter or service, or qualified child advocacy center.

(e) "Commission" means the State Employees Group Insurance Advisory Commission authorized by this Act. Commencing July 1, 1984, "Commission" as used in this Act means the Commission on Government Forecasting and Accountability as established by the Legislative Commission Reorganization Act of 1984.

(f) "Contributory", when referred to as contributory coverage, shall mean optional coverages or benefits elected by the member toward the cost of which such member makes contribution, or which are funded in whole or in part through the acceptance of a reduction in earnings or the foregoing of an increase in earnings by an employee, as distinguished from noncontributory coverage or benefits which are paid entirely by the State of Illinois without reduction of the member's salary.

(g) "Department" means any department, institution, board, commission, officer, court or any agency of the State government receiving appropriations and having power to certify payrolls to the Comptroller authorizing payments of salary and wages against such appropriations as are made by the General



Assembly from any State fund, or against trust funds held by the State Treasurer and includes boards of trustees of the retirement systems created by Articles 2, 14, 15, 16 and 18 of the Illinois Pension Code. "Department" also includes the Illinois Comprehensive Health Insurance Board, the Board of Examiners established under the Illinois Public Accounting Act, and the Illinois Finance Authority.

(h) "Dependent", when the term is used in the context of the health and life plan, means a member's spouse and any unmarried child (1) from birth to age 19 including an adopted child, a child who lives with the member from the time of the filing of a petition for adoption until entry of an order of adoption, a stepchild or recognized child who lives with the member in a parent-child relationship, or a child who lives with the member if such member is a court appointed guardian of the child, or (2) age 19 to 23 enrolled as a full-time student in any accredited school, financially dependent upon the member, and eligible to be claimed as a dependent for income tax purposes, or (3) age 19 or over who is mentally or physically handicapped. For the purposes of item (2), an unmarried child age 19 to 23 who is a member of the United States Armed Services, including the Illinois National Guard, and is mobilized to active duty shall qualify as a dependent beyond the age of 23 and until the age of 25 and while a full-time student for the amount of time spent on active duty between the ages of 19 and 23. The individual attempting to qualify for this additional time must submit written documentation of active duty service to the Director. The changes made by this amendatory Act of the 94th General Assembly apply only to individuals mobilized to active duty in the United States Armed Services, including the Illinois National Guard, on or after January 1, 2002. For the health plan only, the term "dependent" also includes any person enrolled prior to the effective date of this Section who is dependent upon the member to the extent that the member may claim such person as a dependent for income tax deduction purposes; no other such person may be enrolled. For the health plan only, the term "dependent" also includes any person who has received after June 30, 2000 an organ transplant and who is financially dependent upon the member and eligible to be claimed as a dependent for income tax purposes.

(i) "Director" means the Director of the Illinois Department of Central Management Services or of any successor agency designated to administer this Act.

(j) "Eligibility period" means the period of time a member has to elect enrollment in programs or to select benefits without regard to age, sex or health.

(k) "Employee" means and includes each officer or employee in the service of a department who (1) receives his compensation for service rendered to the department on a warrant issued pursuant to a payroll certified by a department or on a warrant or check issued and drawn by a department upon a trust, federal or other fund or on a warrant issued pursuant to a payroll certified by an elected or duly appointed officer of the State or who receives payment of the performance of personal services on a warrant issued pursuant to a payroll certified by a Department and drawn by the Comptroller upon the State Treasurer against appropriations made by the General Assembly from any fund or against trust funds held by the State Treasurer, and (2) is employed full-time or part-time in a position normally requiring actual performance of duty during not less than 1/2 of a normal work period, as established by the Director in cooperation with each department, except that persons elected by popular vote will be considered employees during the entire term for which they are elected regardless of hours devoted to the service of the State, and (3) except that "employee" does not include any person who is not eligible by reason of such person's employment to participate in one of the State retirement systems under Articles 2, 14, 15 (either the regular Article 15 system or the optional retirement program established under Section 15-158.2) or 18, or under paragraph (2), (3), or (5) of Section 16-106, of the Illinois Pension Code, but such term does include persons who are employed during the 6 month qualifying period under Article 14 of the Illinois Pension Code. Such term also includes any person who (1) after January 1, 1966, is receiving ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability incurred after January 1, 1966, (2) receives total permanent or total temporary disability under the Workers' Compensation Act or Occupational Disease Act as a result of injuries sustained or illness contracted in the course of employment with the State of Illinois, or (3) is not otherwise covered under this Act and has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code. However, a person who satisfies the criteria of the foregoing definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code is also an "employee" for the purposes of this Act. "Employee" also includes any person receiving or eligible for benefits under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Employee" also includes (i) each officer or employee in the service of a qualified local government, including persons appointed as

trustees of sanitary districts regardless of hours devoted to the service of the sanitary district, (ii) each employee in the service of a qualified rehabilitation facility, (iii) each full-time employee in the service of a qualified domestic violence shelter or service, and (iv) each full-time employee in the service of a qualified child advocacy center, as determined according to rules promulgated by the Director.

(l) "Member" means an employee, annuitant, retired employee or survivor.

(m) "Optional coverages or benefits" means those coverages or benefits available to the member on his or her voluntary election, and at his or her own expense.

(n) "Program" means the group life insurance, health benefits and other employee benefits designed and contracted for by the Director under this Act.

(o) "Health plan" means a health benefits program offered by the State of Illinois for persons eligible for the plan.

(p) "Retired employee" means any person who would be an annuitant as that term is defined herein but for the fact that such person retired prior to January 1, 1966. Such term also includes any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant but for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code.

(q) "Survivor" means a person receiving an annuity as a survivor of an employee or of an annuitant. "Survivor" also includes: (1) the surviving dependent of a person who satisfies the definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; (2) the surviving dependent of any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant except for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; and (3) the surviving dependent of a person who was an annuitant under this Act by virtue of receiving an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code.

(q-2) "SERS" means the State Employees' Retirement System of Illinois, created under Article 14 of the Illinois Pension Code.

(q-3) "SURS" means the State Universities Retirement System, created under Article 15 of the Illinois Pension Code.

(q-4) "TRS" means the Teachers' Retirement System of the State of Illinois, created under Article 16 of the Illinois Pension Code.

(q-5) "New SERS survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 14 of the Illinois Pension Code and is based on the death of (i) an employee whose death occurs on or after January 1, 1998, or (ii) a new SERS annuitant as defined in subsection (b-5). "New SERS survivor" includes the surviving dependent of a person who was an annuitant under this Act by virtue of receiving an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code.

(q-6) "New SURS survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 15 of the Illinois Pension Code and is based on the death of (i) an employee whose death occurs on or after January 1, 1998, or (ii) a new SURS annuitant as defined in subsection (b-6).

(q-7) "New TRS State survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 16 of the Illinois Pension Code and is based on the death of (i) an employee who is a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of that Code and whose death occurs on or after July 1, 1998, or (ii) a new TRS State annuitant as defined in subsection (b-7).

(r) "Medical services" means the services provided within the scope of their licenses by practitioners in all categories licensed under the Medical Practice Act of 1987.

(s) "Unit of local government" means any county, municipality, township, school district (including a combination of school districts under the Intergovernmental Cooperation Act), special district or other unit, designated as a unit of local government by law, which exercises limited governmental powers or powers in respect to limited governmental subjects, any not-for-profit association with a membership that primarily includes townships and township officials, that has duties that include provision of research service, dissemination of information, and other acts for the purpose of improving township government, and that is funded wholly or partly in accordance with Section 85-15 of the Township Code; any not-for-profit corporation or association, with a membership consisting primarily of municipalities, that operates its own utility system, and provides research, training, dissemination of information, or other acts to promote cooperation between and among municipalities that provide utility services and for the advancement of the goals and purposes of its membership; the Southern Illinois Collegiate Common Market, which is a consortium of higher education institutions in Southern Illinois;

the Illinois Association of Park Districts; and any hospital provider that is owned by a county that has 100 or fewer hospital beds and has not already joined the program. "Qualified local government" means a unit of local government approved by the Director and participating in a program created under subsection (i) of Section 10 of this Act.

(t) "Qualified rehabilitation facility" means any not-for-profit organization that is accredited by the Commission on Accreditation of Rehabilitation Facilities or certified by the Department of Human Services (as successor to the Department of Mental Health and Developmental Disabilities) to provide services to persons with disabilities and which receives funds from the State of Illinois for providing those services, approved by the Director and participating in a program created under subsection (j) of Section 10 of this Act.

(u) "Qualified domestic violence shelter or service" means any Illinois domestic violence shelter or service and its administrative offices funded by the Department of Human Services (as successor to the Illinois Department of Public Aid), approved by the Director and participating in a program created under subsection (k) of Section 10.

(v) "TRS benefit recipient" means a person who:

- (1) is not a "member" as defined in this Section; and
- (2) is receiving a monthly benefit or retirement annuity under Article 16 of the Illinois Pension Code; and
- (3) either (i) has at least 8 years of creditable service under Article 16 of the

Illinois Pension Code, or (ii) was enrolled in the health insurance program offered under that Article on January 1, 1996, or (iii) is the survivor of a benefit recipient who had at least 8 years of creditable service under Article 16 of the Illinois Pension Code or was enrolled in the health insurance program offered under that Article on the effective date of this amendatory Act of 1995, or (iv) is a recipient or survivor of a recipient of a disability benefit under Article 16 of the Illinois Pension Code.

(w) "TRS dependent beneficiary" means a person who:

- (1) is not a "member" or "dependent" as defined in this Section; and
- (2) is a TRS benefit recipient's: (A) spouse, (B) dependent parent who is receiving at

least half of his or her support from the TRS benefit recipient, or (C) unmarried natural or adopted child who is (i) under age 19, or (ii) enrolled as a full-time student in an accredited school, financially dependent upon the TRS benefit recipient, eligible to be claimed as a dependent for income tax purposes, and either is under age 24 or was, on January 1, 1996, participating as a dependent beneficiary in the health insurance program offered under Article 16 of the Illinois Pension Code, or (iii) age 19 or over who is mentally or physically handicapped.

(x) "Military leave with pay and benefits" refers to individuals in basic training for reserves, special/advanced training, annual training, emergency call up, or activation by the President of the United States with approved pay and benefits.

(y) "Military leave without pay and benefits" refers to individuals who enlist for active duty in a regular component of the U.S. Armed Forces or other duty not specified or authorized under military leave with pay and benefits.

(z) "Community college benefit recipient" means a person who:

- (1) is not a "member" as defined in this Section; and
- (2) is receiving a monthly survivor's annuity or retirement annuity under Article 15 of the Illinois Pension Code; and
- (3) either (i) was a full-time employee of a community college district or an

association of community college boards created under the Public Community College Act (other than an employee whose last employer under Article 15 of the Illinois Pension Code was a community college district subject to Article VII of the Public Community College Act) and was eligible to participate in a group health benefit plan as an employee during the time of employment with a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards, or (ii) is the survivor of a person described in item (i).

(aa) "Community college dependent beneficiary" means a person who:

- (1) is not a "member" or "dependent" as defined in this Section; and
- (2) is a community college benefit recipient's: (A) spouse, (B) dependent parent who is

receiving at least half of his or her support from the community college benefit recipient, or (C) unmarried natural or adopted child who is (i) under age 19, or (ii) enrolled as a full-time student in an accredited school, financially dependent upon the community college benefit recipient, eligible to be claimed as a dependent for income tax purposes and under age 23, or (iii) age 19 or over and mentally or physically handicapped.

(bb) "Qualified child advocacy center" means any Illinois child advocacy center and its administrative offices funded by the Department of Children and Family Services, as defined by the Children's Advocacy Center Act (55 ILCS 80/), approved by the Director and participating in a program created under subsection (n) of Section 10.

(Source: P.A. 93-205, eff. 1-1-04; 93-839, eff. 7-30-04; 93-1067, eff. 1-15-05; 94-32, eff. 6-15-05; 94-82, eff. 1-1-06; 94-860, eff. 6-16-06; revised 8-3-06.)

(5 ILCS 375/6.5)

Sec. 6.5. Health benefits for TRS benefit recipients and TRS dependent beneficiaries.

(a) Purpose. It is the purpose of this amendatory Act of 1995 to transfer the administration of the program of health benefits established for benefit recipients and their dependent beneficiaries under Article 16 of the Illinois Pension Code to the Department of Central Management Services.

(b) Transition provisions. The Board of Trustees of the Teachers' Retirement System shall continue to administer the health benefit program established under Article 16 of the Illinois Pension Code through December 31, 1995. Beginning January 1, 1996, the Department of Central Management Services shall be responsible for administering a program of health benefits for TRS benefit recipients and TRS dependent beneficiaries under this Section. The Department of Central Management Services and the Teachers' Retirement System shall cooperate in this endeavor and shall coordinate their activities so as to ensure a smooth transition and uninterrupted health benefit coverage.

(c) Eligibility. All persons who were enrolled in the Article 16 program at the time of the transfer shall be eligible to participate in the program established under this Section without any interruption or delay in coverage or limitation as to pre-existing medical conditions. Eligibility to participate shall be determined by the Teachers' Retirement System. Eligibility information shall be communicated to the Department of Central Management Services in a format acceptable to the Department.

A TRS dependent beneficiary who is an unmarried child age 19 or over and mentally or physically disabled does not become ineligible to participate by reason of (i) becoming ineligible to be claimed as a dependent for Illinois or federal income tax purposes or (ii) receiving earned income, so long as those earnings are insufficient for the child to be fully self-sufficient.

(d) Coverage. The level of health benefits provided under this Section shall be similar to the level of benefits provided by the program previously established under Article 16 of the Illinois Pension Code.

Group life insurance benefits are not included in the benefits to be provided to TRS benefit recipients and TRS dependent beneficiaries under this Act.

The program of health benefits under this Section may include any or all of the benefit limitations, including but not limited to a reduction in benefits based on eligibility for federal medicare benefits, that are provided under subsection (a) of Section 6 of this Act for other health benefit programs under this Act.

(e) Insurance rates and premiums. The Director shall determine the insurance rates and premiums for TRS benefit recipients and TRS dependent beneficiaries, and shall present to the Teachers' Retirement System of the State of Illinois, by April 15 of each calendar year, the rate-setting methodology (including but not limited to utilization levels and costs) used to determine the amount of the health care premiums.

For Fiscal Year 1996, the premium shall be equal to the premium actually charged in Fiscal Year 1995; in subsequent years, the premium shall never be lower than the premium charged in Fiscal Year 1995.

For Fiscal Year 2003, the premium shall not exceed 110% of the premium actually charged in Fiscal Year 2002.

For Fiscal Year 2004, the premium shall not exceed 112% of the premium actually charged in Fiscal Year 2003.

For Fiscal Year 2005, the premium shall not exceed a weighted average of 106.6% of the premium actually charged in Fiscal Year 2004.

For Fiscal Year 2006, the premium shall not exceed a weighted average of 109.1% of the premium actually charged in Fiscal Year 2005.

For Fiscal Year 2007, the premium shall not exceed a weighted average of 103.9% of the premium actually charged in Fiscal Year 2006.

For Fiscal Year 2008 and thereafter, the premium in each fiscal year shall not exceed 105% of the premium actually charged in the previous fiscal year.

Rates and premiums may be based in part on age and eligibility for federal medicare coverage. However, the cost of participation for a TRS dependent beneficiary who is an unmarried child age 19 or over and mentally or physically disabled shall not exceed the cost for a TRS dependent beneficiary who is an unmarried child under age 19 and participates in the same major medical or managed care program.

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The cost of health benefits under the program shall be paid as follows:

(1) For a TRS benefit recipient selecting a managed care program, up to 75% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund. Effective with Fiscal Year 2007 and thereafter, for a TRS benefit recipient selecting a managed care program, 75% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund.

(2) For a TRS benefit recipient selecting the major medical coverage program, up to 50% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund if a managed care program is accessible, as determined by the Teachers' Retirement System. Effective with Fiscal Year 2007 and thereafter, for a TRS benefit recipient selecting the major medical coverage program, 50% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund if a managed care program is accessible, as determined by the Department of Central Management Services.

(3) For a TRS benefit recipient selecting the major medical coverage program, up to 75% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund if a managed care program is not accessible, as determined by the Teachers' Retirement System. Effective with Fiscal Year 2007 and thereafter, for a TRS benefit recipient selecting the major medical coverage program, 75% of the total insurance rate shall be paid from the Teacher Health Insurance Security Fund if a managed care program is not accessible, as determined by the Department of Central Management Services.

(3.1) For a TRS dependent beneficiary who is Medicare primary and enrolled in a managed care plan, or the major medical coverage program if a managed care plan is not available, 25% of the total insurance rate shall be paid from the Teacher Health Security Fund as determined by the Department of Central Management Services. For the purpose of this item (3.1), the term "TRS dependent beneficiary who is Medicare primary" means a TRS dependent beneficiary who is participating in Medicare Parts A and B.

(4) Except as otherwise provided in item (3.1), the balance of the rate of insurance, including the entire premium of any coverage for TRS dependent beneficiaries that has been elected, shall be paid by deductions authorized by the TRS benefit recipient to be withheld from his or her monthly annuity or benefit payment from the Teachers' Retirement System; except that (i) if the balance of the cost of coverage exceeds the amount of the monthly annuity or benefit payment, the difference shall be paid directly to the Teachers' Retirement System by the TRS benefit recipient, and (ii) all or part of the balance of the cost of coverage may, at the school board's option, be paid to the Teachers' Retirement System by the school board of the school district from which the TRS benefit recipient retired, in accordance with Section 10-22.3b of the School Code. The Teachers' Retirement System shall promptly deposit all moneys withheld by or paid to it under this subdivision (e)(4) into the Teacher Health Insurance Security Fund. These moneys shall not be considered assets of the Retirement System.

(f) Financing. Beginning July 1, 1995, all revenues arising from the administration of the health benefit programs established under Article 16 of the Illinois Pension Code or this Section shall be deposited into the Teacher Health Insurance Security Fund, which is hereby created as a nonappropriated trust fund to be held outside the State Treasury, with the State Treasurer as custodian. Any interest earned on moneys in the Teacher Health Insurance Security Fund shall be deposited into the Fund.

Moneys in the Teacher Health Insurance Security Fund shall be used only to pay the costs of the health benefit program established under this Section, including associated administrative costs, and the costs associated with the health benefit program established under Article 16 of the Illinois Pension Code, as authorized in this Section. Beginning July 1, 1995, the Department of Central Management Services may make expenditures from the Teacher Health Insurance Security Fund for those costs.

After other funds authorized for the payment of the costs of the health benefit program established under Article 16 of the Illinois Pension Code are exhausted and until January 1, 1996 (or such later date as may be agreed upon by the Director of Central Management Services and the Secretary of the Teachers' Retirement System), the Secretary of the Teachers' Retirement System may make expenditures from the Teacher Health Insurance Security Fund as necessary to pay up to 75% of the cost of providing health coverage to eligible benefit recipients (as defined in Sections 16-153.1 and 16-153.3 of the Illinois Pension Code) who are enrolled in the Article 16 health benefit program and to facilitate the transfer of administration of the health benefit program to the Department of Central Management Services.

The Department of Healthcare and Family Services, or any successor agency designated to procure healthcare contracts pursuant to this Act, is authorized to establish funds, separate accounts provided by any bank or banks as defined by the Illinois Banking Act, or separate accounts provided by any savings and loan association or associations as defined by the Illinois Savings and Loan Act of 1985 to be held

by the Director, outside the State treasury, for the purpose of receiving the transfer of moneys from the Teacher Health Insurance Security Fund. The Department may promulgate rules further defining the methodology for the transfers. Any interest earned by moneys in the funds or accounts shall inure to the Teacher Health Insurance Security Fund. The transferred moneys, and interest accrued thereon, shall be used exclusively for transfers to administrative service organizations or their financial institutions for payments of claims to claimants and providers under the self-insurance health plan. The transferred moneys, and interest accrued thereon, shall not be used for any other purpose including, but not limited to, reimbursement of administration fees due the administrative service organization pursuant to its contract or contracts with the Department.

(g) Contract for benefits. The Director shall by contract, self-insurance, or otherwise make available the program of health benefits for TRS benefit recipients and their TRS dependent beneficiaries that is provided for in this Section. The contract or other arrangement for the provision of these health benefits shall be on terms deemed by the Director to be in the best interest of the State of Illinois and the TRS benefit recipients based on, but not limited to, such criteria as administrative cost, service capabilities of the carrier or other contractor, and the costs of the benefits.

(g-5) Committee. A Teacher Retirement Insurance Program Committee shall be established, to consist of 10 persons appointed by the Governor.

The Committee shall convene at least 4 times each year, and shall consider and make recommendations on issues affecting the program of health benefits provided under this Section. Recommendations of the Committee shall be based on a consensus of the members of the Committee.

If the Teacher Health Insurance Security Fund experiences a deficit balance based upon the contribution and subsidy rates established in this Section and Section 6.6 for Fiscal Year 2008 or thereafter, the Committee shall make recommendations for adjustments to the funding sources established under these Sections.

(h) Continuation of program. It is the intention of the General Assembly that the program of health benefits provided under this Section be maintained on an ongoing, affordable basis.

The program of health benefits provided under this Section may be amended by the State and is not intended to be a pension or retirement benefit subject to protection under Article XIII, Section 5 of the Illinois Constitution.

(i) Repeal. (Blank).

(Source: P.A. 92-505, eff. 12-20-01; 92-862, eff. 1-3-03; 93-679, eff. 6-30-04.)

(5 ILCS 375/6.10)

Sec. 6.10. Contributions to the Community College Health Insurance Security Fund.

(a) Beginning January 1, 1999, every active contributor of the State Universities Retirement System (established under Article 15 of the Illinois Pension Code) who (1) is a full-time employee of a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards and (2) is not an employee as defined in Section 3 of this Act shall make contributions toward the cost of community college annuitant and survivor health benefits at the rate of 0.50% of salary.

These contributions shall be deducted by the employer and paid to the State Universities Retirement System as service agent for the Department of Central Management Services. The System may use the same processes for collecting the contributions required by this subsection that it uses to collect the contributions received from those employees under Section 15-157 of the Illinois Pension Code. An employer may agree to pick up or pay the contributions required under this subsection on behalf of the employee; such contributions shall be deemed to have been paid by the employee.

The State Universities Retirement System shall promptly deposit all moneys collected under this subsection (a) into the Community College Health Insurance Security Fund created in Section 6.9 of this Act. The moneys collected under this Section shall be used only for the purposes authorized in Section 6.9 of this Act and shall not be considered to be assets of the State Universities Retirement System. Contributions made under this Section are not transferable to other pension funds or retirement systems and are not refundable upon termination of service.

(b) Beginning January 1, 1999, every community college district (other than a community college district subject to Article VII of the Public Community College Act) or association of community college boards that is an employer under the State Universities Retirement System shall contribute toward the cost of the community college health benefits provided under Section 6.9 of this Act an amount equal to 0.50% of the salary paid to its full-time employees who participate in the State Universities Retirement System and are not members as defined in Section 3 of this Act.

These contributions shall be paid by the employer to the State Universities Retirement System as service agent for the Department of Central Management Services. The System may use the same

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processes for collecting the contributions required by this subsection that it uses to collect the contributions received from those employers under Section 15-155 of the Illinois Pension Code.

The State Universities Retirement System shall promptly deposit all moneys collected under this subsection (b) into the Community College Health Insurance Security Fund created in Section 6.9 of this Act. The moneys collected under this Section shall be used only for the purposes authorized in Section 6.9 of this Act and shall not be considered to be assets of the State Universities Retirement System. Contributions made under this Section are not transferable to other pension funds or retirement systems and are not refundable upon termination of service.

The Department of Healthcare and Family Services, or any successor agency designated to procure healthcare contracts pursuant to this Act, is authorized to establish funds, separate accounts provided by any bank or banks as defined by the Illinois Banking Act, or separate accounts provided by any savings and loan association or associations as defined by the Illinois Savings and Loan Act of 1985 to be held by the Director, outside the State treasury, for the purpose of receiving the transfer of moneys from the Community College Health Insurance Security Fund. The Department may promulgate rules further defining the methodology for the transfers. Any interest earned by moneys in the funds or accounts shall inure to the Community College Health Insurance Security Fund. The transferred moneys, and interest accrued thereon, shall be used exclusively for transfers to administrative service organizations or their financial institutions for payments of claims to claimants and providers under the self-insurance health plan. The transferred moneys, and interest accrued thereon, shall not be used for any other purpose including, but not limited to, reimbursement of administration fees due the administrative service organization pursuant to its contract or contracts with the Department.

(c) On or before November 15 of each year, the Board of Trustees of the State Universities Retirement System shall certify to the Governor, the Director of Central Management Services, and the State Comptroller its estimate of the total amount of contributions to be paid under subsection (a) of this Section for the next fiscal year. Beginning in fiscal year 2008, the amount certified shall be decreased or increased each year by the amount that the actual active employee contributions either fell short of or exceeded the estimate used by the Board in making the certification for the previous fiscal year. The State Universities Retirement System shall calculate the amount of actual active employee contributions in fiscal years 1999 through 2005. Based upon this calculation, the fiscal year 2008 certification shall include an amount equal to the cumulative amount that the actual active employee contributions either fell short of or exceeded the estimate used by the Board in making the certification for those fiscal years. The certification shall include a detailed explanation of the methods and information that the Board relied upon in preparing its estimate. As soon as possible after the effective date of this Section, the Board shall submit its estimate for fiscal year 1999.

(d) Beginning in fiscal year 1999, on the first day of each month, or as soon thereafter as may be practical, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Community College Health Insurance Security Fund 1/12 of the annual amount appropriated for that fiscal year to the State Comptroller for deposit into the Community College Health Insurance Security Fund under Section 1.4 of the State Pension Funds Continuing Appropriation Act.

(e) Except where otherwise specified in this Section, the definitions that apply to Article 15 of the Illinois Pension Code apply to this Section.

(Source: P.A. 94-839, eff. 6-6-06.)

(5 ILCS 375/10) (from Ch. 127, par. 530)

Sec. 10. Payments by State; premiums.

(a) The State shall pay the cost of basic non-contributory group life insurance and, subject to member paid contributions set by the Department or required by this Section, the basic program of group health benefits on each eligible member, except a member, not otherwise covered by this Act, who has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code, and part of each eligible member's and retired member's premiums for health insurance coverage for enrolled dependents as provided by Section 9. The State shall pay the cost of the basic program of group health benefits only after benefits are reduced by the amount of benefits covered by Medicare for all members and dependents who are eligible for benefits under Social Security or the Railroad Retirement system or who had sufficient Medicare-covered government employment, except that such reduction in benefits shall apply only to those members and dependents who (1) first become eligible for such Medicare coverage on or after July 1, 1992; or (2) are Medicare-eligible members or dependents of a local government unit which began participation in the program on or after July 1, 1992; or (3) remain eligible for, but no longer receive Medicare coverage which they had been receiving on or after July 1, 1992. The Department may determine the aggregate level of the State's contribution on the basis of actual cost of medical services

adjusted for age, sex or geographic or other demographic characteristics which affect the costs of such programs.

The cost of participation in the basic program of group health benefits for the dependent or survivor of a living or deceased retired employee who was formerly employed by the University of Illinois in the Cooperative Extension Service and would be an annuitant but for the fact that he or she was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code shall not be greater than the cost of participation that would otherwise apply to that dependent or survivor if he or she were the dependent or survivor of an annuitant under the State Universities Retirement System.

(a-1) Beginning January 1, 1998, for each person who becomes a new SERS annuitant and participates in the basic program of group health benefits, the State shall contribute toward the cost of the annuitant's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of creditable service upon which the annuitant's retirement annuity is based, up to a maximum of 100% for an annuitant with 20 or more years of creditable service. The remainder of the cost of a new SERS annuitant's coverage under the basic program of group health benefits shall be the responsibility of the annuitant. In the case of a new SERS annuitant who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code in lieu of an annuity, for the purposes of this subsection the annuitant shall be deemed to be receiving a retirement annuity based on the number of years of creditable service that the annuitant had established at the time of his or her termination of service under SERS.

(a-2) Beginning January 1, 1998, for each person who becomes a new SERS survivor and participates in the basic program of group health benefits, the State shall contribute toward the cost of the survivor's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of the deceased employee's or deceased annuitant's creditable service in the State Employees' Retirement System of Illinois on the date of death, up to a maximum of 100% for a survivor of an employee or annuitant with 20 or more years of creditable service. The remainder of the cost of the new SERS survivor's coverage under the basic program of group health benefits shall be the responsibility of the survivor. In the case of a new SERS survivor who was the dependent of an annuitant who elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code in lieu of an annuity, for the purposes of this subsection the deceased annuitant's creditable service shall be determined as of the date of termination of service rather than the date of death.

(a-3) Beginning January 1, 1998, for each person who becomes a new SERS annuitant and participates in the basic program of group health benefits, the State shall contribute toward the cost of the annuitant's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of creditable service upon which the annuitant's retirement annuity is based, up to a maximum of 100% for an annuitant with 20 or more years of creditable service. The remainder of the cost of a new SERS annuitant's coverage under the basic program of group health benefits shall be the responsibility of the annuitant.

(a-4) (Blank).

(a-5) Beginning January 1, 1998, for each person who becomes a new SERS survivor and participates in the basic program of group health benefits, the State shall contribute toward the cost of the survivor's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of the deceased employee's or deceased annuitant's creditable service in the State Universities Retirement System on the date of death, up to a maximum of 100% for a survivor of an employee or annuitant with 20 or more years of creditable service. The remainder of the cost of the new SERS survivor's coverage under the basic program of group health benefits shall be the responsibility of the survivor.

(a-6) Beginning July 1, 1998, for each person who becomes a new TRS State annuitant and participates in the basic program of group health benefits, the State shall contribute toward the cost of the annuitant's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of creditable service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of the Illinois Pension Code upon which the annuitant's retirement annuity is based, up to a maximum of 100%; except that the State contribution shall be 12.5% per year (rather than 5%) for each full year of creditable service as a regional superintendent or assistant regional superintendent of schools. The remainder of the cost of a new TRS State annuitant's coverage under the basic program of group health benefits shall be the responsibility of the annuitant.

(a-7) Beginning July 1, 1998, for each person who becomes a new TRS State survivor and participates in the basic program of group health benefits, the State shall contribute toward the cost of the survivor's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each



full year of the deceased employee's or deceased annuitant's creditable service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of the Illinois Pension Code on the date of death, up to a maximum of 100%; except that the State contribution shall be 12.5% per year (rather than 5%) for each full year of the deceased employee's or deceased annuitant's creditable service as a regional superintendent or assistant regional superintendent of schools. The remainder of the cost of the new TRS State survivor's coverage under the basic program of group health benefits shall be the responsibility of the survivor.

(a-8) A new SERS annuitant, new SERS survivor, new SURS annuitant, new SURS survivor, new TRS State annuitant, or new TRS State survivor may waive or terminate coverage in the program of group health benefits. Any such annuitant or survivor who has waived or terminated coverage may enroll or re-enroll in the program of group health benefits only during the annual benefit choice period, as determined by the Director; except that in the event of termination of coverage due to nonpayment of premiums, the annuitant or survivor may not re-enroll in the program.

(a-9) No later than May 1 of each calendar year, the Director of Central Management Services shall certify in writing to the Executive Secretary of the State Employees' Retirement System of Illinois the amounts of the Medicare supplement health care premiums and the amounts of the health care premiums for all other retirees who are not Medicare eligible.

A separate calculation of the premiums based upon the actual cost of each health care plan shall be so certified.

The Director of Central Management Services shall provide to the Executive Secretary of the State Employees' Retirement System of Illinois such information, statistics, and other data as he or she may require to review the premium amounts certified by the Director of Central Management Services.

The Department of Healthcare and Family Services, or any successor agency designated to procure healthcare contracts pursuant to this Act, is authorized to establish funds, separate accounts provided by any bank or banks as defined by the Illinois Banking Act, or separate accounts provided by any savings and loan association or associations as defined by the Illinois Savings and Loan Act of 1985 to be held by the Director, outside the State treasury, for the purpose of receiving the transfer of moneys from the Local Government Health Insurance Reserve Fund. The Department may promulgate rules further defining the methodology for the transfers. Any interest earned by moneys in the funds or accounts shall inure to the Local Government Health Insurance Reserve Fund. The transferred moneys, and interest accrued thereon, shall be used exclusively for transfers to administrative service organizations or their financial institutions for payments of claims to claimants and providers under the self-insurance health plan. The transferred moneys, and interest accrued thereon, shall not be used for any other purpose including, but not limited to, reimbursement of administration fees due the administrative service organization pursuant to its contract or contracts with the Department.

(b) State employees who become eligible for this program on or after January 1, 1980 in positions normally requiring actual performance of duty not less than 1/2 of a normal work period but not equal to that of a normal work period, shall be given the option of participating in the available program. If the employee elects coverage, the State shall contribute on behalf of such employee to the cost of the employee's benefit and any applicable dependent supplement, that sum which bears the same percentage as that percentage of time the employee regularly works when compared to normal work period.

(c) The basic non-contributory coverage from the basic program of group health benefits shall be continued for each employee not in pay status or on active service by reason of (1) leave of absence due to illness or injury, (2) authorized educational leave of absence or sabbatical leave, or (3) military leave with pay and benefits. This coverage shall continue until expiration of authorized leave and return to active service, but not to exceed 24 months for leaves under item (1) or (2). This 24-month limitation and the requirement of returning to active service shall not apply to persons receiving ordinary or accidental disability benefits or retirement benefits through the appropriate State retirement system or benefits under the Workers' Compensation or Occupational Disease Act.

(d) The basic group life insurance coverage shall continue, with full State contribution, where such person is (1) absent from active service by reason of disability arising from any cause other than self-inflicted, (2) on authorized educational leave of absence or sabbatical leave, or (3) on military leave with pay and benefits.

(e) Where the person is in non-pay status for a period in excess of 30 days or on leave of absence, other than by reason of disability, educational or sabbatical leave, or military leave with pay and benefits, such person may continue coverage only by making personal payment equal to the amount normally contributed by the State on such person's behalf. Such payments and coverage may be continued: (1) until such time as the person returns to a status eligible for coverage at State expense, but not to exceed 24 months, (2) until such person's employment or annuitant status with the State is

terminated, or (3) for a maximum period of 4 years for members on military leave with pay and benefits and military leave without pay and benefits (exclusive of any additional service imposed pursuant to law).

(f) The Department shall establish by rule the extent to which other employee benefits will continue for persons in non-pay status or who are not in active service.

(g) The State shall not pay the cost of the basic non-contributory group life insurance, program of health benefits and other employee benefits for members who are survivors as defined by paragraphs (1) and (2) of subsection (q) of Section 3 of this Act. The costs of benefits for these survivors shall be paid by the survivors or by the University of Illinois Cooperative Extension Service, or any combination thereof. However, the State shall pay the amount of the reduction in the cost of participation, if any, resulting from the amendment to subsection (a) made by this amendatory Act of the 91st General Assembly.

(h) Those persons occupying positions with any department as a result of emergency appointments pursuant to Section 8b.8 of the Personnel Code who are not considered employees under this Act shall be given the option of participating in the programs of group life insurance, health benefits and other employee benefits. Such persons electing coverage may participate only by making payment equal to the amount normally contributed by the State for similarly situated employees. Such amounts shall be determined by the Director. Such payments and coverage may be continued until such time as the person becomes an employee pursuant to this Act or such person's appointment is terminated.

(i) Any unit of local government within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group health coverage under this Act on a non-insured basis. To participate, a unit of local government must agree to enroll all of its employees, who may select coverage under either the State group health benefits plan or a health maintenance organization that has contracted with the State to be available as a health care provider for employees as defined in this Act. A unit of local government must remit the entire cost of providing coverage under the State group health benefits plan or, for coverage under a health maintenance organization, an amount determined by the Director based on an analysis of the sex, age, geographic location, or other relevant demographic variables for its employees, except that the unit of local government shall not be required to enroll those of its employees who are covered spouses or dependents under this plan or another group policy or plan providing health benefits as long as (1) an appropriate official from the unit of local government attests that each employee not enrolled is a covered spouse or dependent under this plan or another group policy or plan, and (2) at least 85% of the employees are enrolled and the unit of local government remits the entire cost of providing coverage to those employees, except that a participating school district must have enrolled at least 85% of its full-time employees who have not waived coverage under the district's group health plan by participating in a component of the district's cafeteria plan. A participating school district is not required to enroll a full-time employee who has waived coverage under the district's health plan, provided that an appropriate official from the participating school district attests that the full-time employee has waived coverage by participating in a component of the district's cafeteria plan. For the purposes of this subsection, "participating school district" includes a unit of local government whose primary purpose is education as defined by the Department's rules.

Employees of a participating unit of local government who are not enrolled due to coverage under another group health policy or plan may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period. A participating unit of local government may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the unit of local government, its employees, or some combination of the two as determined by the unit of local government. The unit of local government shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine monthly rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages, or contributed by the State for basic insurance coverages on behalf of its employees, adjusted for differences between State employees and employees of the local government in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the unit of local government and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the unit of local government.

In the case of coverage of local government employees under a health maintenance organization, the Director shall annually determine for each participating unit of local government the maximum monthly

amount the unit may contribute toward that coverage, based on an analysis of (i) the age, sex, geographic location, and other relevant demographic variables of the unit's employees and (ii) the cost to cover those employees under the State group health benefits plan. The Director may similarly determine the maximum monthly amount each unit of local government may contribute toward coverage of its employees' dependents under a health maintenance organization.

Monthly payments by the unit of local government or its employees for group health benefits plan or health maintenance organization coverage shall be deposited in the Local Government Health Insurance Reserve Fund.

The Local Government Health Insurance Reserve Fund shall be a continuing fund not subject to fiscal year limitations. All revenues arising from the administration of the health benefits program established under this Section shall be deposited into the Local Government Health Insurance Reserve Fund. All expenditures from this Fund shall be used for payments for health care benefits for local government and rehabilitation facility employees, annuitants, and dependents, and to reimburse the Department or its administrative service organization for all expenses incurred in the administration of benefits. No other State funds may be used for these purposes.

A local government employer's participation or desire to participate in a program created under this subsection shall not limit that employer's duty to bargain with the representative of any collective bargaining unit of its employees.

(j) Any rehabilitation facility within the State of Illinois may apply to the Director to have its employees, annuitants, and their eligible dependents provided group health coverage under this Act on a non-insured basis. To participate, a rehabilitation facility must agree to enroll all of its employees and remit the entire cost of providing such coverage for its employees, except that the rehabilitation facility shall not be required to enroll those of its employees who are covered spouses or dependents under this plan or another group policy or plan providing health benefits as long as (1) an appropriate official from the rehabilitation facility attests that each employee not enrolled is a covered spouse or dependent under this plan or another group policy or plan, and (2) at least 85% of the employees are enrolled and the rehabilitation facility remits the entire cost of providing coverage to those employees. Employees of a participating rehabilitation facility who are not enrolled due to coverage under another group health policy or plan may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period. A participating rehabilitation facility may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the rehabilitation facility, its employees, or some combination of the 2 as determined by the rehabilitation facility. The rehabilitation facility shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine quarterly rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the rehabilitation facility in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the rehabilitation facility and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the rehabilitation facility.

Monthly payments by the rehabilitation facility or its employees for group health benefits shall be deposited in the Local Government Health Insurance Reserve Fund.

(k) Any domestic violence shelter or service within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group health coverage under this Act on a non-insured basis. To participate, a domestic violence shelter or service must agree to enroll all of its employees and pay the entire cost of providing such coverage for its employees. A participating domestic violence shelter may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with employees, or some combination of the 2 as determined by the domestic violence shelter or service. The domestic violence shelter or service shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the domestic violence shelter or service in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional

administrative costs of providing coverage to employees of the domestic violence shelter or service and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the domestic violence shelter or service.

Monthly payments by the domestic violence shelter or service or its employees for group health insurance shall be deposited in the Local Government Health Insurance Reserve Fund.

(l) A public community college or entity organized pursuant to the Public Community College Act may apply to the Director initially to have only annuitants not covered prior to July 1, 1992 by the district's health plan provided health coverage under this Act on a non-insured basis. The community college must execute a 2-year contract to participate in the Local Government Health Plan. Any annuitant may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period.

The Director shall annually determine monthly rates of payment subject to the following constraints: for those community colleges with annuitants only enrolled, first year rates shall be equal to the average cost to cover claims for a State member adjusted for demographics, Medicare participation, and other factors; and in the second year, a further adjustment of rates shall be made to reflect the actual first year's claims experience of the covered annuitants.

(l-5) The provisions of subsection (l) become inoperative on July 1, 1999.

(m) The Director shall adopt any rules deemed necessary for implementation of this amendatory Act of 1989 (Public Act 86-978).

(n) Any child advocacy center within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group health coverage under this Act on a non-insured basis. To participate, a child advocacy center must agree to enroll all of its employees and pay the entire cost of providing coverage for its employees. A participating child advocacy center may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the child advocacy center, its employees, or some combination of the 2 as determined by the child advocacy center. The child advocacy center shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the child advocacy center in age, sex, geographic location, or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the child advocacy center and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the child advocacy center.

Monthly payments by the child advocacy center or its employees for group health insurance shall be deposited into the Local Government Health Insurance Reserve Fund.

(Source: P.A. 93-839, eff. 7-30-04; 94-839, eff. 6-6-06; 94-860, eff. 6-16-06; revised 8-3-06.)

(5 ILCS 375/12) (from Ch. 127, par. 532)

Sec. 12. (a) Any surplus resulting from favorable experience of those portions of the group life insurance and group health program shall be refunded to the State of Illinois for deposit, respectively, in the Group Insurance Premium Fund or Health Insurance Reserve Fund established under this Act. Such funds may be applied to reduce member premiums, charges or fees or increase benefits, or both, in accordance with Subsection (b) of this Section.

(b) Surplus resulting from favorable experience may be applied to any current or future contract made under authority of this Act. With respect to any surplus relating to the Group Insurance Premium Fund, the surplus shall be deposited into the Group Insurance Premium Fund and may be applied either towards ~~toward~~ the reduction of the cost of optional life insurance or the provision of additional life insurance as determined by the Director. With respect to any surplus relating to the Health Insurance Reserve Fund, the surplus shall be deposited into the Health Insurance Reserve Fund and may be applied towards ~~toward~~ contributions to the program of health benefits or other employee benefits or towards ~~toward~~ providing additional life insurance or health or other benefits, or both, as determined by the Director.

(Source: P.A. 85-848.)

(5 ILCS 375/13) (from Ch. 127, par. 533)

Sec. 13. There is established a Group Insurance Premium Fund administered by the Director which shall include: (1) amounts paid by covered members for optional life insurance ~~or health benefits coverages~~, and (2) refunds which may be received from (a) the group carrier or carriers which may result

from favorable experience as described in Section 12 herein or (b) from any other source from which the State is reasonably and properly entitled to refund as a result of the life insurance group health benefits program. The Group Insurance Premium Fund shall be a continuing fund not subject to fiscal year limitations.

The State of Illinois shall at least once each month make payment on behalf of each member, except one who is a member by virtue of participation in a program created under subsection (i), (j), (k), or (l) of Section 10 of this Act, to the appropriate carrier or, if applicable, carriers insuring State members under the contracted group life insurance and group health benefits program authorized by this Act.

Refunds to members for premiums paid for coverage may be paid from the Group Insurance Premium Fund without regard to the fact that the premium being refunded may have been paid in a different fiscal year.

(Source: P.A. 91-390, eff. 7-30-99.)

(5 ILCS 375/13.1) (from Ch. 127, par. 533.1)

Sec. 13.1. (a) All contributions, appropriations, interest, and dividend payments to fund the program of health benefits and other employee benefits, and all other revenues arising from the administration of any employee health benefits program, shall be deposited in a trust fund outside the State Treasury, with the State Treasurer as ex-officio custodian, to be known as the Health Insurance Reserve Fund.

(b) Upon the adoption of a self-insurance health plan, any monies attributable to the group health insurance program shall be deposited in or transferred to the Health Insurance Reserve Fund for use by the Department. As of the effective date of this amendatory Act of 1986, the Department shall certify to the Comptroller the amount of money in the Group Insurance Premium Fund attributable to the State group health insurance program and the Comptroller shall transfer such money from the Group Insurance Premium Fund to the Health Insurance Reserve Fund. Contributions by the State to the Health Insurance Reserve Fund to meet the requirements of this Act, as established by the Director, from the General Revenue Fund and the Road Fund to the Health Insurance Reserve Fund shall be by annual appropriations, and all other contributions to meet the requirements of the programs of health benefits or other employee benefits shall be deposited in the Health Insurance Reserve Fund. The Department shall draw the appropriation from the General Revenue Fund and the Road Fund from time to time as necessary to make expenditures authorized under this Act.

The Director may employ such assistance and services and may purchase such goods as may be necessary for the proper development and administration of any of the benefit programs authorized by this Act. The Director may promulgate rules and regulations in regard to the administration of these programs.

All monies received by the Department for deposit in or transfer to the Health Insurance Reserve Fund, through appropriation or otherwise, shall be used to provide for the making of payments to claimants and providers and to reimburse the Department for all expenses directly incurred relating to Department development and administration of the program of health benefits and other employee benefits.

Any administrative service organization administering any self-insurance health plan and paying claims and benefits under authority of this Act may receive, pursuant to written authorization and direction of the Director, an initial transfer and periodic transfers of funds from the Health Insurance Reserve Fund in amounts determined by the Director who may consider the amount recommended by the administrative service organization. Notwithstanding any other statute, such transferred funds shall be retained by the administrative service organization in a separate account provided by any bank as defined by the Illinois Banking Act. The Department may promulgate regulations further defining the banks authorized to accept such funds and all methodology for transfer of such funds. Any interest earned by monies in such account shall inure to the Health Insurance Reserve Fund, shall remain in such account and shall be used exclusively to pay claims and benefits under this Act. Such transferred funds shall be used exclusively for administrative service organization payment of claims to claimants and providers under the self-insurance health plan by the drawing of checks against such account. The administrative service organization may not use such transferred funds, or interest accrued thereon, for any other purpose including, but not limited to, reimbursement of administrative expenses or payments of administration fees due the organization pursuant to its contract or contracts with the Department of Central Management Services.

The account of the administrative service organization established under this Section, any transfers from the Health Insurance Reserve Fund to such account and the use of such account and funds shall be subject to (1) audit by the Department or private contractor authorized by the Department to conduct audits, and (2) post audit pursuant to the Illinois State Auditing Act.

The Department of Healthcare and Family Services, or any successor agency designated to procure

healthcare contracts pursuant to this Act, is authorized to establish funds, separate accounts provided by any bank or banks as defined by the Illinois Banking Act, or separate accounts provided by any savings and loan association or associations as defined by the Illinois Savings and Loan Act of 1985 to be held by the Director, outside the State treasury, for the purpose of receiving the transfer of moneys from the Health Insurance Reserve Fund. The Department may promulgate rules further defining the methodology for the transfers. Any interest earned by monies in the funds or accounts shall inure to the Health Insurance Reserve Fund. The transferred moneys, and interest accrued thereon, shall be used exclusively for transfers to administrative service organizations or their financial institutions for payments of claims to claimants and providers under the self-insurance health plan. The transferred moneys, and interest accrued thereon, shall not be used for any other purpose including, but not limited to, reimbursement of administration fees due the administrative service organization pursuant to its contract or contracts with the Department.

(c) The Director, with the advice and consent of the Commission, shall establish premiums for optional coverage for dependents of eligible members for the health plans. The eligible members shall be responsible for their portion of such optional premium. The State shall contribute an amount per month for each eligible member who has enrolled one or more dependents under the health plans. Such contribution shall be made directly to the Health Insurance Reserve Fund. Those employees described in subsection (b) of Section 9 of this Act shall be allowed to continue in the health plan by making personal payments with the premiums to be deposited in the Health Insurance Reserve Fund.

(d) The Health Insurance Reserve Fund shall be a continuing fund not subject to fiscal year limitations. All expenditures from that fund shall be at the direction of the Director and shall be only for the purpose of:

- (1) the payment of administrative expenses incurred by the Department for the program of health benefits or other employee benefit programs, including but not limited to the costs of audits or actuarial consultations, professional and contractual services, electronic data processing systems and services, and expenses in connection with the development and administration of such programs;
- (2) the payment of administrative expenses incurred by the Administrative Service Organization;
- (3) the payment of health benefits;
- (4) refunds to employees for erroneous payments of their selected dependent coverage;
- (5) payment of premium for stop-loss or re-insurance;
- (6) payment of premium to health maintenance organizations pursuant to Section 6.1 of this Act;
- (7) payment of adoption program benefits; and
- (8) payment of other benefits offered to members and dependents under this Act.

(Source: P.A. 94-839, eff. 6-6-06.)

Section 10. The Illinois Insurance Code is amended by adding Section 5.5 as follows:  
(215 ILCS 5/5.5 new)

Sec. 5.5. Compliance with the Department of Healthcare and Family Services. A company authorized to do business in this State or accredited by the State to issue policies of health insurance, including but not limited to, self-insured plans, group health plans (as defined in Section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, managed care organizations, pharmacy benefit managers, or other parties that are by statute, contract, or agreement legally responsible for payment of a claim for a health care item or service as a condition of doing business in the State must:

(1) provide to the Department of Healthcare and Family Services, or any successor agency, upon request information to determine during what period any individual may be, or may have been, covered by a health insurer and the nature of the coverage that is or was provided by the health insurer, including the name, address, and identifying number of the plan;

(2) accept the State's right of recovery and the assignment to the State of any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the medical programs of the Department of Healthcare and Family Services, or any successor agency, under this Code or the Illinois Public Aid Code;

(3) respond to any inquiry by the Department of Healthcare and Family Services regarding a claim for payment for any health care item or service that is submitted not later than 3 years after the date of the provision of such health care item or service; and

(4) agree not to deny a claim submitted by the Department of Healthcare and Family Services solely on the basis of the date of submission of the claim, the type or format of the claim form, or a failure to present proper documentation at the point-of-sale that is the basis of the claim if (i) the claim is

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submitted by the Department of Healthcare and Family Services within the 3-year period beginning on the date on which the item or service was furnished and (ii) any action by the Department of Healthcare and Family Services to enforce its rights with respect to such claim is commenced within 6 years of its submission of such claim.

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

**AMENDMENT NO. 4 TO SENATE BILL 1523**

AMENDMENT NO. 4. Amend Senate Bill 1523, AS AMENDED, immediately below the enacting clause, by inserting the following:

"Section 3. House Bill 938 of the 95th General Assembly is amended, if and only if that bill becomes law, by adding Section 99 as follows:

(H.B. 938, 95th G.A., Sec. 99 new)

Sec. 99. This Act (House Bill 938 of the 95th General Assembly) takes effect on the effective date of this amendatory Act of the 95th General Assembly (Senate Bill 1523 of the 95th General Assembly)."

Under the rules, the foregoing **Senate Bill No. 1523**, with House Amendments numbered 1, 3 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. 1042

A bill for AN ACT concerning civil law.

Passed the House, June 14, 2007.

MARK MAHONEY, Clerk of 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 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. 31**

WHEREAS, The men and women who serve in the military of the United States have responded swiftly and selflessly whenever called upon to defend our nation, placing the national interests above their own; and

WHEREAS, Through service in the Armed Forces, our veterans have demonstrated their drive, determination, and character; and

WHEREAS, The U.S. Department of Defense operates the world's largest system of specialized professional and technical training schools, offering America's veterans unmatched opportunities to develop valuable knowledge and skills; and

WHEREAS, Today's high-tech military is staffed by superbly trained men and women who combine state-of-the-art technical skills with tested leadership abilities; and

WHEREAS, Veterans of active duty military service constitute one of our nation's most important sources of mature, responsible, and highly motivated employees; and

WHEREAS, This nation owes a great debt to its military veterans, many of whom have served in the

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most remote and volatile parts of the world at great sacrifice to themselves and their families; and

WHEREAS, By hiring veterans, employers honor their debt to our nation's military men and women while availing themselves of proven talents and honed teamwork skills that offer immense benefits to individual employers and to the larger economy of the State of Illinois; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that that the month of November in 2007 and each subsequent year shall be known as Hire a Veteran month to recognize those brave, talented and patriotic men and women who have proudly worn their country's uniform and to encourage employers throughout the State of Illinois to recognize the special talents of those veterans and give special consideration and preference to those job applicants who have served in the Armed Forces of the United States.

Adopted by the House, June 5, 2007.

MARK MAHONEY, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 31 was referred to the Committee on Rules.

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. 65**

WHEREAS, Illinois is one of the premiere white tailed deer hunting states in the nation; and

WHEREAS, During the 2006-07 deer seasons, hunters took approximately 197,000 deer; and

WHEREAS, A total of 67 counties were open to the Late-Winter Antlerless-only Deer Season, which is restricted to those counties that the Department of Natural Resources considers overpopulated; and

WHEREAS, Deer overpopulation is rampant in some counties in Illinois, causing accidents on our highways, increasing crop damage for Illinois farmers, and making it easier for disease and starvation to afflict our deer populations; and

WHEREAS, It is estimated that 1.5 million car-deer crashes occur every year in the United States, causing more than 150 deaths and \$1.1 billion in property damage; and

WHEREAS, Illinois had approximately 23,700 car-deer accidents in 2005; and

WHEREAS, In 2005, Illinois recorded 11 deaths from these accidents, nearly double the previous high of 6; and

WHEREAS, Eight of those killed were on motorcycles; and

WHEREAS, Car-deer accidents can occur almost anywhere, and urban areas are not immune; and

WHEREAS, Cook County topped Illinois with nearly 1,000 crashes in 2005, almost double the 572 recorded in Pike County, highly regarded by hunters for its share of the State's estimated 800,000 deer; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FIFTH GENERAL  
[June 14, 2007]



ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that there is established a Joint Task Force on Deer Population Control to examine and make recommendations on ways to manage the Illinois deer population; issues that shall be addressed include, but are not limited to, maintaining and increasing deer hunting opportunities in Illinois, reducing car-deer accidents and examining how these accidents affect insurance rates, reducing agricultural crop and other property damage, and maintaining and increasing the health of the Illinois deer herd; and be it further

RESOLVED, That the Joint Task Force shall be under the Department of Natural Resources, which will provide staff support; and be it further

RESOLVED, That the members of the Joint Task Force shall include: the chairmen and minority spokesmen of the House and Senate Agriculture and Conservation Committees or their designees; 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; one member appointed by the Minority Leader of the House; the Director of Natural Resources or his or her designee; one member representing conservation police officers appointed by the Director of Natural Resources; the Director of State Police or his or her designee; one member appointed by an association representing firearm deer hunters; one member appointed by an association representing Illinois archery deer hunters; one member appointed by an association representing the insurance industry; and one member appointed by an association representing farmers; and be it further

RESOLVED, That the Director of Natural Resources shall serve as the Chair; the Joint Task Force shall meet with the call of the Chair; and the members shall serve without compensation; and be it further

RESOLVED, That the Joint Task Force shall report its findings and recommendations to the Secretary of the Senate and the Clerk of the House by January 1, 2009; and be it further

RESOLVED, That a copy of this resolution be presented to the Director of Natural Resources.

Adopted by the House, June 7, 2007.

MARK MAHONEY, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 65 was referred to the Committee on Rules.

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. 70**

WHEREAS, Pramukh Swami Maharaj is the third and current spiritual leader of the BAPS Swaminarayan Organization and is believed to be the fifth spiritual successor to Bhagwan Swaminarayan; and

WHEREAS, Born Shantilal Patel, on December 7, 1921 in the village of Chansad in Gujarat, India, he was initiated into monkhood as Sadhu Narayanswarupdas; at the age of 28, he was appointed president (Pramukh) of BAPS by the then guru of the organization, Shastriji Maharaj, and from that day, affectionally called Pramukh Swami; after Shastriji Maharaj passed away, he was succeeded by Yogiji Maharaj, who in turn chose Pramukh Swami Maharaj to be his successor as the spiritual leader of BAPS; and

WHEREAS, Under Pramukh Swami Maharaj's leadership, the BAPS Swaminarayan Organization,

[June 14, 2007]

and Hinduism in general, has enjoyed much success in promoting its message in India and abroad; this partly lies in the organization's approach, which is characteristic of other monotheistic religions, namely their centralization and huge organizational strength, and their emphasis on community development, the practice of dharma, and the understanding of spiritual knowledge based on the teachings of Bhagwan Swaminarayan, founder of the Swaminarayan movement within Hinduism in the late 18th century; many mainstream Hindus, primarily from the state of Gujarat in India, find themselves attracted to this and start identifying with BAPS; and

WHEREAS, Away from India, Pramukh Swami Maharaj has embarked on 15 world tours, covering 43 countries in 5 continents over the last 25 years; over 600 Temples and 9,000 spiritual centers have been established across Africa, America, Australia, Europe, the Far East and the Middle East; and

WHEREAS, Pramukh Swami Maharaj is credited as being the inspirer of the Swaminarayan Akshardham cultural complexes in New Delhi and Gujarat, and numerous traditionally built stone temples across the world, such as the BAPS Shri Swaminarayan Mandirs in London, Chicago, Houston, and Nairobi; and

WHEREAS, Pramukh Swami Maharaj has contributed to projects in social (famine relief, cattle camps, earthquake relief work), educational (literacy campaigns, youth hostels), ecological (tree planting, well recharging, recycling projects), medical (diagnostic camps, blood donation), moral (anti-addiction drives), cultural (child and youth development), and spiritual areas; and

WHEREAS, In July 2000, Pramukh Swami Maharaj was awarded a place in the Guinness World Records as one of the 20 most influential people in the world; also in July 2000, BAPS Shri Swaminarayan Mandir London, a temple inspired by Pramukh Swami Maharaj, was awarded a Guinness World Record for being the largest Hindu temple outside India; in November 2000, BAPS Shri Swaminarayan Mandir, London was awarded a Guinness World Record for the "Most Different Dishes on Display", where 1,247 different vegetarian dishes were displayed; the dishes were on display as part of the Annakut festival, celebrating the Hindu New Year; and

WHEREAS, The BAPS Shri Swaminarayan Mandir (Chicago), the largest traditional Hindu mandir constructed of stone and marble in the United States, is located on Illinois Route 59 in Bartlett; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that the portion of Illinois Route 59 between Illinois Route 64 and Army Trail Road in Bartlett be designated the Pramukh Swami Maharaj Road; and be it further

RESOLVED, That the Illinois Department of Transportation is requested to erect at suitable locations, consistent with State rules, appropriate plaques or signs giving notice of the name; and be it further

RESOLVED, That copies of this resolution be delivered to the Illinois Secretary of Transportation and to officials of the BAPS Shri Swaminarayan Mandir (Chicago), in Bartlett.

Adopted by the House, June 7, 2007.

MARK MAHONEY, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 70 was referred to the Committee on Rules.

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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1611

A bill for AN ACT concerning regulation.

[June 14, 2007]

Which amendment is as follows:  
Senate Amendment No. 1 to HOUSE BILL NO. 1611  
Concurred in by the House, June 13, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1628

A bill for AN ACT concerning regulation.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 1628

Concurred in by the House, June 13, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 1641

A bill for AN ACT concerning criminal law.

Which amendments are as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 1641

Senate Amendment No. 3 to HOUSE BILL NO. 1641

Concurred in by the House, June 13, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 1647

A bill for AN ACT concerning education.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1647

Senate Amendment No. 3 to HOUSE BILL NO. 1647

Concurred in by the House, June 13, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1670

A bill for AN ACT concerning local government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1670

Concurred in by the House, June 13, 2007.

MARK MAHONEY, Clerk of the House

[June 14, 2007]

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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1921

A bill for AN ACT concerning State government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1921

Concurred in by the House, June 13, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 1947

A bill for AN ACT concerning regulation.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1947

Senate Amendment No. 3 to HOUSE BILL NO. 1947

Senate Amendment No. 4 to HOUSE BILL NO. 1947

Concurred in by the House, June 13, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1960

A bill for AN ACT concerning public employee benefits.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1960

Concurred in by the House, June 13, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 1969

A bill for AN ACT concerning education.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1969

Senate Amendment No. 3 to HOUSE BILL NO. 1969

Concurred in by the House, June 13, 2007.

MARK MAHONEY, Clerk of the House

[June 14, 2007]

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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 3490

A bill for AN ACT concerning local government.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3490

Senate Amendment No. 2 to HOUSE BILL NO. 3490

Concurred in by the House, June 13, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1462

A bill for AN ACT concerning civil law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1462

Concurred in by the House, June 14, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3412

A bill for AN ACT concerning transportation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3412

Concurred in by the House, June 14, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3512

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3512

Concurred in by the House, June 14, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3586

A bill for AN ACT concerning criminal law.

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Which amendment is as follows:  
Senate Amendment No. 2 to HOUSE BILL NO. 3586  
Concurred in by the House, June 14, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3618

A bill for AN ACT concerning government.

Which amendment is as follows:  
Senate Amendment No. 1 to HOUSE BILL NO. 3618  
Concurred in by the House, June 14, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 3627

A bill for AN ACT concerning finance.

Which amendments are as follows:  
Senate Amendment No. 1 to HOUSE BILL NO. 3627  
Senate Amendment No. 2 to HOUSE BILL NO. 3627  
Concurred in by the House, June 14, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3654

A bill for AN ACT concerning education.

Which amendment is as follows:  
Senate Amendment No. 1 to HOUSE BILL NO. 3654  
Concurred in by the House, June 14, 2007.

MARK MAHONEY, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3721

A bill for AN ACT concerning wildlife.

Which amendment is as follows:  
Senate Amendment No. 1 to HOUSE BILL NO. 3721  
Concurred in by the House, June 14, 2007.

MARK MAHONEY, Clerk of the House

[June 14, 2007]

**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 68  
 Motion to Concur in House Amendment 1 to Senate Bill 545  
 Motion to Concur in House Amendment 1 to Senate Bill 1305  
 Motion to Concur in House Amendments 1, 3, and 4 to Senate Bill 1523

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

On motion of Senator DeLeo, **Senate Bill No. 434**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 53; Nays None.

The following voted in the affirmative:

Althoff	Frerichs	Link	Sandoval
Bomke	Haine	Luechtefeld	Schoenberg
Brady	Halvorson	Maloney	Sieben
Burzynski	Harmon	Martinez	Silverstein
Clayborne	Hendon	Meeks	Sullivan
Collins	Holmes	Millner	Syverson
Cronin	Hultgren	Murphy	Trotter
Crotty	Hunter	Noland	Viverito
Cullerton	Jacobs	Pankau	Watson
Dahl	Jones, J.	Peterson	Wilhelmi
DeLeo	Koehler	Radogno	Mr. President
Demuzio	Kotowski	Raoul	
Dillard	Lauzen	Righter	
Forby	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 434**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Dillard, **Senate Bill No. 531**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 52; Nays None.

The following voted in the affirmative:

Althoff	Frerichs	Link	Schoenberg
Bomke	Haine	Maloney	Sieben
Brady	Halvorson	Martinez	Silverstein

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Burzynski	Harmon	Meeks	Sullivan
Clayborne	Hendon	Millner	Syverson
Collins	Holmes	Munoz	Trotter
Cronin	Hultgren	Murphy	Viverito
Crotty	Hunter	Noland	Watson
Cullerton	Jacobs	Peterson	Wilhelmi
Dahl	Jones, J.	Radogno	Mr. President
DeLeo	Koehler	Raoul	
Demuzio	Kotowski	Righter	
Dillard	Lauzen	Risinger	
Forby	Lightford	Sandoval	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 531**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Harmon, **Senate Bill No. 597**, with House Amendments numbered 1 and 3 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 53; Nays None.

The following voted in the affirmative:

Althoff	Frerichs	Link	Sandoval
Bomke	Haine	Maloney	Schoenberg
Brady	Halvorson	Martinez	Sieben
Burzynski	Harmon	Meeks	Silverstein
Clayborne	Hendon	Millner	Sullivan
Collins	Holmes	Munoz	Syverson
Cronin	Hultgren	Murphy	Trotter
Crotty	Hunter	Noland	Viverito
Cullerton	Jacobs	Pankau	Watson
Dahl	Jones, J.	Peterson	Wilhelmi
DeLeo	Koehler	Radogno	Mr. President
Demuzio	Kotowski	Raoul	
Dillard	Lauzen	Righter	
Forby	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 597**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Millner, **Senate Bill No. 677**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 52; Nays None.

The following voted in the affirmative:

[June 14, 2007]



Althoff	Haine	Maloney	Schoenberg
Bomke	Halvorson	Martinez	Sieben
Brady	Harmon	Meeks	Silverstein
Burzynski	Hendon	Millner	Sullivan
Clayborne	Holmes	Munoz	Syerson
Collins	Hultgren	Murphy	Trotter
Cronin	Hunter	Noland	Viverito
Crotty	Jacobs	Pankau	Watson
Cullerton	Jones, J.	Peterson	Wilhelmi
Dahl	Koehler	Radogno	Mr. President
DeLeo	Kotowski	Raoul	
Demuzio	Laufen	Righter	
Forby	Lightford	Risinger	
Frerichs	Link	Sandoval	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 677**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Link, **Senate Bill No. 684**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 46; Nays 4.

The following voted in the affirmative:

Althoff	Haine	Link	Schoenberg
Brady	Halvorson	Maloney	Sieben
Clayborne	Harmon	Martinez	Silverstein
Collins	Hendon	Millner	Sullivan
Cronin	Holmes	Munoz	Syerson
Crotty	Hultgren	Murphy	Trotter
Cullerton	Hunter	Noland	Viverito
DeLeo	Jacobs	Pankau	Watson
Demuzio	Koehler	Peterson	Wilhelmi
Dillard	Kotowski	Raoul	Mr. President
Forby	Laufen	Risinger	
Frerichs	Lightford	Sandoval	

The following voted in the negative:

Bomke	Dahl
Burzynski	Jones, J.

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 684**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **Senate Bill No. 996**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

[June 14, 2007]

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

Yeas 52; Nays None.

The following voted in the affirmative:

Althoff	Haine	Maloney	Schoenberg
Brady	Halvorson	Martinez	Sieben
Burzynski	Harmon	Meeks	Silverstein
Clayborne	Hendon	Millner	Sullivan
Collins	Holmes	Munoz	Syverson
Cronin	Hultgren	Murphy	Trotter
Crotty	Hunter	Noland	Viverito
Cullerton	Jacobs	Pankau	Watson
Dahl	Koehler	Peterson	Wilhelmi
DeLeo	Kotowski	Radogno	Mr. President
Demuzio	Lauzen	Raoul	
Dillard	Lightford	Righter	
Forby	Link	Risinger	
Frerichs	Luechtefeld	Sandoval	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 996**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Harmon, **Senate Bill No. 1183**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 54; Nays None.

The following voted in the affirmative:

Althoff	Frerichs	Link	Risinger
Bomke	Haine	Luechtefeld	Sandoval
Brady	Halvorson	Maloney	Schoenberg
Burzynski	Harmon	Martinez	Sieben
Clayborne	Hendon	Meeks	Silverstein
Collins	Holmes	Millner	Sullivan
Cronin	Hultgren	Munoz	Syverson
Crotty	Hunter	Murphy	Trotter
Cullerton	Jacobs	Noland	Viverito
Dahl	Jones, J.	Pankau	Watson
DeLeo	Koehler	Peterson	Wilhelmi
Demuzio	Kotowski	Radogno	Mr. President
Dillard	Lauzen	Raoul	
Forby	Lightford	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1183**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Halvorson, **Senate Bill No. 1424**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 51; Nays None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Risinger
Bomke	Haine	Maloney	Sandoval
Brady	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Hultgren	Munoz	Sullivan
Crotty	Hunter	Murphy	Syverson
Cullerton	Jacobs	Noland	Trotter
Dahl	Jones, J.	Pankau	Viverito
DeLeo	Koehler	Peterson	Watson
Demuzio	Lauzen	Radogno	Wilhelmi
Dillard	Lightford	Raoul	Mr. President
Forby	Link	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1424**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Harmon, **Senate Bill No. 1453**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 53; Nays None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Sandoval
Bomke	Haine	Maloney	Schoenberg
Brady	Halvorson	Martinez	Sieben
Burzynski	Harmon	Meeks	Silverstein
Clayborne	Hendon	Millner	Sullivan
Collins	Holmes	Munoz	Syverson
Cronin	Hultgren	Murphy	Trotter
Crotty	Hunter	Noland	Viverito
Cullerton	Jones, J.	Pankau	Watson
Dahl	Koehler	Peterson	Wilhelmi
DeLeo	Kotowski	Radogno	Mr. President
Demuzio	Lauzen	Raoul	
Dillard	Lightford	Righter	
Forby	Link	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1453**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

[June 14, 2007]

On motion of Senator Schoenberg, **Senate Bill No. 1619**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 54; Nays None.

The following voted in the affirmative:

Althoff	Frerichs	Link	Risinger
Bomke	Haine	Luechtefeld	Sandoval
Brady	Halvorson	Maloney	Schoenberg
Burzynski	Harmon	Martinez	Sieben
Clayborne	Hendon	Meeks	Silverstein
Collins	Holmes	Millner	Sullivan
Cronin	Hultgren	Munoz	Syverson
Crotty	Hunter	Murphy	Trotter
Cullerton	Jacobs	Noland	Viverito
Dahl	Jones, J.	Pankau	Watson
DeLeo	Koehler	Peterson	Wilhelmi
Demuzio	Kotowski	Radogno	Mr. President
Dillard	Lauzen	Raoul	
Forby	Lightford	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1619**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Schoenberg, **Senate Bill No. 1621**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 51; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Righter
Bomke	Frerichs	Link	Sandoval
Brady	Haine	Luechtefeld	Schoenberg
Burzynski	Halvorson	Maloney	Sieben
Clayborne	Harmon	Martinez	Silverstein
Collins	Hendon	Meeks	Sullivan
Cronin	Holmes	Munoz	Syverson
Crotty	Hultgren	Murphy	Trotter
Cullerton	Hunter	Noland	Viverito
Dahl	Jones, J.	Pankau	Watson
DeLeo	Koehler	Peterson	Wilhelmi
Demuzio	Kotowski	Radogno	Mr. President
Dillard	Lauzen	Raoul	

The motion prevailed.

[June 14, 2007]

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1621**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Righter, **Senate Bill No. 234**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 54; Nays None.

The following voted in the affirmative:

Althoff	Frerichs	Link	Risinger
Bomke	Haine	Luechtefeld	Sandoval
Brady	Halvorson	Maloney	Schoenberg
Burzynski	Harmon	Martinez	Sieben
Clayborne	Hendon	Meeks	Silverstein
Collins	Holmes	Millner	Sullivan
Cronin	Hultgren	Munoz	Syverson
Crotty	Hunter	Murphy	Trotter
Cullerton	Jacobs	Noland	Viverito
Dahl	Jones, J.	Pankau	Watson
DeLeo	Koehler	Peterson	Wilhelmi
Demuzio	Kotowski	Radogno	Mr. President
Dillard	Lauzen	Raoul	
Forby	Lightford	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 234**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Maloney, **Senate Bill No. 853**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

Yeas 52; Nays None.

The following voted in the affirmative:

Althoff	Haine	Maloney	Schoenberg
Bomke	Halvorson	Martinez	Sieben
Brady	Harmon	Meeks	Silverstein
Clayborne	Hendon	Millner	Sullivan
Collins	Holmes	Munoz	Syverson
Cronin	Hultgren	Murphy	Trotter
Crotty	Hunter	Noland	Viverito
Cullerton	Jacobs	Pankau	Watson
Dahl	Jones, J.	Peterson	Wilhelmi
DeLeo	Koehler	Radogno	Mr. President
Demuzio	Kotowski	Raoul	
Dillard	Lauzen	Righter	
Forby	Lightford	Risinger	

[June 14, 2007]

Frerichs

Luechtefeld

Sandoval

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 853**.

Ordered that the Secretary inform the House of Representatives thereof.

**EXCUSED FROM ATTENDANCE**

On motion of Senator Righter, Senator Rutherford was excused from attendance due to legislative business in his district.

**MESSAGES FROM THE PRESIDENT**

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

EMIL JONES, JR.  
SENATE PRESIDENT

327 STATE CAPITOL  
Springfield, Illinois 62706

June 14, 2007

Ms. Deborah Shipley  
Secretary of the Senate  
Room 403 State House  
Springfield, IL 62706

Dear Madam Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Ira Silverstein to temporarily replace Senator Susan Garrett as a member of the Senate State Government & Veterans Affairs Committee. This appointment is effective immediately.

Sincerely,  
s/Emil Jones, Jr.  
Senate President

cc: Senate Republican Leader Frank Watson

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

EMIL JONES, JR.  
SENATE PRESIDENT

327 STATE CAPITOL  
Springfield, Illinois 62706

June 14, 2007

Ms. Deborah Shipley  
Secretary of the Senate  
Room 403 State House  
Springfield, IL 62706

Dear Madam Secretary:

[June 14, 2007]

Pursuant to Rule 3-2(c), I hereby appoint Senator Ed Maloney to temporarily replace Senator Michael Bond as a member of the Senate Appropriations II Committee. This appointment is effective immediately.

Sincerely,  
s/Emil Jones, Jr.  
Senate President

cc: Senate Republican Leader Frank Watson

At 1:24 o'clock p.m., Senator Martinez presiding.

#### REPORT FROM RULES COMMITTEE

Senator Halvorson, Chairperson of the Committee on Rules, during its June 14, 2007 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Environment and Energy:       **Motion to Concur in House Amendments 4 and 5 to Senate Bill 678**

Judiciary Civil Law:       **Motion to Concur in House Amendment 1 to Senate Bill 68**  
**Motion to Concur in House Amendment 1 to Senate Bill 333**

Senator Halvorson, Chairperson of the Committee on Rules, during its June 14, 2007 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

State Government and Veterans Affairs:       **Senate Committee Amendment No. 1 to Senate Joint Resolution 57; Senate Committee Amendment No. 1 to House Joint Resolution 24.**

#### COMMITTEE MEETING ANNOUNCEMENTS

Senator Trotter, Vice-Chairperson of the Committee on Environment and Energy, announced that the Environment and Energy Committee will meet today in Room 212, at 3:15 o'clock p.m.

Senator Harmon, Vice-Chairperson of the Committee on Judiciary Civil Law, announced that the Judiciary Civil Law Committee will meet today in Room 212, at 3:00 o'clock p.m.

Senator Demuzio, Chairperson of the Committee on State Government and Veterans Affairs, announced that the State Government and Veterans Affairs Committee will meet today in Room 409, at 3:30 o'clock p.m.

Senator Holmes, Member of the Committee on Appropriations II, announced that the Appropriations II Committee will meet today in Room 212, at 4:00 o'clock p.m.

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

At the hour of 1:39 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 4:53 o'clock p.m., the Senate resumed consideration of business.  
 Senator Link, presiding.

[June 14, 2007]

## REPORTS FROM STANDING COMMITTEES

Senator Demuzio, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred **Senate Resolutions numbered 199, 205, 206, 220, 228 and 240**, reported the same back with the recommendation that the resolutions be adopted.

Under the rules, **Senate Resolutions numbered 199, 205, 206, 220, 228 and 240** were placed on the Secretary's Desk.

Senator Demuzio, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred **Senate Joint Resolutions numbered 56 and 59**, reported the same back with the recommendation that the resolutions be adopted.

Under the rules, **Senate Joint Resolutions numbered 56 and 59** were placed on the Secretary's Desk.

Senator Demuzio, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred **House Joint Resolution No. 11**, reported the same back with the recommendation that the resolution be adopted.

Under the rules, **House Joint Resolution No. 11** was placed on the Secretary's Desk.

Senator Demuzio, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred **Senate Joint Resolution No. 57**, reported the same back with amendments having been adopted thereto, with the recommendation that the resolution, as amended, be adopted.

Under the rules, **Senate Joint Resolution No. 57** was placed on the Secretary's Desk.

Senator Demuzio, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred **House Joint Resolution No. 24**, reported the same back with amendments having been adopted thereto, with the recommendation that the resolution, as amended, be adopted.

Under the rules, **House Joint Resolution No. 24** was placed on the Secretary's Desk.

Senator Cullerton and Senator Dillard, Co-Chairpersons of the Committee on Judiciary Civil Law, to which was referred **House Bill No. 291**, reported the same back with the recommendation that the bill do pass.

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

Senator Cullerton and Senator Dillard, Chairperson of the Committee on Judiciary Civil Law, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 68; Motion to Concur in House Amendment 1 to Senate Bill 333

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

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

Motion to Concur in House Amendments 4 and 5 to Senate Bill 678

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

## MESSAGE FROM THE HOUSE

A message from the House by

[June 14, 2007]



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. 48**

WHEREAS, The wine industry is vital to the health of both Illinois agriculture and tourism; and

WHEREAS, Several wineries in Jackson and Union Counties have banded together as the Shawnee Hills Wine Trail; and

WHEREAS, Portions of the Shawnee Hills Wine Trail traverse Illinois 127 between Aldridge Road and Orchard Hills Road south of Carbondale as well as various county highways in Alexander, Johnson, Williamson, Jackson, and Union Counties; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that the aforementioned roads be officially named the Shawnee Hills Wine Trail; and be it further

RESOLVED, That the Illinois Department of Transportation, Alexander County, Johnson County, Williamson County, Jackson County, and Union County be directed to erect, at suitable locations consistent with State and federal regulations, appropriate signs along highways under their respective jurisdictions giving notice of the trail; and be it further

RESOLVED, That suitable copies of this resolution be presented to the Shawnee Wine Trail organization, the Director of Agriculture, the Director of Commerce and Economic Opportunity, the counties of Alexander, Johnson, Williamson, Jackson, and Union, and the Secretary of Transportation.

Adopted by the House, June 5, 2007.

MARK MAHONEY, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 48 was referred to the Committee on Rules.

**MESSAGE FROM THE PRESIDENT**

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

EMIL JONES, JR.  
SENATE PRESIDENT

327 STATE CAPITOL  
Springfield, Illinois 62706

June 14, 2007

Ms. Deborah Shipley  
Secretary of the Senate  
Room 403 State House  
Springfield, IL 62706

Dear Madam Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Ed Maloney to temporarily replace Senator Michael Bond as a member of the Senate State Government & Veterans Affairs Committee. This appointment is effective immediately.

[June 14, 2007]

Sincerely,  
s/Emil Jones, Jr.  
Senate President

cc: Senate Republican Leader Frank Watson

**REPORT FROM RULES COMMITTEE**

Senator Halvorson, Chairperson of the Committee on Rules, reported that the Committee recommends that **Senate Bills numbered 1110, 1120 and 1140** be re-referred from the Committee on Appropriations II to the Committee on Rules.

**READING BILLS FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME**

On motion of Senator Sullivan, **House Bill No. 291** was taken up, read by title a second time and ordered to a third reading.

At the hour of 5:04 o'clock p.m., the Chair announced that the Senate stand adjourned until Friday, June 15, 2007, at 10:00 o'clock a.m.

[June 14, 2007]