SENATE JOURNAL

STATE OF ILLINOIS

NINETY-SIXTH GENERAL ASSEMBLY

141ST LEGISLATIVE DAY

WEDNESDAY, JANUARY 5, 2011

8:41 O'CLOCK A.M.

NO. 141
[January 5, 2011]

SENATE
Daily Journal Index
141st Legislative Day

The Senate met pursuant to adjournment.
Senator Don Harmon, Oak Park, Illinois, presiding.
Prayer by Reverend Jim Poole, Woodside United Methodist Church, Springfield, Illinois.
Senator Maloney led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Tuesday, January 4, 2011, be postponed, pending arrival of the printed Journal.
The motion prevailed.

REPORT RECEIVED

The Secretary placed before the Senate the following report:

Illinois Disproportionate Justice Impact Study Commission Final Report, December 2010, submitted by the Illinois Disproportionate Justice Impact Study Commission.

The foregoing report was ordered received and placed on file in the Secretary's Office.

LEGISLATIVE MEASURES FILED

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

Senate Floor Amendment No. 2 to House Bill 1422
Senate Floor Amendment No. 1 to House Bill 5727
Senate Floor Amendment No. 2 to House Bill 6460

JOINT ACTION MOTIONS FILED

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

Motion to Concur in House Amendments 1 and 2 to Senate Bill 150
Motion to Concur in House Amendment 1 to Senate Bill 2814

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 1131

Offered by Senator Demuzio and all Senators:
Mourns the death of Eileen F. Boehm of Carlinville.

SENATE RESOLUTION NO. 1132

Offered by Senator Demuzio and all Senators:
Mourns the death of William A. Rolando of Springfield, formerly of Jerseyville.

SENATE RESOLUTION NO. 1133

Offered by Senator Demuzio and all Senators:
Mourns the death of Vera C. Pratt of Gerard.

SENATE RESOLUTION NO. 1134

Offered by Senator Demuzio and all Senators:
Mourns the death of Alice Joanne Rosentreter of Carlinville.

SENATE RESOLUTION NO. 1135

Offered by Senator Demuzio and all Senators:
Mourns the death of Barbara A. Boente of Carlinville.

SENATE RESOLUTION NO. 1136

Offered by Senator Demuzio and all Senators:
Mourns the death of Marvel J. LeVora of Carlinville.

SENATE RESOLUTION NO. 1137

Offered by Senator Demuzio and all Senators:
Mourns the death of Alessandro Cesare "Red" Perardi of Carlinville.

SENATE RESOLUTION NO. 1138

Offered by Senator Demuzio and all Senators:
Mourns the death of Andrew Ryan "Chappy" Chapman of Bunker Hill.

SENATE RESOLUTION NO. 1139

Offered by Senator Hutchinson and all Senators:
Mourns the death of Samuel Wilson Hurley, Jr., of Chicago.

SENATE RESOLUTION NO. 1140

Offered by Senator Demuzio and all Senators:
Mourns the death of Kyle Adam Vanausdoll of Jerseyville.

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

READING BILL FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 1445, sponsored by Senator Wilhelmi, was taken up, read by title a first time and referred to the Committee on Assignments.

MESSAGES FROM THE GOVERNOR

Message for the Governor by Lindsay Anderson
Legislative Director for Governor Pat Quinn

June 28, 2010

Mr. President,

The Governor directs me to lay before the Senate the following Message:

STATE OF ILLINOIS
EXECUTIVE DEPARTMENT

To the Honorable

Members of the Senate
Ninety-Sixth General Assembly

I have nominated and appointed the following named individuals to the offices enumerated below and respectfully ask concurrence in and confirmation of these appointments by your Honorable Body.

s/Pat Quinn
GOVERNOR

INTERIM METROPOLITAN PIER AND EXPOSITION BOARD

To be a member of the Interim Metropolitan Pier and Exposition Board for a term commencing June 28, 2010 and shall serve until the new Board created in Section 14 of (70 ILCS 210) is fully constituted.

Larry Rogers, Sr.
Non-salaried

INTERIM METROPOLITAN PIER AND EXPOSITION BOARD

To be a member of the Interim Metropolitan Pier and Exposition Board for a term commencing June 28, 2010 and shall serve until the new Board created in Section 14 of (70 ILCS 210) is fully constituted.

Ronald E. Powell
Non-salaried

INTERIM METROPOLITAN PIER AND EXPOSITION BOARD

To be a member of the Interim Metropolitan Pier and Exposition Board for a term commencing June 28, 2010 and shall serve until the new Board created in Section 14 of (70 ILCS 210) is fully constituted.

Carmen H. Lonstein
Non-salaried

Message for the Governor by Lindsay Anderson
Legislative Director for Governor Pat Quinn

August 2, 2010

Mr. President,

The Governor directs me to lay before the Senate the following Message:

STATE OF ILLINOIS
EXECUTIVE DEPARTMENT

To the Honorable

Members of the Senate
Ninety-Sixth General Assembly

I have nominated and appointed the following named individual to the office enumerated below and respectfully ask concurrence in and confirmation of this appointment by your Honorable Body.

s/Pat Quinn
GOVERNOR

ILLINOIS DEPARTMENT OF JUVENILE JUSTICE

To be Director of the Illinois Department of Juvenile Justice for a term commencing August 1, 2010 and ending January 17, 2011:

Arthur Bishop.
Salaried

Message for the Governor by Lindsay Anderson
Legislative Director for Governor Pat Quinn

[January 5, 2011]

December 15, 2010

Mr. President,

The Governor directs me to lay before the Senate the following Message:

STATE OF ILLINOIS
EXECUTIVE DEPARTMENT

To the Honorable

Members of the Senate
Ninety-Sixth General Assembly

I have nominated and appointed the following named individual to the office enumerated below and respectfully ask concurrence in and confirmation of this appointment by your Honorable Body.

s/Pat Quinn
GOVERNOR

ILLINOIS DEPARTMENT OF HUMAN SERVICES

To be Secretary of the Illinois Department of Human Services for a term commencing December 16, 2010 and ending January 17, 2011:

Michelle R.B. Saddler
Salaried

Message for the Governor by Lindsay Anderson
Legislative Director for Governor Pat Quinn

December 22, 2010

Mr. President,

The Governor directs me to lay before the Senate the following Message:

STATE OF ILLINOIS
EXECUTIVE DEPARTMENT

To the Honorable

Members of the Senate
Ninety-Sixth General Assembly

I have nominated and appointed the following named individual to the office enumerated below and respectfully ask concurrence in and confirmation of this appointment by your Honorable Body.

s/Pat Quinn
GOVERNOR

ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM

To be Executive Director of the Abraham Lincoln Presidential Library and Museum for a term commencing December 23, 2010:

Eileen R. Mackevich
Salaried

The foregoing Messages from the Governor were referred to the Committee on Executive Appointments.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Clayborne, **House Bill No. 476**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 51; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Maloney	Risinger
Bomke	Harmon	Martinez	Rutherford
Bond	Holmes	McCarter	Sandack
Burzynski	Hunter	Meeks	Sandoval
Clayborne	Hutchinson	Millner	Schoenberg
Collins	Jacobs	Mulroe	Silverstein
Crotty	Jones, E.	Muñoz	Steans
Delgado	Jones, J.	Noland	Sullivan
Demuzio	Koehler	Pankau	Syverson
Dillard	Kotowski	Radogno	Trotter
Forby	Lightford	Raoul	Wilhelmi
Frerichs	Link	Rezin	Mr. President
Garrett	Luechtefeld	Righter	

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

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

On motion of Senator Hunter, **House Bill No. 1444**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 47; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Rutherford
Bivins	Frerichs	Luechtefeld	Sandack
Bomke	Garrett	Maloney	Sandoval
Bond	Haine	Martinez	Schoenberg
Burzynski	Harmon	Meeks	Silverstein
Clayborne	Holmes	Millner	Steans
Collins	Hunter	Mulroe	Sullivan
Crotty	Jacobs	Muñoz	Syverson
Delgado	Jones, E.	Noland	Trotter
Demuzio	Koehler	Pankau	Wilhelmi

Dillard	Kotowski	Raoul	Mr. President
Duffy	Lightford	Righter	

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

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Demuzio, **House Bill No. 1512**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 49; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Martinez	Rutherford
Bivins	Harmon	McCarter	Sandack
Bomke	Holmes	Meeks	Sandoval
Burzynski	Hunter	Millner	Schoenberg
Clayborne	Jacobs	Mulroe	Silverstein
Collins	Jones, E.	Muñoz	Sullivan
Crotty	Jones, J.	Noland	Syverson
Delgado	Koehler	Pankau	Trotter
Demuzio	Kotowski	Radogno	Wilhelmi
Dillard	Lightford	Raoul	Mr. President
Duffy	Link	Rezin	
Forby	Luechtefeld	Righter	
Frerichs	Maloney	Risinger	

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

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Link, **House Bill No. 1525**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 48; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Martinez	Rutherford
Bivins	Harmon	McCarter	Sandack
Bomke	Holmes	Meeks	Schoenberg
Burzynski	Hunter	Millner	Silverstein
Clayborne	Jacobs	Mulroe	Steans
Collins	Jones, E.	Muñoz	Sullivan
Crotty	Jones, J.	Noland	Syverson
Delgado	Koehler	Pankau	Wilhelmi
Demuzio	Kotowski	Radogno	Mr. President
Dillard	Lightford	Raoul	
Duffy	Link	Rezin	
Forby	Luechtefeld	Righter	
Frerichs	Maloney	Risinger	

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

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Bomke, **House Bill No. 1565**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 50; NAYS None.

The following voted in the affirmative:

Althoff	Garrett	Martinez	Rutherford
Bivins	Haine	McCarter	Sandack
Bomke	Harmon	Meeks	Sandoval
Burzynski	Holmes	Millner	Schoenberg
Clayborne	Hunter	Mulroe	Silverstein
Collins	Jacobs	Muñoz	Steans
Crotty	Jones, J.	Noland	Sullivan
Delgado	Koehler	Pankau	Syverson
Demuzio	Kotowski	Radogno	Trotter
Dillard	Lightford	Raoul	Wilhelmi
Duffy	Link	Rezin	Mr. President
Forby	Luechtefeld	Righter	
Frerichs	Maloney	Risinger	

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

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Wilhelmi, **House Bill No. 1631**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 49; NAYS 2.

The following voted in the affirmative:

Althoff	Haine	Martinez	Sandack
Bivins	Harmon	Meeks	Sandoval
Bomke	Holmes	Millner	Schoenberg
Bond	Hunter	Mulroe	Silverstein
Clayborne	Jacobs	Muñoz	Steans
Collins	Jones, E.	Noland	Sullivan
Crotty	Jones, J.	Pankau	Syverson
Delgado	Koehler	Radogno	Trotter
Demuzio	Kotowski	Raoul	Wilhelmi
Dillard	Lightford	Rezin	Mr. President
Forby	Link	Righter	
Frerichs	Luechtefeld	Risinger	
Garrett	Maloney	Rutherford	

The following voted in the negative:

Burzynski

Duffy

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

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Frerichs, **House Bill No. 1935**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 50; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Maloney	Risinger
Bivins	Garrett	Martinez	Rutherford
Bomke	Haine	McCarter	Sandack
Bond	Harmon	Meeks	Schoenberg
Burzynski	Holmes	Millner	Silverstein
Clayborne	Hunter	Mulroe	Steans
Collins	Jacobs	Muñoz	Sullivan
Crotty	Jones, J.	Noland	Syverson
Delgado	Koehler	Pankau	Trotter
Demuzio	Kotowski	Radogno	Wilhelmi
Dillard	Lightford	Raoul	Mr. President
Duffy	Link	Rezin	
Forby	Luechtefeld	Righter	

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

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Crotty, **House Bill No. 2022**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 47; NAYS 6.

The following voted in the affirmative:

Althoff	Harmon	Martinez	Rutherford
Bomke	Hunter	Meeks	Sandack
Burzynski	Jacobs	Millner	Sandoval
Clayborne	Johnson	Mulroe	Schoenberg
Collins	Jones, E.	Muñoz	Silverstein
Crotty	Jones, J.	Noland	Steans
Delgado	Koehler	Pankau	Sullivan
Demuzio	Kotowski	Radogno	Syverson
Forby	Lightford	Raoul	Trotter
Frerichs	Link	Rezin	Wilhelmi
Garrett	Luechtefeld	Righter	Mr. President
Haine	Maloney	Risinger	

The following voted in the negative:

Bivins	Duffy	Lauzen
Dillard	Holmes	McCarter

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

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Martinez, **House Bill No. 4122**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 50; NAY 1.

The following voted in the affirmative:

Althoff	Garrett	Luechtefeld	Risinger
Bivins	Haine	Maloney	Rutherford
Bomke	Harmon	Martinez	Sandack
Burzynski	Holmes	Meeks	Sandoval
Clayborne	Hunter	Millner	Schoenberg
Collins	Hutchinson	Mulroe	Silverstein
Crotty	Jacobs	Muñoz	Steans
Delgado	Jones, E.	Murphy	Sullivan
Demuzio	Koehler	Noland	Trotter
Dillard	Kotowski	Pankau	Wilhelmi
Duffy	Lauzen	Radogno	Mr. President
Forby	Lightford	Raoul	
Frerichs	Link	Righter	

The following voted in the negative:

Johnson

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

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

On motion of Senator Raoul, **House Bill No. 5417**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 53; NAY 1.

The following voted in the affirmative:

Althoff	Haine	Maloney	Rutherford
Bivins	Harmon	Martinez	Sandack
Bomke	Holmes	McCarter	Sandoval
Burzynski	Hunter	Meeks	Schoenberg
Clayborne	Hutchinson	Millner	Silverstein
Collins	Jacobs	Mulroe	Steans
Crotty	Johnson	Muñoz	Sullivan
Delgado	Jones, J.	Noland	Syverson
Demuzio	Koehler	Pankau	Trotter

Dillard	Kotowski	Radogno	Wilhelmi
Duffy	Lauzen	Raoul	Mr. President
Forby	Lightford	Rezin	
Frerichs	Link	Righter	
Garrett	Luechtefeld	Risinger	

The following voted in the negative:

Murphy

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

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **House Bill No. 6881**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Maloney	Risinger
Bivins	Harmon	Martinez	Rutherford
Bomke	Holmes	McCarter	Sandack
Burzynski	Hunter	Meeks	Sandoval
Clayborne	Hutchinson	Millner	Schoenberg
Collins	Jacobs	Mulroe	Silverstein
Crotty	Johnson	Muñoz	Steans
Delgado	Jones, J.	Murphy	Sullivan
Demuzio	Koehler	Noland	Syverson
Dillard	Kotowski	Pankau	Trotter
Duffy	Lauzen	Radogno	Wilhelmi
Forby	Lightford	Raoul	Mr. President
Frerichs	Link	Rezin	
Garrett	Luechtefeld	Righter	

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

Ordered that the Secretary inform the House of Representatives thereof.

MESSAGE FROM THE PRESIDENT

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

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

January 5, 2011

Ms. Jillayne Rock
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

[January 5, 2011]

Dear Madam Secretary:

Pursuant to Rule 3-5(c), I hereby appoint Senator Kimberly Lightford to temporarily replace Senator Louis Viverito as a member of the Senate Committee on Assignments on Wednesday, January 05, 2011. This appointment is effective immediately and will automatically expire upon adjournment of the Senate Committee on Assignments.

Sincerely,
s/John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno

At the hour of 9:12 o'clock p.m., the Chair announced that the Senate stand at ease.

AT EASE

At the hour of 9:48 o'clock p.m., the Senate resumed consideration of business.
Senator Schoenberg, presiding.

REPORTS FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its January 5, 2011 meeting, to which was referred **Senate Bills Numbered 150, 2485 and 3388** on January 2, 2011, pursuant to Rule 3-9(b), reported that the Committee recommends that the bills be approved for consideration and returned to the calendar in their former position.

The report of the Committee was concurred in.

And **Senate Bills Numbered 150, 2485 and 3388** were returned to the order of concurrence

Senator Clayborne, Chairperson of the Committee on Assignments, during its January 5, 2011 meeting, to which was referred **House Bill No. 2263** on January 2, 2011, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **House Bill No. 2263** was returned to the order of third reading.

Senator Clayborne, Chairperson of the Committee on Assignments, during its January 5, 2011 meeting, to which was referred **House Bill No. 2376** on January 2, 2011, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **House Bill No. 2376** was returned to the order of consideration postponed.

Senator Clayborne, Chairperson of the Committee on Assignments, during its January 5, 2011 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Criminal Law: **Senate Floor Amendment No. 2 to House Bill 6460**.

Executive: **Senate Floor Amendment No. 1 to House Bill 5727**.

Local Government: **Senate Floor Amendment No. 1 to House Bill 1606**.

Senator Clayborne, Chairperson of the Committee on Assignments, during its January 5, 2011 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Consumer Protection:	**Motion to Concur in House Amendment 1 to Senate Bill 2969**
Executive:	**Motion to Concur in House Amendments 1 and 2 to Senate Bill 2485** **Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 3388**
Licensed Activities:	**Motion to Concur in House Amendment 1 to Senate Bill 2814**
Revenue:	**Motion to Concur in House Amendments 1 and 2 to Senate Bill 150**

Senator Clayborne, Chairperson of the Committee on Assignments, during its January 5, 2011 meeting, reported that the following Legislative Measure has been approved for consideration:

Senate Floor Amendment No. 4 to House Bill 2263

The foregoing floor amendment was placed on the Secretary's Desk.

COMMITTEE MEETING ANNOUNCEMENTS

The Chair announced the following Committees to meet at 12:30 o'clock p.m.: Executive in Room 212; Revenue in Room 400; Licensed Activities in Room 409

The Chair announced the following Committees to meet at 1:30 o'clock p.m.: Criminal Law in Room 212; Local Government in Room 409

The Chair announced the following Committee to meet at 1:45 o'clock p.m.: Consumer Protection in Room 409

COMMUNICATION FROM THE MINORITY LEADER

CHRISTINE RADOGNO
SENATE REPUBLICAN LEADER · 41st DISTRICT

January 5, 2011

Ms. Jillayne Rock
Secretary of the Senate
401 State House
Springfield, Illinois 62706

Dear Madam Secretary:

Pursuant to Rule 3-2(a), I am making the following changes to the minority membership of the following standing committee of the Senate:

Senate Consumer Protection Committee and any subcommittees: Senator Sue Rezin shall replace Senator Gary Dahl as a member.

These changes shall take effective immediately.

Sincerely,
s/Christine Radogno

Senate Republican Leader

cc: Senate President John Cullerton
Assistant Secretary of the Senate Scott Kaiser

LEGISLATIVE MEASURES FILED

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

Senate Floor Amendment No. 2 to House Bill 5018
Senate Floor Amendment No. 2 to House Bill 5420

Senator Trotter asked and obtained unanimous consent to recess for the purpose of a Democrat caucus.

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

At the hour of 9:52 o'clock a.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 12:30 o'clock p.m., the Senate resumed consideration of business.
Senator Muñoz, presiding, announced that the Senate stand at ease.

AT EASE

At the hour of 12:41 o'clock p.m., the Senate resumed consideration of business.
Senator Muñoz , presiding.

REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its January 5, 2011 meeting, reported the following Legislative Measure has been assigned to the indicated Standing Committee of the Senate:

Special Committee on Medicaid Reform: **Senate Floor Amendment No. 2 to House Bill 5420**.

COMMITTEE MEETING ANNOUNCEMENT

The Chair announced the Special Committee on Medicaid Reform to meet at 2:00 o'clock p.m. in Room 212.

At the hour of 12:43 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 4:54 o'clock p.m., the Senate resumed consideration of business.
Senator Clayborne, presiding.

LEGISLATIVE MEASURES FILED

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

Senate Floor Amendment No. 2 to House Bill 2386
Senate Floor Amendment No. 3 to House Bill 5420

REPORTS FROM STANDING COMMITTEES

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

Senate Amendment No. 1 to House Bill 5727

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

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

Motion to Concur in House Amendments 1 and 2 to Senate Bill 2485; Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 3388

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

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

Motion to Concur in House Amendments 1 and 2 to Senate Bill 150

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

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

Motion to Concur in House Amendment 1 to Senate Bill 2814

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

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

Senate Amendment No. 2 to House Bill 6460

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

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

Senate Amendment No. 1 to House Bill 1606

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

Senator Holmes, Chairperson of the Committee on Consumer Protection, to which was referred the Motion to Concur with House Amendments to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 2969

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

Senator Steans and Senator Righter, Co-Chairpersons of the Special Committee on Medicaid Reform, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 2 to House Bill 5420

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

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

On motion of Senator Silverstein, **Senate Bill No. 150**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 45; NAYS 4.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Sandack
Bomke	Harmon	Maloney	Schoenberg
Bond	Hendon	Martinez	Silverstein
Brady	Holmes	Meeks	Steans
Clayborne	Hunter	Millner	Sullivan
Collins	Hutchinson	Mulroe	Trotter
Crotty	Jacobs	Muñoz	Viverito
Delgado	Johnson	Noland	Wilhelmi
Demuzio	Koehler	Pankau	Mr. President
Forby	Kotowski	Raoul	
Frerichs	Lightford	Risinger	
Garrett	Link	Rutherford	

The following voted in the negative:

Burzynski	Jones, J.
Duffy	Rezin

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 150**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

Senator E. Jones, III asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the affirmative on **Senate Bill No. 150**.

On motion of Senator Althoff, **Senate Bill No. 2969**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 59; NAYS None.

The following voted in the affirmative:

Althoff	Garrett	Link	Righter
Bivins	Haine	Luechtefeld	Risinger
Bomke	Harmon	Maloney	Rutherford
Bond	Hendon	Martinez	Sandack
Brady	Holmes	McCarter	Sandoval
Burzynski	Hunter	Meeks	Schoenberg
Clayborne	Hutchinson	Millner	Silverstein
Collins	Jacobs	Mulroe	Steans
Crotty	Johnson	Muñoz	Sullivan
Delgado	Jones, E.	Murphy	Syverson
Demuzio	Jones, J.	Noland	Trotter
Dillard	Koehler	Pankau	Viverito
Duffy	Kotowski	Radogno	Wilhelmi
Forby	Lauzen	Raoul	Mr. President
Frerichs	Lightford	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2969**.

Ordered that the Secretary inform the House of Representatives thereof.

HOUSE BILL RECALLED

On motion of Senator Kotowski, **House Bill No. 2263** was recalled from the order of third reading to the order of second reading.

Senator Kotowski offered the following amendment and moved its adoption:

AMENDMENT NO. 4 TO HOUSE BILL 2263

AMENDMENT NO. 4. Amend House Bill 2263, AS AMENDED, as follows:

by replacing the introductory clause of Section 10 with the following:

"Section 10. The Illinois State Collection Act of 1986 is amended by renumbering and changing Section 9 added by Public Act 96-1383 and Section 9 added by Public Act 96-1435 as follows:"; and

in Section 10, in renumbered Sec. 10.2, immediately below subsec. (b-5), by inserting the following:

"(b-10) The requirements of subsection (b) do not apply to a deferred payment plan entered into by the Illinois Department of Transportation or to debts owed to the Illinois Department of Transportation for deposit into the Road Fund."; and

by inserting at the end of the bill the following:

"Section 99. Effective date. This Act takes effect on January 1, 2011.".

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Kotowski, **House Bill No. 2263**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Risinger
Bivins	Harmon	Maloney	Rutherford
Bomke	Hendon	Martinez	Sandack
Bond	Holmes	McCarter	Sandoval
Brady	Hunter	Meeks	Schoenberg
Burzynski	Hutchinson	Millner	Silverstein
Clayborne	Jacobs	Mulroe	Steans
Collins	Johnson	Muñoz	Sullivan
Crotty	Jones, E.	Murphy	Syverson
Delgado	Jones, J.	Noland	Trotter
Demuzio	Koehler	Pankau	Viverito
Dillard	Kotowski	Radogno	Wilhelmi
Forby	Lauzen	Raoul	Mr. President
Frerichs	Lightford	Rezin	
Garrett	Link	Righter	

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

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

CONSIDERATION OF HOUSE AMENDMENT TO SENATE BILL ON SECRETARY'S DESK

On motion of Senator Lightford, **Senate Bill No. 2814**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Lightford 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 59; NAYS None.

The following voted in the affirmative:

Althoff	Garrett	Link	Righter
Bivins	Haine	Luechtefeld	Risinger
Bomke	Harmon	Maloney	Rutherford
Bond	Hendon	Martinez	Sandack
Brady	Holmes	McCarter	Sandoval
Burzynski	Hunter	Meeks	Schoenberg
Clayborne	Hutchinson	Millner	Silverstein
Collins	Jacobs	Mulroe	Steans
Crotty	Johnson	Muñoz	Sullivan

Delgado	Jones, E.	Murphy	Syverson
Demuzio	Jones, J.	Noland	Trotter
Dillard	Koehler	Pankau	Viverito
Duffy	Kotowski	Radogno	Wilhelmi
Forby	Lauzen	Raoul	Mr. President
Frerichs	Lightford	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2814**.

Ordered that the Secretary inform the House of Representatives thereof.

HOUSE BILL RECALLED

On motion of Senator Steans, **House Bill No. 5420** was recalled from the order of third reading to the order of second reading.

Senators Steans – Righter - Althoff offered the following amendment and Senator Steans moved its adoption:

AMENDMENT NO. 2 TO HOUSE BILL 5420

AMENDMENT NO. _2__. Amend House Bill 5420, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The State Budget Law of the Civil Administrative Code of Illinois is amended by adding Section 50-30 as follows:

(15 ILCS 20/50-30 new)

Sec. 50-30. Long-term care rebalancing. In light of the increasing demands confronting the State in meeting the needs of individuals utilizing long-term care services under the medical assistance program and any other long-term care related benefit program administered by the State, it is the intent of the General Assembly to address the needs of both the State and the individuals eligible for such services by cost effective and efficient means through the advancement of a long-term care rebalancing initiative. Notwithstanding any State law to the contrary, and subject to federal laws, regulations, and court decrees, the following shall apply to the long-term care rebalancing initiative:

(1) "Long-term care rebalancing", as used in this Section, means removing barriers to community living for people of all ages with disabilities and long-term illnesses by offering individuals utilizing long-term care services a reasonable array of options, in particular adequate choices of community and institutional options, to achieve a balance between the proportion of total Medicaid long-term support expenditures used for institutional services and those used for community-based supports.

(2) Subject to the provisions of this Section, the Governor shall create a unified budget report identifying the budgets of all State agencies offering long-term care services to persons in either institutional or community settings, including the budgets of State-operated facilities for persons with developmental disabilities that shall include, but not be limited to, the following service and financial data:

(A) A breakdown of long-term care services, defined as institutional or community care, by the State agency primarily responsible for administration of the program.

(B) Actual and estimated enrollment, caseload, service hours, or service days provided for long-term care services described in a consistent format for those services, for each of the following age groups: older adults 65 years of age and older, younger adults 21 years of age through 64 years of age, and children under 21 years of age.

(C) Funding sources for long-term care services.

(D) Comparison of service and expenditure data, by services, both in aggregate and per person enrolled.

(3) For each fiscal year, the unified budget report described in subdivision (2) shall be prepared with reference to the prioritized outcomes for that fiscal year contemplated by Sections 50-5 and 50-25 of this Code.

(4) Each State agency responsible for the administration of long-term care services shall provide an analysis of the progress being made by the agency to transition persons from institutional to community settings, where appropriate, as part of the State's long-term care rebalancing initiative.

(5) The Governor may designate amounts set aside for institutional services appropriated from the General Revenue Fund or any other State fund that receives monies for long-term care services to be transferred to all State agencies responsible for the administration of community-based long-term care programs, including, but not limited to, community-based long-term care programs administered by the Department of Healthcare and Family Services, the Department of Human Services, and the Department on Aging, provided that the Director of Healthcare and Family Services first certifies that the amounts being transferred are necessary for the purpose of assisting persons in or at risk of being in institutional care to transition to community-based settings, including the financial data needed to prove the need for the transfer of funds. The total amounts transferred shall not exceed 4% in total of the amounts appropriated from the General Revenue Fund or any other State fund that receives monies for long-term care services for each fiscal year. A notice of the fund transfer must be made to the General Assembly and posted at a minimum on the Department of Healthcare and Family Services website, the Governor's Office of Management and Budget website, and any other website the Governor sees fit. These postings shall serve as notice to the General Assembly of the amounts to be transferred. Notice shall be given at least 30 days prior to transfer.

(6) This Section shall be liberally construed and interpreted in a manner that allows the State to advance its long-term care rebalancing initiatives.

Section 10. The State Finance Act is amended by changing Sections 13.2 and 25 as follows:

(30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

Sec. 13.2. Transfers among line item appropriations.

(a) Transfers among line item appropriations from the same treasury fund for the objects specified in this Section may be made in the manner provided in this Section when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made.

(a-1) No transfers may be made from one agency to another agency, nor may transfers be made from one institution of higher education to another institution of higher education except as provided by subsection (a-4).

(a-2) Except as otherwise provided in this Section, transfers may be made only among the objects of expenditure enumerated in this Section, except that no funds may be transferred from any appropriation for personal services, from any appropriation for State contributions to the State Employees' Retirement System, from any separate appropriation for employee retirement contributions paid by the employer, nor from any appropriation for State contribution for employee group insurance. During State fiscal year 2005, an agency may transfer amounts among its appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State Contributions to retirement systems; notwithstanding and in addition to the transfers authorized in subsection (c) of this Section, the fiscal year 2005 transfers authorized in this sentence may be made in an amount not to exceed 2% of the aggregate amount appropriated to an agency within the same treasury fund. During State fiscal year 2007, the Departments of Children and Family Services, Corrections, Human Services, and Juvenile Justice may transfer amounts among their respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. During State fiscal year 2010, the Department of Transportation may transfer amounts among their respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. During State fiscal year 2010 only, an agency may transfer amounts among its respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. Notwithstanding, and in addition to, the transfers authorized in subsection (c) of this Section, these transfers may be made in an amount not to exceed 2% of the aggregate amount appropriated to an agency within the same treasury fund.

(a-3) Further, if an agency receives a separate appropriation for employee retirement contributions paid by the employer, any transfer by that agency into an appropriation for personal services must be accompanied by a corresponding transfer into the appropriation for employee retirement contributions paid by the employer, in an amount sufficient to meet the employer share of the employee contributions required to be remitted to the retirement system.

(a-4) Long-Term Care Rebalancing. The Governor may designate amounts set aside for institutional services appropriated from the General Revenue Fund or any other State fund that receives monies for long-term care services to be transferred to all State agencies responsible for the administration of community-based long-term care programs, including, but not limited to, community-based long-term care programs administered by the Department of Healthcare and Family Services, the Department of Human Services, and the Department on Aging, provided that the Director of Healthcare and Family

Services first certifies that the amounts being transferred are necessary for the purpose of assisting persons in or at risk of being in institutional care to transition to community-based settings, including the financial data needed to prove the need for the transfer of funds. The total amounts transferred shall not exceed 4% in total of the amounts appropriated from the General Revenue Fund or any other State fund that receives monies for long-term care services for each fiscal year. A notice of the fund transfer must be made to the General Assembly and posted at a minimum on the Department of Healthcare and Family Services website, the Governor's Office of Management and Budget website, and any other website the Governor sees fit. These postings shall serve as notice to the General Assembly of the amounts to be transferred. Notice shall be given at least 30 days prior to transfer.

(b) In addition to the general transfer authority provided under subsection (c), the following agencies have the specific transfer authority granted in this subsection:

The Department of Healthcare and Family Services is authorized to make transfers representing savings attributable to not increasing grants due to the births of additional children from line items for payments of cash grants to line items for payments for employment and social services for the purposes outlined in subsection (f) of Section 4-2 of the Illinois Public Aid Code.

The Department of Children and Family Services is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following line items among these same line items: Foster Home and Specialized Foster Care and Prevention, Institutions and Group Homes and Prevention, and Purchase of Adoption and Guardianship Services.

The Department on Aging is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following Community Care Program line items among these same line items: Homemaker and Senior Companion Services, Alternative Senior Services, Case Coordination Units, and Adult Day Care Services.

The State Treasurer is authorized to make transfers among line item appropriations from the Capital Litigation Trust Fund, with respect to costs incurred in fiscal years 2002 and 2003 only, when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made.

The State Board of Education is authorized to make transfers from line item appropriations within the same treasury fund for General State Aid and General State Aid - Hold Harmless, provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made, to the line item appropriation for Transitional Assistance when the balance remaining in such line item appropriation is insufficient for the purpose for which the appropriation was made.

The State Board of Education is authorized to make transfers between the following line item appropriations within the same treasury fund: Disabled Student Services/Materials (Section 14-13.01 of the School Code), Disabled Student Transportation Reimbursement (Section 14-13.01 of the School Code), Disabled Student Tuition - Private Tuition (Section 14-7.02 of the School Code), Extraordinary Special Education (Section 14-7.02b of the School Code), Reimbursement for Free Lunch/Breakfast Program, Summer School Payments (Section 18-4.3 of the School Code), and Transportation - Regular/Vocational Reimbursement (Section 29-5 of the School Code). Such transfers shall be made only when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made and provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made.

During State fiscal years 2010 and 2011 only, the Department of Healthcare and Family Services is authorized to make transfers not exceeding 4% of the aggregate amount appropriated to it, within the same treasury fund, among the various line items appropriated for Medical Assistance.

(c) The sum of such transfers for an agency in a fiscal year shall not exceed 2% of the aggregate amount appropriated to it within the same treasury fund for the following objects: Personal Services; Extra Help; Student and Inmate Compensation; State Contributions to Retirement Systems; State Contributions to Social Security; State Contribution for Employee Group Insurance; Contractual Services; Travel; Commodities; Printing; Equipment; Electronic Data Processing; Operation of Automotive Equipment; Telecommunications Services; Travel and Allowance for Committed, Paroled and Discharged Prisoners; Library Books; Federal Matching Grants for Student Loans; Refunds; Workers' Compensation, Occupational Disease, and Tort Claims; and, in appropriations to institutions of higher education, Awards and Grants. Notwithstanding the above, any amounts appropriated for payment of workers' compensation claims to an agency to which the authority to evaluate, administer and pay such claims has been delegated by the Department of Central Management Services may be transferred to any other expenditure object where such amounts exceed the amount necessary for the

payment of such claims.

(c-1) Special provisions for State fiscal year 2003. Notwithstanding any other provision of this Section to the contrary, for State fiscal year 2003 only, transfers among line item appropriations to an agency from the same treasury fund may be made provided that the sum of such transfers for an agency in State fiscal year 2003 shall not exceed 3% of the aggregate amount appropriated to that State agency for State fiscal year 2003 for the following objects: personal services, except that no transfer may be approved which reduces the aggregate appropriations for personal services within an agency; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; and, in appropriations to institutions of higher education, awards and grants.

(c-2) Special provisions for State fiscal year 2005. Notwithstanding subsections (a), (a-2), and (c), for State fiscal year 2005 only, transfers may be made among any line item appropriations from the same or any other treasury fund for any objects or purposes, without limitation, when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that the sum of those transfers by a State agency shall not exceed 4% of the aggregate amount appropriated to that State agency for fiscal year 2005.

(d) Transfers among appropriations made to agencies of the Legislative and Judicial departments and to the constitutionally elected officers in the Executive branch require the approval of the officer authorized in Section 10 of this Act to approve and certify vouchers. Transfers among appropriations made to the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Illinois Mathematics and Science Academy and the Board of Higher Education require the approval of the Board of Higher Education and the Governor. Transfers among appropriations to all other agencies require the approval of the Governor.

The officer responsible for approval shall certify that the transfer is necessary to carry out the programs and purposes for which the appropriations were made by the General Assembly and shall transmit to the State Comptroller a certified copy of the approval which shall set forth the specific amounts transferred so that the Comptroller may change his records accordingly. The Comptroller shall furnish the Governor with information copies of all transfers approved for agencies of the Legislative and Judicial departments and transfers approved by the constitutionally elected officials of the Executive branch other than the Governor, showing the amounts transferred and indicating the dates such changes were entered on the Comptroller's records.

(e) The State Board of Education, in consultation with the State Comptroller, may transfer line item appropriations for General State Aid between the Common School Fund and the Education Assistance Fund. With the advice and consent of the Governor's Office of Management and Budget, the State Board of Education, in consultation with the State Comptroller, may transfer line item appropriations between the General Revenue Fund and the Education Assistance Fund for the following programs:

(1) Disabled Student Personnel Reimbursement (Section 14-13.01 of the School Code);

(2) Disabled Student Transportation Reimbursement (subsection (b) of Section 14-13.01 of the School Code);

(3) Disabled Student Tuition - Private Tuition (Section 14-7.02 of the School Code);

(4) Extraordinary Special Education (Section 14-7.02b of the School Code);

(5) Reimbursement for Free Lunch/Breakfast Programs;

(6) Summer School Payments (Section 18-4.3 of the School Code);

(7) Transportation - Regular/Vocational Reimbursement (Section 29-5 of the School Code);

(8) Regular Education Reimbursement (Section 18-3 of the School Code); and

(9) Special Education Reimbursement (Section 14-7.03 of the School Code).

(Source: P.A. 95-707, eff. 1-11-08; 96-37, eff. 7-13-09; 96-820, eff. 11-18-09; 96-959, eff. 7-1-10; 96-1086, eff. 7-16-10.)

(30 ILCS 105/25) (from Ch. 127, par. 161)

Sec. 25. Fiscal year limitations.

(a) All appropriations shall be available for expenditure for the fiscal year or for a lesser period if the Act making that appropriation so specifies. A deficiency or emergency appropriation shall be available for expenditure only through June 30 of the year when the Act making that appropriation is enacted unless that Act otherwise provides.

(b) Outstanding liabilities as of June 30, payable from appropriations which have otherwise expired,

may be paid out of the expiring appropriations during the 2-month period ending at the close of business on August 31. Any service involving professional or artistic skills or any personal services by an employee whose compensation is subject to income tax withholding must be performed as of June 30 of the fiscal year in order to be considered an "outstanding liability as of June 30" that is thereby eligible for payment out of the expiring appropriation.

(b-1) However, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code may be made by the State Board of Education from its appropriations for those respective purposes for any fiscal year, even though the claims reimbursed by the payment may be claims attributable to a prior fiscal year, and payments may be made at the direction of the State Superintendent of Education from the fund from which the appropriation is made without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code as of June 30, payable from appropriations that have otherwise expired, may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-2) All outstanding liabilities as of June 30, 2010, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2010, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2010, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2010.

(b-3) Medical payments may be made by the Department of Veterans' Affairs from its appropriations for those purposes for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-4) Medical payments may be made by the Department of Healthcare and Family Services and medical payments and child care payments may be made by the Department of Human Services (as successor to the Department of Public Aid) from appropriations for those purposes for any fiscal year, without regard to the fact that the medical or child care services being compensated for by such payment may have been rendered in a prior fiscal year; and payments may be made at the direction of the Department of Healthcare and Family Services ~~Central Management Services~~ from the Health Insurance Reserve Fund and the Local Government Health Insurance Reserve Fund without regard to any fiscal year limitations , except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments made by the Department of Healthcare and Family Services, child care payments made by the Department of Human Services, and payments made at the discretion of the Department of Healthcare and Family Services from the Health Insurance Reserve Fund and the Local Government Health Insurance Reserve Fund payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-5) Medical payments may be made by the Department of Human Services from its appropriations relating to substance abuse treatment services for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, provided the payments are made on a fee-for-service basis consistent with requirements established for Medicaid reimbursement by the Department of Healthcare and Family Services, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments made by the Department of Human Services relating to substance abuse treatment services payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-6) Additionally, payments may be made by the Department of Human Services from its appropriations, or any other State agency from its appropriations with the approval of the Department of Human Services, from the Immigration Reform and Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986, without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payments made by the Department of Human Services from the Immigration Reform and Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986 payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

~~Further, with respect to costs incurred in fiscal years 2002 and 2003 only, payments may be made by the State Treasurer from its appropriations from the Capital Litigation Trust Fund without regard to any fiscal year limitations.~~

~~Lease payments may be made by the Department of Central Management Services under the sale and leaseback provisions of Section 7.4 of the State Property Control Act with respect to the James R. Thompson Center and the Elgin Mental Health Center and surrounding land from appropriations for that purpose without regard to any fiscal year limitations.~~

~~Lease payments may be made under the sale and leaseback provisions of Section 7.5 of the State Property Control Act with respect to the Illinois State Toll Highway Authority headquarters building and surrounding land without regard to any fiscal year limitations.~~

(b-7) Payments may be made in accordance with a plan authorized by paragraph (11) or (12) of Section 405-105 of the Department of Central Management Services Law from appropriations for those payments without regard to fiscal year limitations.

(c) Further, payments may be made by the Department of Public Health, ~~and~~ the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) , and the Department of Healthcare and Family Services from their respective appropriations for grants for medical care to or on behalf of persons suffering from chronic renal disease, persons suffering from hemophilia, rape victims, and premature and high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United States Department of Agriculture Women, Infants and Children Nutrition Program, for any fiscal year without regard to the fact that the services being compensated for by such payment may have been rendered in a prior fiscal year, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payments made by the Department of Public Health, the Department of Human Services, and the Department of Healthcare and Family Services from their respective appropriations for grants for medical care to or on behalf of persons suffering from chronic renal disease, persons suffering from hemophilia, rape victims, and premature and high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United States Department of Agriculture Women, Infants and Children Nutrition Program payable from appropriations that have otherwise expired may be paid out of the expiring appropriations during the 4-month period ending at the close of business on October 31.

(d) The Department of Public Health and the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(e) The Department of Healthcare and Family Services, the Department of Human Services (acting as successor to the Department of Public Aid), and the Department of Human Services making fee-for-service payments relating to substance abuse treatment services provided during a previous fiscal year shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before November 30, a report that shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for (i) services provided in prior fiscal years and (ii) services for which claims were received in prior fiscal years.

(f) The Department of Human Services (as successor to the Department of Public Aid) shall annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services (other than medical care) provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(g) In addition, each annual report required to be submitted by the Department of Healthcare and Family Services under subsection (e) shall include the following information with respect to the State's Medicaid program:

(1) Explanations of the exact causes of the variance between the previous year's estimated and actual liabilities.

(2) Factors affecting the Department of Healthcare and Family Services' liabilities, including but not limited to numbers of aid recipients, levels of medical service utilization by aid recipients, and inflation in the cost of medical services.

(3) The results of the Department's efforts to combat fraud and abuse.

(h) As provided in Section 4 of the General Assembly Compensation Act, any utility bill for service provided to a General Assembly member's district office for a period including portions of 2 consecutive fiscal years may be paid from funds appropriated for such expenditure in either fiscal year.

(i) An agency which administers a fund classified by the Comptroller as an internal service fund may issue rules for:

(1) billing user agencies in advance for payments or authorized inter-fund transfers based on estimated charges for goods or services;

(2) issuing credits, refunding through inter-fund transfers, or reducing future inter-fund transfers during the subsequent fiscal year for all user agency payments or authorized inter-fund transfers received during the prior fiscal year which were in excess of the final amounts owed by the user agency for that period; and

(3) issuing catch-up billings to user agencies during the subsequent fiscal year for amounts remaining due when payments or authorized inter-fund transfers received from the user agency during the prior fiscal year were less than the total amount owed for that period.

User agencies are authorized to reimburse internal service funds for catch-up billings by vouchers drawn against their respective appropriations for the fiscal year in which the catch-up billing was issued or by increasing an authorized inter-fund transfer during the current fiscal year. For the purposes of this Act, "inter-fund transfers" means transfers without the use of the voucher-warrant process, as authorized by Section 9.01 of the State Comptroller Act.

(i-1) Beginning on July 1, 2021, all outstanding liabilities, not payable during the 4-month lapse period as described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and (c) of this Section, that are made from appropriations for that purpose for any fiscal year, without regard to the fact that the services being compensated for by those payments may have been rendered in a prior fiscal year, are limited to only those claims that have been incurred but for which a proper bill or invoice as defined by the State Prompt Payment Act has not been received by September 30th following the end of the fiscal year in which the service was rendered.

(j) Notwithstanding any other provision of this Act, the aggregate amount of payments to be made without regard for fiscal year limitations as contained in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and determined by using Generally Accepted Accounting Principles, shall not exceed the following amounts:

(1) $6,000,000,000 for outstanding liabilities related to fiscal year 2012;
(2) $5,300,000,000 for outstanding liabilities related to fiscal year 2013;
(3) $4,600,000,000 for outstanding liabilities related to fiscal year 2014;
(4) $4,000,000,000 for outstanding liabilities related to fiscal year 2015;
(5) $3,300,000,000 for outstanding liabilities related to fiscal year 2016;
(6) $2,600,000,000 for outstanding liabilities related to fiscal year 2017;
(7) $2,000,000,000 for outstanding liabilities related to fiscal year 2018;
(8) $1,300,000,000 for outstanding liabilities related to fiscal year 2019;
(9) $600,000,000 for outstanding liabilities related to fiscal year 2020; and
(10) $0 for outstanding liabilities related to fiscal year 2021 and fiscal years thereafter.

(Source: P.A. 95-331, eff. 8-21-07; 96-928, eff. 6-15-10; 96-958, eff. 7-1-10; revised 7-22-10.)

Section 15. The State Prompt Payment Act is amended by changing Section 3-2 as follows:

(30 ILCS 540/3-2)

Sec. 3-2. Beginning July 1, 1993, in any instance where a State official or agency is late in payment of a vendor's bill or invoice for goods or services furnished to the State, as defined in Section 1, properly approved in accordance with rules promulgated under Section 3-3, the State official or agency shall pay interest to the vendor in accordance with the following:

(1) Any bill, except a bill submitted under Article V of the Illinois Public Aid Code, approved for payment under this Section must be paid or the payment issued to the payee within 60 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 60 day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60 day period, until final payment is made. Any bill, except a bill for pharmacy services or goods, submitted under Article V of the Illinois Public Aid Code approved for payment under this Section must be paid or the payment issued to the payee within 60 days after receipt of a proper bill or invoice, and, if payment is not issued to the payee within this 60-day period, an interest penalty of 2.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60-day period, until final payment is made. Any bill for pharmacy services or goods submitted under Article V of the Illinois Public Aid Code, approved for

payment under this Section must be paid or the payment issued to the payee within 60 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 60 day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60 day period, until final payment is made.

(1.1) A State agency shall review in a timely manner each bill or invoice after its receipt. If the State agency determines that the bill or invoice contains a defect making it unable to process the payment request, the agency shall notify the vendor requesting payment as soon as possible after discovering the defect pursuant to rules promulgated under Section 3-3; provided, however, that the notice for construction related bills or invoices must be given not later than 30 days after the bill or invoice was first submitted. The notice shall identify the defect and any additional information necessary to correct the defect. If one or more items on a construction related bill or invoice are disapproved, but not the entire bill or invoice, then the portion that is not disapproved shall be paid.

(2) Where a State official or agency is late in payment of a vendor's bill or invoice properly approved in accordance with this Act, and different late payment terms are not reduced to writing as a contractual agreement, the State official or agency shall automatically pay interest penalties required by this Section amounting to $50 or more to the appropriate vendor. Each agency shall be responsible for determining whether an interest penalty is owed and for paying the interest to the vendor. Interest due to a vendor that amounts to less than $50 shall not be paid but shall be accrued until all interest due the vendor for all similar warrants exceeds $50, at which time the accrued interest shall be payable and interest will begin accruing again, except that interest accrued as of the end of the fiscal year that does not exceed $50 shall be payable at that time. In the event an individual has paid a vendor for services in advance, the provisions of this Section shall apply until payment is made to that individual.

(3) The provisions of this amendatory Act of the 96th General Assembly reducing the interest rate on pharmacy claims under Article V of the Illinois Public Aid Code to 1.0% per month shall apply to any pharmacy bills for services and goods under Article V of the Illinois Public Aid Code received on or after the date 60 days before the effective date of this amendatory Act of the 96th General Assembly.
(Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10; 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10.)

Section 20. The Illinois Income Tax Act is amended by changing Section 917 as follows:
(35 ILCS 5/917) (from Ch. 120, par. 9-917)
Sec. 917. Confidentiality and information sharing.

(a) Confidentiality. Except as provided in this Section, all information received by the Department from returns filed under this Act, or from any investigation conducted under the provisions of this Act, shall be confidential, except for official purposes within the Department or pursuant to official procedures for collection of any State tax or pursuant to an investigation or audit by the Illinois State Scholarship Commission of a delinquent student loan or monetary award or enforcement of any civil or criminal penalty or sanction imposed by this Act or by another statute imposing a State tax, and any person who divulges any such information in any manner, except for such purposes and pursuant to order of the Director or in accordance with a proper judicial order, shall be guilty of a Class A misdemeanor. However, the provisions of this paragraph are not applicable to information furnished to (i) the Department of Healthcare and Family Services (formerly Department of Public Aid), State's Attorneys, and the Attorney General for child support enforcement purposes and (ii) a licensed attorney representing the taxpayer where an appeal or a protest has been filed on behalf of the taxpayer. If it is necessary to file information obtained pursuant to this Act in a child support enforcement proceeding, the information shall be filed under seal.

(b) Public information. Nothing contained in this Act shall prevent the Director from publishing or making available to the public the names and addresses of persons filing returns under this Act, or from publishing or making available reasonable statistics concerning the operation of the tax wherein the contents of returns are grouped into aggregates in such a way that the information contained in any individual return shall not be disclosed.

(c) Governmental agencies. The Director may make available to the Secretary of the Treasury of the United States or his delegate, or the proper officer or his delegate of any other state imposing a tax upon or measured by income, for exclusively official purposes, information received by the Department in the administration of this Act, but such permission shall be granted only if the United States or such other state, as the case may be, grants the Department substantially similar privileges. The Director may exchange information with the Department of Healthcare and Family Services and the Department of Human Services (acting as successor to the Department of Public Aid under the Department of Human

Services Act) for the purpose of verifying sources and amounts of income and for other purposes directly connected with the administration of this Act, the Illinois Public Aid Code, and any other health benefit program administered by the State ~~and the Illinois Public Aid Code~~. The Director may exchange information with the Director of the Department of Employment Security for the purpose of verifying sources and amounts of income and for other purposes directly connected with the administration of this Act and Acts administered by the Department of Employment Security. The Director may make available to the Illinois Workers' Compensation Commission information regarding employers for the purpose of verifying the insurance coverage required under the Workers' Compensation Act and Workers' Occupational Diseases Act. The Director may exchange information with the Illinois Department on Aging for the purpose of verifying sources and amounts of income for purposes directly related to confirming eligibility for participation in the programs of benefits authorized by the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act.

The Director may make available to any State agency, including the Illinois Supreme Court, which licenses persons to engage in any occupation, information that a person licensed by such agency has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. The Director may make available to any State agency, including the Illinois Supreme Court, information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to file returns under this Act or pay the tax, penalty, and interest shown therein, or has failed to pay any final assessment of tax, penalty, or interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this subsection (a), an entity controls another entity if it owns, directly or individually, more than 10% of the voting securities of that entity. As used in this subsection (a), the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

The Director may make available to any State agency, including the Illinois Supreme Court, units of local government, and school districts, information regarding whether a bidder or contractor is an affiliate of a person who is not collecting and remitting Illinois Use taxes, for the limited purpose of enforcing bidder and contractor certifications.

The Director may also make available to the Secretary of State information that a corporation which has been issued a certificate of incorporation by the Secretary of State has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. An assessment is final when all proceedings in court for review of such assessment have terminated or the time for the taking thereof has expired without such proceedings being instituted. For taxable years ending on or after December 31, 1987, the Director may make available to the Director or principal officer of any Department of the State of Illinois, information that a person employed by such Department has failed to file returns under this Act or pay the tax, penalty and interest shown therein. For purposes of this paragraph, the word "Department" shall have the same meaning as provided in Section 3 of the State Employees Group Insurance Act of 1971.

(d) The Director shall make available for public inspection in the Department's principal office and for publication, at cost, administrative decisions issued on or after January 1, 1995. These decisions are to be made available in a manner so that the following taxpayer information is not disclosed:

(1) The names, addresses, and identification numbers of the taxpayer, related entities, and employees.

(2) At the sole discretion of the Director, trade secrets or other confidential information identified as such by the taxpayer, no later than 30 days after receipt of an administrative decision, by such means as the Department shall provide by rule.

The Director shall determine the appropriate extent of the deletions allowed in paragraph (2). In the event the taxpayer does not submit deletions, the Director shall make only the deletions specified in paragraph (1).

The Director shall make available for public inspection and publication an administrative decision within 180 days after the issuance of the administrative decision. The term "administrative decision" has the same meaning as defined in Section 3-101 of Article III of the Code of Civil Procedure. Costs collected under this Section shall be paid into the Tax Compliance and Administration Fund.

(e) Nothing contained in this Act shall prevent the Director from divulging information to any person pursuant to a request or authorization made by the taxpayer, by an authorized representative of the

taxpayer, or, in the case of information related to a joint return, by the spouse filing the joint return with the taxpayer.
(Source: P.A. 94-1074, eff. 12-26-06; 95-331, eff. 8-21-07.)

Section 25. The Illinois Insurance Code is amended by changing Section 5.5 as follows:
(215 ILCS 5/5.5)

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, on at least a quarterly basis if so requested by the Department, information ~~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 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.

In cases in which the Department of Healthcare and Family Services has determined that an entity that provides health insurance coverage has established a pattern of failure to provide the information required under this Section, and has subsequently certified that determination, along with supporting documentation, to the Director of the Department of Insurance, the Director of the Department of Insurance, based upon the certification of determination made by the Department of Healthcare and Family Services, may commence regulatory proceedings in accordance with all applicable provisions of the Illinois Insurance Code.
(Source: P.A. 95-632, eff. 9-25-07.)

Section 30. The Children's Health Insurance Program Act is amended by changing Section 15 and by adding Sections 7, 21, 23, and 26 as follows:
(215 ILCS 106/7 new)

Sec. 7. Eligibility verification. Notwithstanding any other provision of this Act, with respect to applications for benefits provided under the Program, eligibility shall be determined in a manner that ensures program integrity and that complies with federal law and regulations while minimizing unnecessary barriers to enrollment. To this end, as soon as practicable, and unless the Department receives written denial from the federal government, this Section shall be implemented:

(a) The Department of Healthcare and Family Services or its designees shall:

(1) By no later than July 1, 2011, require verification of, at a minimum, one month's income from all sources required for determining the eligibility of applicants to the Program. Such verification shall take the form of pay stubs, business or income and expense records for self-employed persons, letters from employers, and any other valid documentation of income including data obtained electronically by the Department or its designees from other sources as described in subsection (b) of this Section.

(2) By no later than October 1, 2011, require verification of, at a minimum, one month's income from all sources required for determining the continued eligibility of recipients at their annual review of eligibility under the Program. Such verification shall take the form of pay stubs, business or income and expense records for self-employed persons, letters from employers, and any other valid documentation of income including data obtained electronically by the Department or its designees from other sources

as described in subsection (b) of this Section. The Department shall send a notice to the recipient at least 60 days prior to the end of the period of eligibility that informs them of the requirements for continued eligibility. If a recipient does not fulfill the requirements for continued eligibility by the deadline established in the notice, a notice of cancellation shall be issued to the recipient and coverage shall end on the last day of the eligibility period. A recipient's eligibility may be reinstated without requiring a new application if the recipient fulfills the requirements for continued eligibility prior to the end of the month following the last date of coverage. Nothing in this Section shall prevent an individual whose coverage has been cancelled from reapplying for health benefits at any time.

(3) By no later than July 1, 2011, require verification of Illinois residency.

(b) The Department shall establish or continue cooperative arrangements with the Social Security Administration, the Illinois Secretary of State, the Department of Human Services, the Department of Revenue, the Department of Employment Security, and any other appropriate entity to gain electronic access, to the extent allowed by law, to information available to those entities that may be appropriate for electronically verifying any factor of eligibility for benefits under the Program. Data relevant to eligibility shall be provided for no other purpose than to verify the eligibility of new applicants or current recipients of health benefits under the Program. Data will be requested or provided for any new applicant or current recipient only insofar as that individual's circumstances are relevant to that individual's or another individual's eligibility.

(c) Within 90 days of the effective date of this amendatory Act of the 96th General Assembly, the Department of Healthcare and Family Services shall send notice to current recipients informing them of the changes regarding their eligibility verification.

(215 ILCS 106/15)

Sec. 15. Operation of the Program. There is hereby created a Children's Health Insurance Program. The Program shall operate subject to appropriation and shall be administered by the Department of Healthcare and Family Services. The Department shall have the powers and authority granted to the Department under the Illinois Public Aid Code, including, but not limited to, Section 11-5.1 of the Code. The Department may contract with a Third Party Administrator or other entities to administer and oversee any portion of this Program.

(Source: P.A. 95-331, eff. 8-21-07.)

(215 ILCS 106/21 new)

Sec. 21. Presumptive eligibility. Beginning on the effective date of this amendatory Act of the 96th General Assembly and except where federal law requires presumptive eligibility, no adult may be presumed eligible for health care coverage under the Program, and the Department may not cover any service rendered to an adult unless the adult has completed an application for benefits, all required verifications have been received and the Department or its designee has found the adult eligible for the date on which that service was provided. Nothing in this Section shall apply to pregnant women.

(215 ILCS 106/23 new)

Sec. 23. Care coordination.

(a) At least 50% of recipients eligible for comprehensive medical benefits in all medical assistance programs or other health benefit programs administered by the Department, including the Children's Health Insurance Program Act and the Covering ALL KIDS Health Insurance Act, shall be enrolled in a care coordination program by no later than January 1, 2015. For purposes of this Section, "coordinated care" or "care coordination" means delivery systems where recipients will receive their care from providers who participate under contract in integrated delivery systems that are responsible for providing or arranging the majority of care, including primary care physician services, referrals from primary care physicians, diagnostic and treatment services, behavioral health services, in-patient and outpatient hospital services, dental services, and rehabilitation and long-term care services. The Department shall designate or contract for such integrated delivery systems (i) to ensure enrollees have a choice of systems and of primary care providers within such systems; (ii) to ensure that enrollees receive quality care in a culturally and linguistically appropriate manner; and (iii) to ensure that coordinated care programs meet the diverse needs of enrollees with developmental, mental health, physical, and age-related disabilities.

(b) Payment for such coordinated care shall be based on arrangements where the State pays for performance related to health care outcomes, the use of evidence-based practices, the use of primary care delivered through comprehensive medical homes, the use of electronic medical records, and the appropriate exchange of health information electronically made either on a capitated basis in which a fixed monthly premium per recipient is paid and full financial risk is assumed for the delivery of services, or through other risk-based payment arrangements.

(c) To qualify for compliance with this Section, the 50% goal shall be achieved by enrolling medical

assistance enrollees from each medical assistance enrollment category, including parents, children, seniors, and people with disabilities to the extent that current State Medicaid payment laws would not limit federal matching funds for recipients in care coordination programs. In addition, services must be more comprehensively defined and more risk shall be assumed than in the Department's primary care case management program as of the effective date of this amendatory Act of the 96th General Assembly.

(d) The Department shall report to the General Assembly in a separate part of its annual medical assistance program report, beginning April, 2012 until April, 2016, on the progress and implementation of the care coordination program initiatives established by the provisions of this amendatory Act of the 96th General Assembly. The Department shall include in its April 2011 report a full analysis of federal laws or regulations regarding upper payment limitations to providers and the necessary revisions or adjustments in rate methodologies and payments to providers under this Code that would be necessary to implement coordinated care with full financial risk by a party other than the Department.

(215 ILCS 106/26 new)

Sec. 26. Moratorium on eligibility expansions. Beginning on the effective date of this amendatory Act of the 96th General Assembly, there shall be a 2-year moratorium on the expansion of eligibility through increasing financial eligibility standards, or through increasing income disregards, or through the creation of new programs that would add new categories of eligible individuals under the medical assistance program under the Illinois Public Aid Code in addition to those categories covered on January 1, 2011. This moratorium shall not apply to expansions required as a federal condition of State participation in the medical assistance program.

Section 35. The Covering ALL KIDS Health Insurance Act is amended by changing Sections 15, 20, and 98 and by adding Sections 7, 21, 26, 36, and 56 as follows:

(215 ILCS 170/7 new)

Sec. 7. Eligibility verification. Notwithstanding any other provision of this Act, with respect to applications for benefits provided under the Program, eligibility shall be determined in a manner that ensures program integrity and that complies with federal law and regulations while minimizing unnecessary barriers to enrollment. To this end, as soon as practicable, and unless the Department receives written denial from the federal government, this Section shall be implemented:

(a) The Department of Healthcare and Family Services or its designees shall:

(1) By July 1, 2011, require verification of, at a minimum, one month's income from all sources required for determining the eligibility of applicants to the Program. Such verification shall take the form of pay stubs, business or income and expense records for self-employed persons, letters from employers, and any other valid documentation of income including data obtained electronically by the Department or its designees from other sources as described in subsection (b) of this Section.

(2) By October 1, 2011, require verification of, at a minimum, one month's income from all sources required for determining the continued eligibility of recipients at their annual review of eligibility under the Program. Such verification shall take the form of pay stubs, business or income and expense records for self-employed persons, letters from employers, and any other valid documentation of income including data obtained electronically by the Department or its designees from other sources as described in subsection (b) of this Section. The Department shall send a notice to recipients at least 60 days prior to the end of their period of eligibility that informs them of the requirements for continued eligibility. If a recipient does not fulfill the requirements for continued eligibility by the deadline established in the notice, a notice of cancellation shall be issued to the recipient and coverage shall end on the last day of the eligibility period. A recipient's eligibility may be reinstated without requiring a new application if the recipient fulfills the requirements for continued eligibility prior to the end of the month following the last date of coverage. Nothing in this Section shall prevent an individual whose coverage has been cancelled from reapplying for health benefits at any time.

(3) By July 1, 2011, require verification of Illinois residency.

(b) The Department shall establish or continue cooperative arrangements with the Social Security Administration, the Illinois Secretary of State, the Department of Human Services, the Department of Revenue, the Department of Employment Security, and any other appropriate entity to gain electronic access, to the extent allowed by law, to information available to those entities that may be appropriate for electronically verifying any factor of eligibility for benefits under the Program. Data relevant to eligibility shall be provided for no other purpose than to verify the eligibility of new applicants or current recipients of health benefits under the Program. Data will be requested or provided for any new applicant or current recipient only insofar as that individual's circumstances are relevant to that individual's or another individual's eligibility.

(c) Within 90 days of the effective date of this amendatory Act of the 96th General Assembly, the

Department of Healthcare and Family Services shall send notice to current recipients informing them of the changes regarding their eligibility verification.

(215 ILCS 170/15)

(Section scheduled to be repealed on July 1, 2011)

Sec. 15. Operation of Program. The Covering ALL KIDS Health Insurance Program is created. The Program shall be administered by the Department of Healthcare and Family Services. The Department shall have the same powers and authority to administer the Program as are provided to the Department in connection with the Department's administration of the Illinois Public Aid Code, including, but not limited to, the provisions under Section 11-5.1 of the Code, and the Children's Health Insurance Program Act. The Department shall coordinate the Program with the existing children's health programs operated by the Department and other State agencies.

(Source: P.A. 94-693, eff. 7-1-06.)

(215 ILCS 170/20)

(Section scheduled to be repealed on July 1, 2011)

Sec. 20. Eligibility.

(a) To be eligible for the Program, a person must be a child:

(1) who is a resident of the State of Illinois; ~~and~~

(2) who is ineligible for medical assistance under the Illinois Public Aid Code or benefits under the Children's Health Insurance Program Act; ~~and~~

(3) either (i) who has been without health insurance coverage for ~~a period set forth by the Department in rules, but not less than 6 months during the first month of operation of the Program, 7 months during the second month of operation, 8 months during the third month of operation, 9 months during the fourth month of operation, 10 months during the fifth month of operation, 11 months during the sixth month of operation, and~~ 12 months ~~thereafter~~, (ii) whose parent has lost employment that made available affordable dependent health insurance coverage, until such time as affordable employer-sponsored dependent health insurance coverage is again available for the child as set forth by the Department in rules, (iii) who is a newborn whose responsible relative does not have available affordable private or employer-sponsored health insurance, or (iv) who, within one year of applying for coverage under this Act, lost medical benefits under the Illinois Public Aid Code or the Children's Health Insurance Program Act; and ~~-~~

(3.5) whose household income, as determined by the Department, is at or below 300% of the federal poverty level. This item (3.5) is effective July 1, 2011.

An entity that provides health insurance coverage (as defined in Section 2 of the Comprehensive Health Insurance Plan Act) to Illinois residents shall provide health insurance data match to the Department of Healthcare and Family Services as provided by and subject to Section 5.5 of the Illinois Insurance Code ~~for the purpose of determining eligibility for the Program under this Act~~.

The Department of Healthcare and Family Services, in collaboration with the Department ~~of Financial and Professional Regulation, Division~~ of Insurance, shall adopt rules governing the exchange of information under this Section. The rules shall be consistent with all laws relating to the confidentiality or privacy of personal information or medical records, including provisions under the Federal Health Insurance Portability and Accountability Act (HIPAA).

(b) The Department shall monitor the availability and retention of employer-sponsored dependent health insurance coverage and shall modify the period described in subdivision (a)(3) if necessary to promote retention of private or employer-sponsored health insurance and timely access to healthcare services, but at no time shall the period described in subdivision (a)(3) be less than 6 months.

(c) The Department, at its discretion, may take into account the affordability of dependent health insurance when determining whether employer-sponsored dependent health insurance coverage is available upon reemployment of a child's parent as provided in subdivision (a)(3).

(d) A child who is determined to be eligible for the Program shall remain eligible for 12 months, provided that the child maintains his or her residence in this State, has not yet attained 19 years of age, and is not excluded under subsection (e).

(e) A child is not eligible for coverage under the Program if:

(1) the premium required under Section 40 has not been timely paid; if the required premiums are not paid, the liability of the Program shall be limited to benefits incurred under the Program for the time period for which premiums have been paid; re-enrollment shall be completed before the next covered medical visit, and the first month's required premium shall be paid in advance of the next covered medical visit; or

(2) the child is an inmate of a public institution or an institution for mental

diseases.

(f) The Department may ~~shall~~ adopt ~~eligibility~~ rules, including, but not limited to: rules regarding annual renewals of eligibility for the Program in conformance with Section 7 of this Act; ~~rules regarding annual renewals of eligibility for the Program;~~ rules providing for re-enrollment, grace periods, notice requirements, and hearing procedures under subdivision (e)(1) of this Section; and rules regarding what constitutes availability and affordability of private or employer-sponsored health insurance, with consideration of such factors as the percentage of income needed to purchase children or family health insurance, the availability of employer subsidies, and other relevant factors.

(g) Each child enrolled in the Program as of July 1, 2011 whose family income, as established by the Department, exceeds 300% of the federal poverty level may remain enrolled in the Program for 12 additional months commencing July 1, 2011. Continued enrollment pursuant to this subsection shall be available only if the child continues to meet all eligibility criteria established under the Program as of the effective date of this amendatory Act of the 96th General Assembly without a break in coverage. Nothing contained in this subsection shall prevent a child from qualifying for any other health benefits program operated by the Department.

(Source: P.A. 96-1272, eff. 1-1-11.)

(215 ILCS 170/21 new)

Sec. 21. Presumptive eligibility. Beginning on the effective date of this amendatory Act of the 96th General Assembly and except where federal law or regulation requires presumptive eligibility, no adult may be presumed eligible for health care coverage under the Program and the Department may not cover any service rendered to an adult unless the adult has completed an application for benefits, all required verifications have been received, and the Department or its designee has found the adult eligible for the date on which that service was provided. Nothing in this Section shall apply to pregnant women.

(215 ILCS 170/36 new)

Sec. 36. Moratorium on eligibility expansions. Beginning on the effective date of this amendatory Act of the 96th General Assembly, there shall be a 2-year moratorium on the expansion of eligibility through increasing financial eligibility standards, or through increasing income disregards, or through the creation of new programs that would add new categories of eligible individuals under the medical assistance program under the Illinois Public Aid Code in addition to those categories covered on January 1, 2011. This moratorium shall not apply to expansions required as a federal condition of State participation in the medical assistance program.

(215 ILCS 170/56 new)

Sec. 56. Care coordination.

(a) At least 50% of recipients eligible for comprehensive medical benefits in all medical assistance programs or other health benefit programs administered by the Department, including the Children's Health Insurance Program Act and the Covering ALL KIDS Health Insurance Act, shall be enrolled in a care coordination program by no later than January 1, 2015. For purposes of this Section, "coordinated care" or "care coordination" means delivery systems where recipients will receive their care from providers who participate under contract in integrated delivery systems that are responsible for providing or arranging the majority of care, including primary care physician services, referrals from primary care physicians, diagnostic and treatment services, behavioral health services, in-patient and outpatient hospital services, dental services, and rehabilitation and long-term care services. The Department shall designate or contract for such integrated delivery systems (i) to ensure enrollees have a choice of systems and of primary care providers within such systems; (ii) to ensure that enrollees receive quality care in a culturally and linguistically appropriate manner; and (iii) to ensure that coordinated care programs meet the diverse needs of enrollees with developmental, mental health, physical, and age-related disabilities.

(b) Payment for such coordinated care shall be based on arrangements where the State pays for performance related to health care outcomes, the use of evidence-based practices, the use of primary care delivered through comprehensive medical homes, the use of electronic medical records, and the appropriate exchange of health information electronically made either on a capitated basis in which a fixed monthly premium per recipient is paid and full financial risk is assumed for the delivery of services, or through other risk-based payment arrangements.

(c) To qualify for compliance with this Section, the 50% goal shall be achieved by enrolling medical assistance enrollees from each medical assistance enrollment category, including parents, children, seniors, and people with disabilities to the extent that current State Medicaid payment laws would not limit federal matching funds for recipients in care coordination programs. In addition, services must be more comprehensively defined and more risk shall be assumed than in the Department's primary care case management program as of the effective date of this amendatory Act of the 96th General Assembly.

(d) The Department shall report to the General Assembly in a separate part of its annual medical assistance program report, beginning April, 2012 until April, 2016, on the progress and implementation of the care coordination program initiatives established by the provisions of this amendatory Act of the 96th General Assembly. The Department shall include in its April 2011 report a full analysis of federal laws or regulations regarding upper payment limitations to providers and the necessary revisions or adjustments in rate methodologies and payments to providers under this Code that would be necessary to implement coordinated care with full financial risk by a party other than the Department.

(215 ILCS 170/98)

(Section scheduled to be repealed on July 1, 2011)

Sec. 98. Repealer. This Act is repealed on July 1, 2016 ~~July 1, 2011~~.

(Source: P.A. 94-693, eff. 7-1-06.)

Section 40. The Illinois Public Aid Code is amended by changing Sections 5-4.1, 5-5.12, 5-11, 8A-2.5, and 11-26 and by adding Sections 5-1.3, 5-1.4, 5-2.03, 5-11a, 5-29, 5-30, and 11-5.1 as follows:

(305 ILCS 5/5-1.3 new)

Sec. 5-1.3. Payer of last resort. To the extent permissible under federal law, the State may pay for medical services only after payment from all other sources of payment have been exhausted, or after the Department has determined that pursuit of such payment is economically unfeasible. Applicants for, and recipients of, medical assistance under this Code shall disclose to the State all insurance coverage they have. To the extent permissible under federal law, the State shall require vendors of medical services to bill third-party payers for services that may be covered by those third-party payers prior to submission of a request for payment to the State. The Department shall, to the extent permissible under federal law, reject a request for payment of a medical service that should first have been submitted to a third-party payer.

(305 ILCS 5/5-1.4 new)

Sec. 5-1.4. Moratorium on eligibility expansions. Beginning on the effective date of this amendatory Act of the 96th General Assembly, there shall be a 2-year moratorium on the expansion of eligibility through increasing financial eligibility standards, or through increasing income disregards, or through the creation of new programs which would add new categories of eligible individuals under the medical assistance program in addition to those categories covered on January 1, 2011. This moratorium shall not apply to expansions required as a federal condition of State participation in the medical assistance program.

(305 ILCS 5/5-2.03 new)

Sec. 5-2.03. Presumptive eligibility. Beginning on the effective date of this amendatory Act of the 96th General Assembly and except where federal law requires presumptive eligibility, no adult may be presumed eligible for medical assistance under this Code and the Department may not cover any service rendered to an adult unless the adult has completed an application for benefits, all required verifications have been received, and the Department or its designee has found the adult eligible for the date on which that service was provided. Nothing in this Section shall apply to pregnant women.

(305 ILCS 5/5-4.1) (from Ch. 23, par. 5-4.1)

Sec. 5-4.1. Co-payments. The Department may by rule provide that recipients under any Article of this Code shall pay a fee as a co-payment for services. Co-payments shall be maximized to the extent permitted by federal law ~~may not exceed $3 for brand name drugs, $1 for other pharmacy services other than for generic drugs, and $2 for physicians services, dental services, optical services and supplies, chiropractic services, podiatry services, and encounter rate clinic services. There shall be no co-payment for generic drugs. Co-payments may not exceed $3 for hospital outpatient and clinic services~~. Provided, however, that any such rule must provide that no co-payment requirement can exist for renal dialysis, radiation therapy, cancer chemotherapy, or insulin, and other products necessary on a recurring basis, the absence of which would be life threatening, or where co-payment expenditures for required services and/or medications for chronic diseases that the Illinois Department shall by rule designate shall cause an extensive financial burden on the recipient, and provided no co-payment shall exist for emergency room encounters which are for medical emergencies. The Department shall seek approval of a State plan amendment that allows pharmacies to refuse to dispense drugs in circumstances where the recipient does not pay the required co-payment. In the event the State plan amendment is rejected, co-payments may not exceed $3 for brand name drugs, $1 for other pharmacy services other than for generic drugs, and $2 for physician services, dental services, optical services and supplies, chiropractic services, podiatry services, and encounter rate clinic services. There shall be no co-payment for generic drugs. Co-payments may not exceed $3 for hospital outpatient and clinic services.

(Source: P.A. 92-597, eff. 6-28-02; 93-593, eff. 8-25-03.)

(305 ILCS 5/5-5.12) (from Ch. 23, par. 5-5.12)

Sec. 5-5.12. Pharmacy payments.

(a) Every request submitted by a pharmacy for reimbursement under this Article for prescription drugs provided to a recipient of aid under this Article shall include the name of the prescriber or an acceptable identification number as established by the Department.

(b) Pharmacies providing prescription drugs under this Article shall be reimbursed at a rate which shall include a professional dispensing fee as determined by the Illinois Department, plus the current acquisition cost of the prescription drug dispensed. The Illinois Department shall update its information on the acquisition costs of all prescription drugs no less frequently than every 30 days. However, the Illinois Department may set the rate of reimbursement for the acquisition cost, by rule, at a percentage of the current average wholesale acquisition cost.

(c) (Blank).

(d) The Department shall not impose requirements for prior approval based on a preferred drug list for anti-retroviral, anti-hemophilic factor concentrates, or any atypical antipsychotics, conventional antipsychotics, or anticonvulsants used for the treatment of serious mental illnesses until 30 days after it has conducted a study of the impact of such requirements on patient care and submitted a report to the Speaker of the House of Representatives and the President of the Senate. The Department shall review utilization of narcotic medications in the medical assistance program and impose utilization controls that protect against abuse.

(e) When making determinations as to which drugs shall be on a prior approval list, the Department shall include as part of the analysis for this determination, the degree to which a drug may affect individuals in different ways based on factors including the gender of the person taking the medication.

(f) ~~(e)~~ The Department shall cooperate with the Department of Public Health and the Department of Human Services Division of Mental Health in identifying psychotropic medications that, when given in a particular form, manner, duration, or frequency (including "as needed") in a dosage, or in conjunction with other psychotropic medications to a nursing home resident, may constitute a chemical restraint or an "unnecessary drug" as defined by the Nursing Home Care Act or Titles XVIII and XIX of the Social Security Act and the implementing rules and regulations. The Department shall require prior approval for any such medication prescribed for a nursing home resident that appears to be a chemical restraint or an unnecessary drug. The Department shall consult with the Department of Human Services Division of Mental Health in developing a protocol and criteria for deciding whether to grant such prior approval.

(g) The Department may by rule provide for reimbursement of the dispensing of a 90-day supply of a generic, non-narcotic maintenance medication in circumstances where it is cost effective.

(Source: P.A. 96-1269, eff. 7-26-10; 96-1372, eff. 7-29-10; revised 9-2-10.)

(305 ILCS 5/5-11) (from Ch. 23, par. 5-11)

Sec. 5-11. Co-operative arrangements; contracts with other State agencies, health care and rehabilitation organizations, and fiscal intermediaries.

(a) The Illinois Department may enter into co-operative arrangements with State agencies responsible for administering or supervising the administration of health services and vocational rehabilitation services to the end that there may be maximum utilization of such services in the provision of medical assistance.

The Illinois Department shall, not later than June 30, 1993, enter into one or more co-operative arrangements with the Department of Mental Health and Developmental Disabilities providing that the Department of Mental Health and Developmental Disabilities will be responsible for administering or supervising all programs for services to persons in community care facilities for persons with developmental disabilities, including but not limited to intermediate care facilities, that are supported by State funds or by funding under Title XIX of the federal Social Security Act. The responsibilities of the Department of Mental Health and Developmental Disabilities under these agreements are transferred to the Department of Human Services as provided in the Department of Human Services Act.

The Department may also contract with such State health and rehabilitation agencies and other public or private health care and rehabilitation organizations to act for it in supplying designated medical services to persons eligible therefor under this Article. Any contracts with health services or health maintenance organizations shall be restricted to organizations which have been certified as being in compliance with standards promulgated pursuant to the laws of this State governing the establishment and operation of health services or health maintenance organizations. The Department shall renegotiate the contracts with health maintenance organizations and managed care community networks that took effect August 1, 2003, so as to produce $70,000,000 savings to the Department net of resulting increases to the fee-for-service program for State fiscal year 2006. The Department may also contract with insurance companies or other corporate entities serving as fiscal intermediaries in this State for the

Federal Government in respect to Medicare payments under Title XVIII of the Federal Social Security Act to act for the Department in paying medical care suppliers. The provisions of Section 9 of "An Act in relation to State finance", approved June 10, 1919, as amended, notwithstanding, such contracts with State agencies, other health care and rehabilitation organizations, or fiscal intermediaries may provide for advance payments.

(b) For purposes of this subsection (b), "managed care community network" means an entity, other than a health maintenance organization, that is owned, operated, or governed by providers of health care services within this State and that provides or arranges primary, secondary, and tertiary managed health care services under contract with the Illinois Department exclusively to persons participating in programs administered by the Illinois Department.

The Illinois Department may certify managed care community networks, including managed care community networks owned, operated, managed, or governed by State-funded medical schools, as risk-bearing entities eligible to contract with the Illinois Department as Medicaid managed care organizations. The Illinois Department may contract with those managed care community networks to furnish health care services to or arrange those services for individuals participating in programs administered by the Illinois Department. The rates for those provider-sponsored organizations may be determined on a prepaid, capitated basis. A managed care community network may choose to contract with the Illinois Department to provide only pediatric health care services. The Illinois Department shall by rule adopt the criteria, standards, and procedures by which a managed care community network may be permitted to contract with the Illinois Department and shall consult with the Department of Insurance in adopting these rules.

A county provider as defined in Section 15-1 of this Code may contract with the Illinois Department to provide primary, secondary, or tertiary managed health care services as a managed care community network without the need to establish a separate entity and shall be deemed a managed care community network for purposes of this Code only to the extent it provides services to participating individuals. A county provider is entitled to contract with the Illinois Department with respect to any contracting region located in whole or in part within the county. A county provider is not required to accept enrollees who do not reside within the county.

In order to (i) accelerate and facilitate the development of integrated health care in contracting areas outside counties with populations in excess of 3,000,000 and counties adjacent to those counties and (ii) maintain and sustain the high quality of education and residency programs coordinated and associated with local area hospitals, the Illinois Department may develop and implement a demonstration program from managed care community networks owned, operated, managed, or governed by State-funded medical schools. The Illinois Department shall prescribe by rule the criteria, standards, and procedures for effecting this demonstration program.

A managed care community network that contracts with the Illinois Department to furnish health care services to or arrange those services for enrollees participating in programs administered by the Illinois Department shall do all of the following:

(1) Provide that any provider affiliated with the managed care community network may also provide services on a fee-for-service basis to Illinois Department clients not enrolled in such managed care entities.

(2) Provide client education services as determined and approved by the Illinois Department, including but not limited to (i) education regarding appropriate utilization of health care services in a managed care system, (ii) written disclosure of treatment policies and restrictions or limitations on health services, including, but not limited to, physical services, clinical laboratory tests, hospital and surgical procedures, prescription drugs and biologics, and radiological examinations, and (iii) written notice that the enrollee may receive from another provider those covered services that are not provided by the managed care community network.

(3) Provide that enrollees within the system may choose the site for provision of services and the panel of health care providers.

(4) Not discriminate in enrollment or disenrollment practices among recipients of medical services or enrollees based on health status.

(5) Provide a quality assurance and utilization review program that meets the requirements established by the Illinois Department in rules that incorporate those standards set forth in the Health Maintenance Organization Act.

(6) Issue a managed care community network identification card to each enrollee upon enrollment. The card must contain all of the following:

(A) The enrollee's health plan.

(B) The name and telephone number of the enrollee's primary care physician or the

site for receiving primary care services.

(C) A telephone number to be used to confirm eligibility for benefits and authorization for services that is available 24 hours per day, 7 days per week.

(7) Ensure that every primary care physician and pharmacy in the managed care community network meets the standards established by the Illinois Department for accessibility and quality of care. The Illinois Department shall arrange for and oversee an evaluation of the standards established under this paragraph (7) and may recommend any necessary changes to these standards.

(8) Provide a procedure for handling complaints that meets the requirements established by the Illinois Department in rules that incorporate those standards set forth in the Health Maintenance Organization Act.

(9) Maintain, retain, and make available to the Illinois Department records, data, and information, in a uniform manner determined by the Illinois Department, sufficient for the Illinois Department to monitor utilization, accessibility, and quality of care.

(10) (Blank) ~~Provide that the pharmacy formulary used by the managed care community network and its contract providers be no more restrictive than the Illinois Department's pharmaceutical program on the effective date of this amendatory Act of 1998 and as amended after that date~~.

The Illinois Department shall contract with an entity or entities to provide external peer-based quality assurance review for the managed health care programs administered by the Illinois Department. The entity shall meet all federal requirements for an external quality review organization ~~be representative of Illinois physicians licensed to practice medicine in all its branches and have statewide geographic representation in all specialities of medical care that are provided in managed health care programs administered by the Illinois Department. The entity may not be a third party payer and shall maintain offices in locations around the State in order to provide service and continuing medical education to physician participants within those managed health care programs administered by the Illinois Department. The review process shall be developed and conducted by Illinois physicians licensed to practice medicine in all its branches. In consultation with the entity, the Illinois Department may contract with other entities for professional peer based quality assurance review of individual categories of services other than services provided, supervised, or coordinated by physicians licensed to practice medicine in all its branches. The Illinois Department shall establish, by rule, criteria to avoid conflicts of interest in the conduct of quality assurance activities consistent with professional peer review standards. All quality assurance activities shall be coordinated by the Illinois Department~~.

Each managed care community network must demonstrate its ability to bear the financial risk of serving individuals under this program. The Illinois Department shall by rule adopt standards for assessing the solvency and financial soundness of each managed care community network. Any solvency and financial standards adopted for managed care community networks shall be no more restrictive than the solvency and financial standards adopted under Section 1856(a) of the Social Security Act for provider-sponsored organizations under Part C of Title XVIII of the Social Security Act.

The Illinois Department may implement the amendatory changes to this Code made by this amendatory Act of 1998 through the use of emergency rules in accordance with Section 5-45 of the Illinois Administrative Procedure Act. For purposes of that Act, the adoption of rules to implement these changes is deemed an emergency and necessary for the public interest, safety, and welfare.

(c) Not later than June 30, 1996, the Illinois Department shall enter into one or more cooperative arrangements with the Department of Public Health for the purpose of developing a single survey for nursing facilities, including but not limited to facilities funded under Title XVIII or Title XIX of the federal Social Security Act or both, which shall be administered and conducted solely by the Department of Public Health. The Departments shall test the single survey process on a pilot basis, with both the Departments of Public Aid and Public Health represented on the consolidated survey team. The pilot will sunset June 30, 1997. After June 30, 1997, unless otherwise determined by the Governor, a single survey shall be implemented by the Department of Public Health which would not preclude staff from the Department of Healthcare and Family Services (formerly Department of Public Aid) from going on-site to nursing facilities to perform necessary audits and reviews which shall not replicate the single State agency survey required by this Act. This Section shall not apply to community or intermediate care facilities for persons with developmental disabilities.

(d) Nothing in this Code in any way limits or otherwise impairs the authority or power of the Illinois Department to enter into a negotiated contract pursuant to this Section with a managed care community network or a health maintenance organization, as defined in the Health Maintenance Organization Act, that provides for termination or nonrenewal of the contract without cause, upon notice as provided in the contract, and without a hearing.

(Source: P.A. 94-48, eff. 7-1-05; 95-331, eff. 8-21-07.)

(305 ILCS 5/5-11a new)

Sec. 5-11a. Health Benefit Information Systems.

(a) It is the intent of the General Assembly to support unified electronic systems initiatives that will improve management of information related to medical assistance programs. This will include improved management capabilities and new systems for Eligibility, Verification, and Enrollment (EVE) that will simplify and increase efficiencies in and access to the medical assistance programs and ensure program integrity. The Department of Healthcare and Family Services, in coordination with the Department of Human Services and other appropriate state agencies, shall develop a plan by July 1, 2011, that will:

(1) Subject to federal and State privacy and confidentiality laws and regulations, meet standards for timely eligibility verification and enrollment, and annual redetermination of eligibility, of applicants for and recipients of means-tested health benefits sponsored by the State, including medical assistance under this Code.

(2) Receive and update data electronically from the Social Security Administration, the U.S. Postal Service, the Illinois Secretary of State, the Department of Revenue, the Department of Employment Security, and other governmental entities, as appropriate and to the extent allowed by law, for verification of any factor of eligibility for medical assistance and for updating addresses of applicants and recipients of medical assistance and other health benefit programs administered by the Department. Data relevant to eligibility shall be provided for no other purpose than to verify the eligibility of new applicants or current recipients of health benefits provided by the State. Data shall be requested or provided for any individual only insofar as that new applicant or current recipient's circumstances are relevant to that individual's or another individual's eligibility for State-sponsored health benefits.

(3) Meet federal requirements for timely installation by January 1, 2014 to provide integration with a Health Benefits Exchange pursuant to the requirements of the federal Affordable Care Act and the Reconciliation Act and any subsequent amendments thereto and to ensure capture of the maximum available federal financial participation (FFP).

(4) Meet federal requirements for compliance with architectural standards, including, but not limited to, (i) the use of a module development as outlined by the Medicaid Information Technology Architecture standards, (ii) the use of federally approved open-interfaces where they exist, (iii) the use or the creation of open-interfaces where necessary, and (iv) the use of rules technology that can dynamically accept and modify rules in standard formats.

(5) Include plans to ensure coordination with the State of Illinois Framework Project that will (i) expedite and simplify access to services provided by Illinois human services programs; (ii) streamline administration and data sharing; (iii) enhance planning capacity, program evaluation, and fraud detection or prevention with access to cross-agency data; and (iv) simplify service reporting for contracted providers.

(b) The Department of Healthcare and Family Services shall continue to plan for and implement a new Medicaid Management Information System (MMIS) and upgrade the capabilities of the MMIS data warehouse. Upgrades shall include, among other things, enhanced capabilities in data analysis including the ability to identify risk factors that could impact the treatment and resulting quality of care, and tools that perform predictive analytics on data applying to newborns, women with high risk pregnancies, and other populations served by the Department.

(c) The Department of Healthcare and Family Services shall report in its annual Medical Assistance program report each April through April, 2015 on the progress and implementation of this plan.

(305 ILCS 5/5-29 new)

Sec. 5-29. Income Limits and Parental Responsibility. In light of the unprecedented fiscal crisis confronting the State, it is the intent of the General Assembly to explore whether the income limits and income counting methods established for children under the Covering ALL KIDS Health Insurance Act, pursuant to this amendatory Act of the 96th General Assembly, should apply to medical assistance programs available to children made eligible under the Illinois Public Aid Code, including through home and community based services waiver programs authorized under Section 1915(c) of the Social Security Act, where parental income is currently not considered in determining a child's eligibility for medical assistance. The Department of Healthcare and Family Services is hereby directed, with the participation of the Department of Human Services and stakeholders, to conduct an analysis of these programs to determine parental cost sharing opportunities, how these opportunities may impact the children currently in the programs, waivers and on the waiting list, and any other factors which may increase efficiencies and decrease State costs. The Department is further directed to review how services under these programs and waivers may be provided by the use of a combination of skilled, unskilled, and uncompensated care and to advise as to what revisions to the Nurse Practice Act, and Acts regulating other relevant professions, are necessary to accomplish this combination of care. The Department shall

submit a written analysis on the children's programs and waivers as part of the Department's annual Medicaid reports due to the General Assembly in 2011 and 2012.

(305 ILCS 5/5-30 new)

Sec. 5-30. Care coordination.

(a) At least 50% of recipients eligible for comprehensive medical benefits in all medical assistance programs or other health benefit programs administered by the Department, including the Children's Health Insurance Program Act and the Covering ALL KIDS Health Insurance Act, shall be enrolled in a care coordination program by no later than January 1, 2015. For purposes of this Section, "coordinated care" or "care coordination" means delivery systems where recipients will receive their care from providers who participate under contract in integrated delivery systems that are responsible for providing or arranging the majority of care, including primary care physician services, referrals from primary care physicians, diagnostic and treatment services, behavioral health services, in-patient and outpatient hospital services, dental services, and rehabilitation and long-term care services. The Department shall designate or contract for such integrated delivery systems (i) to ensure enrollees have a choice of systems and of primary care providers within such systems; (ii) to ensure that enrollees receive quality care in a culturally and linguistically appropriate manner; and (iii) to ensure that coordinated care programs meet the diverse needs of enrollees with developmental, mental health, physical, and age-related disabilities.

(b) Payment for such coordinated care shall be based on arrangements where the State pays for performance related to health care outcomes, the use of evidence-based practices, the use of primary care delivered through comprehensive medical homes, the use of electronic medical records, and the appropriate exchange of health information electronically made either on a capitated basis in which a fixed monthly premium per recipient is paid and full financial risk is assumed for the delivery of services, or through other risk-based payment arrangements.

(c) To qualify for compliance with this Section, the 50% goal shall be achieved by enrolling medical assistance enrollees from each medical assistance enrollment category, including parents, children, seniors, and people with disabilities to the extent that current State Medicaid payment laws would not limit federal matching funds for recipients in care coordination programs. In addition, services must be more comprehensively defined and more risk shall be assumed than in the Department's primary care case management program as of the effective date of this amendatory Act of the 96th General Assembly.

(d) The Department shall report to the General Assembly in a separate part of its annual medical assistance program report, beginning April, 2012 until April, 2016, on the progress and implementation of the care coordination program initiatives established by the provisions of this amendatory Act of the 96th General Assembly. The Department shall include in its April 2011 report a full analysis of federal laws or regulations regarding upper payment limitations to providers and the necessary revisions or adjustments in rate methodologies and payments to providers under this Code that would be necessary to implement coordinated care with full financial risk by a party other than the Department.

(305 ILCS 5/8A-2.5)

Sec. 8A-2.5. Unauthorized use of medical assistance.

(a) Any person who knowingly uses, acquires, possesses, or transfers a medical card in any manner not authorized by law or by rules and regulations of the Illinois Department, or who knowingly alters a medical card, or who knowingly uses, acquires, possesses, or transfers an altered medical card, is guilty of a violation of this Article and shall be punished as provided in Section 8A-6.

(b) Any person who knowingly obtains unauthorized medical benefits with or without use of a medical card is guilty of a violation of this Article and shall be punished as provided in Section 8A-6.

(c) The Department may seek to recover any and all State and federal monies for which it has improperly and erroneously paid benefits as a result of a fraudulent action and any civil penalties authorized in this Section. Pursuant to Section 11-14.5 of this Code, the Department may determine the monetary value of benefits improperly and erroneously received. The Department may recover the monies paid for such benefits and interest on that amount at the rate of 5% per annum for the period from which payment was made to the date upon which repayment is made to the State. Prior to the recovery of any amount paid for benefits allegedly obtained by fraudulent means, the recipient of such benefits shall be afforded an opportunity for a hearing after reasonable notice. The notice shall be served personally or by certified or registered mail or as otherwise provided by law upon the parties or their agents appointed to receive service of process and shall include the following:

(1) A statement of the time, place and nature of the hearing.

(2) A statement of the legal authority and jurisdiction under which the hearing is to be held.

(3) A reference to the particular Sections of the substantive and procedural statutes and rules involved.

(4) Except where a more detailed statement is otherwise provided for by law, a short and plain statement of the matters asserted, the consequences of a failure to respond, and the official file or other reference number.

(5) A statement of the monetary value of the benefits fraudulently received by the person accused.

(6) A statement that, in addition to any other penalties provided by law, a civil penalty in an amount not to exceed $2,000 may be imposed for each fraudulent claim for benefits or payments.

(7) A statement providing that the determination of the monetary value may be contested by petitioning the Department for an administrative hearing within 30 days from the date of mailing the notice.

(8) The names and mailing addresses of the administrative law judge, all parties, and all other persons to whom the agency gives notice of the hearing unless otherwise confidential by law.

An opportunity shall be afforded all parties to be represented by legal counsel and to respond and present evidence and argument.

Unless precluded by law, disposition may be made of any contested case by stipulation, agreed settlement, consent order, or default.

Any final order, decision, or other determination made, issued or executed by the Director under the provisions of this Article whereby any person is aggrieved shall be subject to review in accordance with the provisions of the Administrative Review Law, and the rules adopted pursuant thereto, which shall apply to and govern all proceeding for the judicial review of final administrative decisions of the Director.

Upon entry of a final administrative decision for repayment of any benefits obtained by fraudulent means, or for any civil penalties assessed, a lien shall attach to all property and assets of such person, firm, corporation, association, agency, institution, or other legal entity until the judgment is satisfied.

Within 12 months of the effective date of this amendatory Act of the 96th General Assembly, the Department of Healthcare and Family Services will report to the General Assembly on the number of fraud cases identified and pursued, and the fines assessed and collected. The report will also include the Department's analysis as to the use of private sector resources to bring action, investigate, and collect monies owed.

(Source: P.A. 89-289, eff. 1-1-96.)

(305 ILCS 5/11-5.1 new)

Sec. 11-5.1. Eligibility verification. Notwithstanding any other provision of this Code, with respect to applications for medical assistance provided under Article V of this Code, eligibility shall be determined in a manner that ensures program integrity and complies with federal laws and regulations while minimizing unnecessary barriers to enrollment. To this end, as soon as practicable, and unless the Department receives written denial from the federal government, this Section shall be implemented:

(a) The Department of Healthcare and Family Services or its designees shall:

(1) By no later than July 1, 2011, require verification of, at a minimum, one month's income from all sources required for determining the eligibility of applicants for medical assistance under this Code. Such verification shall take the form of pay stubs, business or income and expense records for self-employed persons, letters from employers, and any other valid documentation of income including data obtained electronically by the Department or its designees from other sources as described in subsection (b) of this Section.

(2) By no later than October 1, 2011, require verification of, at a minimum, one month's income from all sources required for determining the continued eligibility of recipients at their annual review of eligibility for medical assistance under this Code. Such verification shall take the form of pay stubs, business or income and expense records for self-employed persons, letters from employers, and any other valid documentation of income including data obtained electronically by the Department or its designees from other sources as described in subsection (b) of this Section. The Department shall send a notice to recipients at least 60 days prior to the end of their period of eligibility that informs them of the requirements for continued eligibility. If a recipient does not fulfill the requirements for continued eligibility by the deadline established in the notice a notice of cancellation shall be issued to the recipient and coverage shall end on the last day of the eligibility period. A recipient's eligibility may be reinstated without requiring a new application if the recipient fulfills the requirements for continued eligibility prior to the end of the month following the last date of coverage. Nothing in this Section shall prevent an individual whose coverage has been cancelled from reapplying for health benefits at any time.

(3) By no later than July 1, 2011, require verification of Illinois residency.

(b) The Department shall establish or continue cooperative arrangements with the Social Security Administration, the Illinois Secretary of State, the Department of Human Services, the Department of Revenue, the Department of Employment Security, and any other appropriate entity to gain electronic

access, to the extent allowed by law, to information available to those entities that may be appropriate for electronically verifying any factor of eligibility for benefits under the Program. Data relevant to eligibility shall be provided for no other purpose than to verify the eligibility of new applicants or current recipients of health benefits under the Program. Data shall be requested or provided for any new applicant or current recipient only insofar as that individual's circumstances are relevant to that individual's or another individual's eligibility.

(c) Within 90 days of the effective date of this amendatory Act of the 96th General Assembly, the Department of Healthcare and Family Services shall send notice to current recipients informing them of the changes regarding their eligibility verification.

(305 ILCS 5/11-26) (from Ch. 23, par. 11-26)

Sec. 11-26. Recipient's abuse of medical care; restrictions on access to medical care.

(a) When the Department determines, on the basis of statistical norms and medical judgment, that a medical care recipient has received medical services in excess of need and with such frequency or in such a manner as to constitute an abuse of the recipient's medical care privileges, the recipient's access to medical care may be restricted.

(b) When the Department has determined that a recipient is abusing his or her medical care privileges as described in this Section, it may require that the recipient designate a primary provider type ~~primary care provider, primary care pharmacy, or health maintenance organization~~ of the recipient's own choosing to assume responsibility for the recipient's care. For the purposes of this subsection, "primary provider type" means a primary care provider, primary care pharmacy, primary dentist, primary podiatrist, or primary durable medical equipment provider. Instead of requiring a recipient to make a designation as provided in this subsection, the Department, pursuant to rules adopted by the Department and without regard to any choice of an entity that the recipient might otherwise make, may initially designate a primary provider type provided that the primary provider type is willing to provide that care ~~primary care provider, primary care pharmacy, or health maintenance organization to assume responsibility for the recipient's care, provided that the primary care provider, primary care pharmacy, or health maintenance organization is willing to provide that care~~.

(c) When the Department has requested that a recipient designate a primary provider type ~~primary care provider, primary care pharmacy or health maintenance organization~~ and the recipient fails or refuses to do so, the Department may, after a reasonable period of time, assign the recipient to a primary provider type of its own choice and determination, provided such primary provider type is willing to provide such care ~~primary care provider, primary care pharmacy or health maintenance organization of its own choice and determination, provided such primary care provider, primary care pharmacy or health maintenance organization is willing to provide such care~~.

(d) When a recipient has been restricted to a designated primary provider type ~~primary care provider, primary care pharmacy or health maintenance organization~~, the recipient may change the primary provider type ~~primary care provider, primary care pharmacy or health maintenance organization~~:

(1) when the designated source becomes unavailable, as the Department shall determine by rule; or

(2) when the designated primary provider type ~~primary care provider, primary care pharmacy or health maintenance organization~~ notifies the Department that it wishes to withdraw from any obligation as primary provider type ~~primary care provider, primary care pharmacy or health maintenance organization~~; or

(3) in other situations, as the Department shall provide by rule.

The Department shall, by rule, establish procedures for providing medical or pharmaceutical services when the designated source becomes unavailable or wishes to withdraw from any obligation as primary provider type ~~primary care provider, primary care pharmacy or health maintenance organization~~, shall, by rule, take into consideration the need for emergency or temporary medical assistance and shall ensure that the recipient has continuous and unrestricted access to medical care from the date on which such unavailability or withdrawal becomes effective until such time as the recipient designates a primary provider type or a primary provider type ~~care source or a primary care source~~ willing to provide such care is designated by the Department consistent with subsections (b) and (c) and such restriction becomes effective.

(e) Prior to initiating any action to restrict a recipient's access to medical or pharmaceutical care, the Department shall notify the recipient of its intended action. Such notification shall be in writing and shall set forth the reasons for and nature of the proposed action. In addition, the notification shall:

(1) inform the recipient that (i) the recipient has a right to designate a primary provider type ~~primary care provider, primary care pharmacy, or health maintenance organization~~ of the recipient's own choosing willing to accept such designation and that the recipient's failure to do so

within a reasonable time may result in such designation being made by the Department or (ii) the Department has designated a primary provider type ~~primary care provider, primary care pharmacy, or health maintenance organization~~ to assume responsibility for the recipient's care; and

(2) inform the recipient that the recipient has a right to appeal the Department's determination to restrict the recipient's access to medical care and provide the recipient with an explanation of how such appeal is to be made. The notification shall also inform the recipient of the circumstances under which unrestricted medical eligibility shall continue until a decision is made on appeal and that if the recipient chooses to appeal, the recipient will be able to review the medical payment data that was utilized by the Department to decide that the recipient's access to medical care should be restricted.

(f) The Department shall, by rule or regulation, establish procedures for appealing a determination to restrict a recipient's access to medical care, which procedures shall, at a minimum, provide for a reasonable opportunity to be heard and, where the appeal is denied, for a written statement of the reason or reasons for such denial.

(g) Except as otherwise provided in this subsection, when a recipient has had his or her medical card restricted for 4 full quarters (without regard to any period of ineligibility for medical assistance under this Code, or any period for which the recipient voluntarily terminates his or her receipt of medical assistance, that may occur before the expiration of those 4 full quarters), the Department shall reevaluate the recipient's medical usage to determine whether it is still in excess of need and with such frequency or in such a manner as to constitute an abuse of the receipt of medical assistance. If it is still in excess of need, the restriction shall be continued for another 4 full quarters. If it is no longer in excess of need, the restriction shall be discontinued. If a recipient's access to medical care has been restricted under this Section and the Department then determines, either at reevaluation or after the restriction has been discontinued, to restrict the recipient's access to medical care a second or subsequent time, the second or subsequent restriction may be imposed for a period of more than 4 full quarters. If the Department restricts a recipient's access to medical care for a period of more than 4 full quarters, as determined by rule, the Department shall reevaluate the recipient's medical usage after the end of the restriction period rather than after the end of 4 full quarters. The Department shall notify the recipient, in writing, of any decision to continue the restriction and the reason or reasons therefor. A "quarter", for purposes of this Section, shall be defined as one of the following 3-month periods of time: January-March, April-June, July-September or October-December.

(h) In addition to any other recipient whose acquisition of medical care is determined to be in excess of need, the Department may restrict the medical care privileges of the following persons:

(1) recipients found to have loaned or altered their cards or misused or falsely represented medical coverage;

(2) recipients found in possession of blank or forged prescription pads;

(3) recipients who knowingly assist providers in rendering excessive services or defrauding the medical assistance program.

The procedural safeguards in this Section shall apply to the above individuals.

(i) Restrictions under this Section shall be in addition to and shall not in any way be limited by or limit any actions taken under Article VIII-A of this Code.

(Source: P.A. 88-554, eff. 7-26-94.)

(305 ILCS 5/5-5.15 rep.)

Section 45. The Illinois Public Aid Code is amended by repealing Section 5-5.15.

Section 50. The Illinois Vehicle Code is amended by changing Section 2-123 as follows:

(625 ILCS 5/2-123) (from Ch. 95 1/2, par. 2-123)

Sec. 2-123. Sale and Distribution of Information.

(a) Except as otherwise provided in this Section, the Secretary may make the driver's license, vehicle and title registration lists, in part or in whole, and any statistical information derived from these lists available to local governments, elected state officials, state educational institutions, and all other governmental units of the State and Federal Government requesting them for governmental purposes. The Secretary shall require any such applicant for services to pay for the costs of furnishing such services and the use of the equipment involved, and in addition is empowered to establish prices and charges for the services so furnished and for the use of the electronic equipment utilized.

(b) The Secretary is further empowered to and he may, in his discretion, furnish to any applicant, other than listed in subsection (a) of this Section, vehicle or driver data on a computer tape, disk, other electronic format or computer processable medium, or printout at a fixed fee of $250 for orders received before October 1, 2003 and $500 for orders received on or after October 1, 2003, in advance, and require

in addition a further sufficient deposit based upon the Secretary of State's estimate of the total cost of the information requested and a charge of $25 for orders received before October 1, 2003 and $50 for orders received on or after October 1, 2003, per 1,000 units or part thereof identified or the actual cost, whichever is greater. The Secretary is authorized to refund any difference between the additional deposit and the actual cost of the request. This service shall not be in lieu of an abstract of a driver's record nor of a title or registration search. This service may be limited to entities purchasing a minimum number of records as required by administrative rule. The information sold pursuant to this subsection shall be the entire vehicle or driver data list, or part thereof. The information sold pursuant to this subsection shall not contain personally identifying information unless the information is to be used for one of the purposes identified in subsection (f-5) of this Section. Commercial purchasers of driver and vehicle record databases shall enter into a written agreement with the Secretary of State that includes disclosure of the commercial use of the information to be purchased.

(b-1) The Secretary is further empowered to and may, in his or her discretion, furnish vehicle or driver data on a computer tape, disk, or other electronic format or computer processible medium, at no fee, to any State or local governmental agency that uses the information provided by the Secretary to transmit data back to the Secretary that enables the Secretary to maintain accurate driving records, including dispositions of traffic cases. This information may be provided without fee not more often than once every 6 months.

(c) Secretary of State may issue registration lists. The Secretary of State may compile a list of all registered vehicles. Each list of registered vehicles shall be arranged serially according to the registration numbers assigned to registered vehicles and may contain in addition the names and addresses of registered owners and a brief description of each vehicle including the serial or other identifying number thereof. Such compilation may be in such form as in the discretion of the Secretary of State may seem best for the purposes intended.

(d) The Secretary of State shall furnish no more than 2 current available lists of such registrations to the sheriffs of all counties and to the chiefs of police of all cities and villages and towns of 2,000 population and over in this State at no cost. Additional copies may be purchased by the sheriffs or chiefs of police at the fee of $500 each or at the cost of producing the list as determined by the Secretary of State. Such lists are to be used for governmental purposes only.

(e) (Blank).

(e-1) (Blank).

(f) The Secretary of State shall make a title or registration search of the records of his office and a written report on the same for any person, upon written application of such person, accompanied by a fee of $5 for each registration or title search. The written application shall set forth the intended use of the requested information. No fee shall be charged for a title or registration search, or for the certification thereof requested by a government agency. The report of the title or registration search shall not contain personally identifying information unless the request for a search was made for one of the purposes identified in subsection (f-5) of this Section. The report of the title or registration search shall not contain highly restricted personal information unless specifically authorized by this Code.

The Secretary of State shall certify a title or registration record upon written request. The fee for certification shall be $5 in addition to the fee required for a title or registration search. Certification shall be made under the signature of the Secretary of State and shall be authenticated by Seal of the Secretary of State.

The Secretary of State may notify the vehicle owner or registrant of the request for purchase of his title or registration information as the Secretary deems appropriate.

No information shall be released to the requestor until expiration of a 10 day period. This 10 day period shall not apply to requests for information made by law enforcement officials, government agencies, financial institutions, attorneys, insurers, employers, automobile associated businesses, persons licensed as a private detective or firms licensed as a private detective agency under the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004, who are employed by or are acting on behalf of law enforcement officials, government agencies, financial institutions, attorneys, insurers, employers, automobile associated businesses, and other business entities for purposes consistent with the Illinois Vehicle Code, the vehicle owner or registrant or other entities as the Secretary may exempt by rule and regulation.

Any misrepresentation made by a requestor of title or vehicle information shall be punishable as a petty offense, except in the case of persons licensed as a private detective or firms licensed as a private detective agency which shall be subject to disciplinary sanctions under Section 40-10 of the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004.

(f-5) The Secretary of State shall not disclose or otherwise make available to any person or entity any

personally identifying information obtained by the Secretary of State in connection with a driver's license, vehicle, or title registration record unless the information is disclosed for one of the following purposes:

(1) For use by any government agency, including any court or law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a federal, State, or local agency in carrying out its functions.

(2) For use in connection with matters of motor vehicle or driver safety and theft; motor vehicle emissions; motor vehicle product alterations, recalls, or advisories; performance monitoring of motor vehicles, motor vehicle parts, and dealers; and removal of non-owner records from the original owner records of motor vehicle manufacturers.

(3) For use in the normal course of business by a legitimate business or its agents, employees, or contractors, but only:

(A) to verify the accuracy of personal information submitted by an individual to the business or its agents, employees, or contractors; and

(B) if such information as so submitted is not correct or is no longer correct, to obtain the correct information, but only for the purposes of preventing fraud by, pursuing legal remedies against, or recovering on a debt or security interest against, the individual.

(4) For use in research activities and for use in producing statistical reports, if the personally identifying information is not published, redisclosed, or used to contact individuals.

(5) For use in connection with any civil, criminal, administrative, or arbitral proceeding in any federal, State, or local court or agency or before any self-regulatory body, including the service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a federal, State, or local court.

(6) For use by any insurer or insurance support organization or by a self-insured entity or its agents, employees, or contractors in connection with claims investigation activities, antifraud activities, rating, or underwriting.

(7) For use in providing notice to the owners of towed or impounded vehicles.

(8) For use by any person licensed as a private detective or firm licensed as a private detective agency under the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004, private investigative agency or security service licensed in Illinois for any purpose permitted under this subsection.

(9) For use by an employer or its agent or insurer to obtain or verify information relating to a holder of a commercial driver's license that is required under chapter 313 of title 49 of the United States Code.

(10) For use in connection with the operation of private toll transportation facilities.

(11) For use by any requester, if the requester demonstrates it has obtained the written consent of the individual to whom the information pertains.

(12) For use by members of the news media, as defined in Section 1-148.5, for the purpose of newsgathering when the request relates to the operation of a motor vehicle or public safety.

(13) For any other use specifically authorized by law, if that use is related to the operation of a motor vehicle or public safety.

(f-6) The Secretary of State shall not disclose or otherwise make available to any person or entity any highly restricted personal information obtained by the Secretary of State in connection with a driver's license, vehicle, or title registration record unless specifically authorized by this Code.

(g) 1. The Secretary of State may, upon receipt of a written request and a fee of $6 before October 1, 2003 and a fee of $12 on and after October 1, 2003, furnish to the person or agency so requesting a driver's record. Such document may include a record of: current driver's license issuance information, except that the information on judicial driving permits shall be available only as otherwise provided by this Code; convictions; orders entered revoking, suspending or cancelling a driver's license or privilege; and notations of accident involvement. All other information, unless otherwise permitted by this Code, shall remain confidential. Information released pursuant to a request for a driver's record shall not contain personally identifying information, unless the request for the driver's record was made for one of the purposes set forth in subsection (f-5) of this Section. The Secretary of State may, without fee, allow a parent or guardian of a person under the age of 18 years, who holds an instruction permit or graduated driver's license, to view that person's driving record online, through a computer connection. The parent or guardian's online access to the driving record will terminate when the instruction permit or graduated driver's license holder reaches the age of 18.

2. The Secretary of State shall not disclose or otherwise make available to any person or entity any highly restricted personal information obtained by the Secretary of State in connection

with a driver's license, vehicle, or title registration record unless specifically authorized by this Code. The Secretary of State may certify an abstract of a driver's record upon written request therefor. Such certification shall be made under the signature of the Secretary of State and shall be authenticated by the Seal of his office.

3. All requests for driving record information shall be made in a manner prescribed by the Secretary and shall set forth the intended use of the requested information.

The Secretary of State may notify the affected driver of the request for purchase of his driver's record as the Secretary deems appropriate.

No information shall be released to the requester until expiration of a 10 day period. This 10 day period shall not apply to requests for information made by law enforcement officials, government agencies, financial institutions, attorneys, insurers, employers, automobile associated businesses, persons licensed as a private detective or firms licensed as a private detective agency under the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004, who are employed by or are acting on behalf of law enforcement officials, government agencies, financial institutions, attorneys, insurers, employers, automobile associated businesses, and other business entities for purposes consistent with the Illinois Vehicle Code, the affected driver or other entities as the Secretary may exempt by rule and regulation.

Any misrepresentation made by a requestor of driver information shall be punishable as a petty offense, except in the case of persons licensed as a private detective or firms licensed as a private detective agency which shall be subject to disciplinary sanctions under Section 40-10 of the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004.

4. The Secretary of State may furnish without fee, upon the written request of a law enforcement agency, any information from a driver's record on file with the Secretary of State when such information is required in the enforcement of this Code or any other law relating to the operation of motor vehicles, including records of dispositions; documented information involving the use of a motor vehicle; whether such individual has, or previously had, a driver's license; and the address and personal description as reflected on said driver's record.

5. Except as otherwise provided in this Section, the Secretary of State may furnish, without fee, information from an individual driver's record on file, if a written request therefor is submitted by any public transit system or authority, public defender, law enforcement agency, a state or federal agency, or an Illinois local intergovernmental association, if the request is for the purpose of a background check of applicants for employment with the requesting agency, or for the purpose of an official investigation conducted by the agency, or to determine a current address for the driver so public funds can be recovered or paid to the driver, or for any other purpose set forth in subsection (f-5) of this Section.

The Secretary may also furnish the courts a copy of an abstract of a driver's record, without fee, subsequent to an arrest for a violation of Section 11-501 or a similar provision of a local ordinance. Such abstract may include records of dispositions; documented information involving the use of a motor vehicle as contained in the current file; whether such individual has, or previously had, a driver's license; and the address and personal description as reflected on said driver's record.

6. Any certified abstract issued by the Secretary of State or transmitted electronically by the Secretary of State pursuant to this Section, to a court or on request of a law enforcement agency, for the record of a named person as to the status of the person's driver's license shall be prima facie evidence of the facts therein stated and if the name appearing in such abstract is the same as that of a person named in an information or warrant, such abstract shall be prima facie evidence that the person named in such information or warrant is the same person as the person named in such abstract and shall be admissible for any prosecution under this Code and be admitted as proof of any prior conviction or proof of records, notices, or orders recorded on individual driving records maintained by the Secretary of State.

7. Subject to any restrictions contained in the Juvenile Court Act of 1987, and upon receipt of a proper request and a fee of $6 before October 1, 2003 and a fee of $12 on or after October 1, 2003, the Secretary of State shall provide a driver's record to the affected driver, or the affected driver's attorney, upon verification. Such record shall contain all the information referred to in paragraph 1 of this subsection (g) plus: any recorded accident involvement as a driver; information recorded pursuant to subsection (e) of Section 6-117 and paragraph (4) of subsection (a) of Section 6-204 of this Code. All other information, unless otherwise permitted by this Code, shall remain confidential.

(h) The Secretary shall not disclose social security numbers or any associated information obtained from the Social Security Administration except pursuant to a written request by, or with the prior written

consent of, the individual except: (1) to officers and employees of the Secretary who have a need to know the social security numbers in performance of their official duties, (2) to law enforcement officials for a lawful, civil or criminal law enforcement investigation, and if the head of the law enforcement agency has made a written request to the Secretary specifying the law enforcement investigation for which the social security numbers are being sought, (3) to the United States Department of Transportation, or any other State, pursuant to the administration and enforcement of the Commercial Motor Vehicle Safety Act of 1986, (4) pursuant to the order of a court of competent jurisdiction, (5) to the Department of Healthcare and Family Services (formerly Department of Public Aid) for utilization in the child support enforcement duties assigned to that Department under provisions of the Illinois Public Aid Code after the individual has received advanced meaningful notification of what redisclosure is sought by the Secretary in accordance with the federal Privacy Act, (5.5) to the Department of Healthcare and Family Services and the Department of Human Services solely for the purpose of verifying Illinois residency where such residency is an eligibility requirement for benefits under the Illinois Public Aid Code or any other health benefit program administered by the Department of Healthcare and Family Services or the Department of Human Services, or (6) to the Illinois Department of Revenue solely for use by the Department in the collection of any tax or debt that the Department of Revenue is authorized or required by law to collect, provided that the Department shall not disclose the social security number to any person or entity outside of the Department.

(i) (Blank).

(j) Medical statements or medical reports received in the Secretary of State's Office shall be confidential. No confidential information may be open to public inspection or the contents disclosed to anyone, except officers and employees of the Secretary who have a need to know the information contained in the medical reports and the Driver License Medical Advisory Board, unless so directed by an order of a court of competent jurisdiction.

(k) All fees collected under this Section shall be paid into the Road Fund of the State Treasury, except that (i) for fees collected before October 1, 2003, $3 of the $6 fee for a driver's record shall be paid into the Secretary of State Special Services Fund, (ii) for fees collected on and after October 1, 2003, of the $12 fee for a driver's record, $3 shall be paid into the Secretary of State Special Services Fund and $6 shall be paid into the General Revenue Fund, and (iii) for fees collected on and after October 1, 2003, 50% of the amounts collected pursuant to subsection (b) shall be paid into the General Revenue Fund.

(l) (Blank).

(m) Notations of accident involvement that may be disclosed under this Section shall not include notations relating to damage to a vehicle or other property being transported by a tow truck. This information shall remain confidential, provided that nothing in this subsection (m) shall limit disclosure of any notification of accident involvement to any law enforcement agency or official.

(n) Requests made by the news media for driver's license, vehicle, or title registration information may be furnished without charge or at a reduced charge, as determined by the Secretary, when the specific purpose for requesting the documents is deemed to be in the public interest. Waiver or reduction of the fee is in the public interest if the principal purpose of the request is to access and disseminate information regarding the health, safety, and welfare or the legal rights of the general public and is not for the principal purpose of gaining a personal or commercial benefit. The information provided pursuant to this subsection shall not contain personally identifying information unless the information is to be used for one of the purposes identified in subsection (f-5) of this Section.

(o) The redisclosure of personally identifying information obtained pursuant to this Section is prohibited, except to the extent necessary to effectuate the purpose for which the original disclosure of the information was permitted.

(p) The Secretary of State is empowered to adopt rules to effectuate this Section.

(Source: P.A. 95-201, eff. 1-1-08; 95-287, eff. 1-1-08; 95-331, eff. 8-21-07; 95-613, eff. 9-11-07; 95-876, eff. 8-21-08; 96-1383, eff. 1-1-11.)

Section 95. Severability. If any provision of this Act or application thereof to any person or circumstance is held invalid, such invalidity does not affect other provisions or applications of this Act which can be given effect without the invalid application or provision, and to this end the provisions of this Act are declared to be severable.

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

The motion prevailed.

And the amendment was adopted and ordered printed.

Senate Floor Amendment No. 3 was referred to the Committee on Assignments earlier today.
There being no further amendments, the bill, as amended, was ordered to a third reading.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Steans, **House Bill No. 5420**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 58; NAYS None; Present 1.

The following voted in the affirmative:

Althoff	Garrett	Link	Righter
Bivins	Haine	Luechtefeld	Risinger
Bomke	Harmon	Maloney	Rutherford
Bond	Hendon	Martinez	Sandack
Brady	Holmes	McCarter	Schoenberg
Burzynski	Hunter	Meeks	Silverstein
Clayborne	Hutchinson	Millner	Steans
Collins	Jacobs	Mulroe	Sullivan
Crotty	Johnson	Muñoz	Syverson
Delgado	Jones, E.	Murphy	Trotter
Demuzio	Jones, J.	Noland	Viverito
Dillard	Koehler	Pankau	Wilhelmi
Duffy	Kotowski	Radogno	Mr. President
Forby	Lauzen	Raoul	
Frerichs	Lightford	Rezin	

The following voted present:

Sandoval

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

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

At the hour of 5:39 o'clock p.m., Senator Schoenberg, presiding.

CONSIDERATION OF HOUSE BILL ON CONSIDERATION POSTPONED

On motion of Senator Clayborne, **House Bill No. 2376,** having been read by title a third time on December 2, 2010, and pending roll call further consideration postponed, was taken up again on third reading.

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

YEAS 40; NAYS 13.

The following voted in the affirmative:

Althoff	Harmon	Maloney	Silverstein
Bond	Hendon	Martinez	Steans

Clayborne	Holmes	Meeks	Sullivan
Collins	Hunter	Millner	Trotter
Crotty	Jacobs	Mulroe	Viverito
Delgado	Jones, E.	Muñoz	Wilhelmi
Demuzio	Koehler	Noland	Mr. President
Forby	Kotowski	Raoul	
Frerichs	Lightford	Rutherford	
Garrett	Link	Sandoval	
Haine	Luechtefeld	Schoenberg	

The following voted in the negative:

Bivins	Johnson	Pankau	Syverson
Brady	Lauzen	Rezin	
Burzynski	McCarter	Risinger	
Duffy	Murphy	Sandack	

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

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

At the hour of 5:46 o'clock a.m., Senator Clayborne, presiding.

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILL ON SECRETARY'S DESK

On motion of Senator Demuzio, **Senate Bill No. 2485**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

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

Pending roll call, on motion of Senator Demuzio, further consideration of **Senate Bill No. 2485**, with House Amendments numbered 1 and 2 was postponed.

Senator McCarter asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the negative on **Senate Bill No. 2485**.

HOUSE BILL RECALLED

On motion of Senator Cullerton, **House Bill No. 3659** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 2 was held in the Committee on Assignments.

Senator Cullerton offered the following amendment and moved its adoption:

AMENDMENT NO. 3 TO HOUSE BILL 3659

AMENDMENT NO. 3. Amend House Bill 3659, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Use Tax Act is amended by changing Section 2 as follows:

(35 ILCS 105/2) (from Ch. 120, par. 439.2)

Sec. 2. "Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of such property in any form as tangible personal property in the regular course of business to the extent that such property is not first subjected to a use for which it was purchased, and does not include the use of such property by its owner for demonstration purposes: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. "Use" does not mean the demonstration

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

"Watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

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

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

"Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. For this purpose, slag produced as an incident to manufacturing pig iron or steel and sold is considered to be an intentionally produced by-product of manufacturing. "Sale at retail" includes any such transfer made for resale unless made in compliance with Section 2c of the Retailers' Occupation Tax Act, as incorporated by reference into Section 12 of this Act. Transactions whereby the possession of the property is transferred but the seller retains the title as security for payment of the selling price are sales.

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

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

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

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

purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the purchaser, any cigarette tax imposed by a home rule unit.

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

"Department" means the Department of Revenue.

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

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

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

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

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

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

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

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

1. A retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here

permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State. However, the ownership of property that is located at the premises of a printer with which the retailer has contracted for printing and that consists of the final printed product, property that becomes a part of the final printed product, or copy from which the printed product is produced shall not result in the retailer being deemed to have or maintain an office, distribution house, sales house, warehouse, or other place of business within this State.

1.1. Beginning July 1, 2011, a retailer having a contract with a person located in this State under which the person, for a commission or other consideration based upon the sale of tangible personal property by the retailer, directly or indirectly refers potential customers to the retailer by a link on the person's Internet website. The provisions of this paragraph 1.1 shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers who are referred to the retailer by all persons in this State under such contracts exceed $10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December.

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

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

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

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

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

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

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

5. A retailer that is owned or controlled by the same interests that own or control any retailer engaging in business in the same or similar line of business in this State.

6. A retailer having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section.

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

8. A retailer engaging in activities in Illinois, which activities in the state in which the retail business engaging in such activities is located would constitute maintaining a place of business in that state.

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

(Source: P.A. 94-1074, eff. 12-26-06; 95-723, eff. 6-23-08.)

Section 10. The Service Use Tax Act is amended by changing Section 2 as follows:

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

Sec. 2. "Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, but does not include the sale or use for demonstration by him of that property in any form as tangible personal property in the regular course of business. "Use" does not mean the interim use of tangible personal property nor the physical incorporation of tangible personal property, as an ingredient or constituent, into other tangible personal property, (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent

therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois.

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

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

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

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

"Department" means the Department of Revenue.

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

"Sale of service" means any transaction except:

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

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

(3) except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body, or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes.

(4) a sale or transfer of tangible personal property as an incident to the rendering of service for interstate carriers for hire for use as rolling stock moving in interstate commerce or by lessors under a lease of one year or longer, executed or in effect at the time of purchase of personal property, to interstate carriers for hire for use as rolling stock moving in interstate commerce so long as so used by such interstate carriers for hire, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(4a) a sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors, or shippers of tangible personal property which is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce so long as so used by interstate carriers for hire, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(4a-5) on and after July 1, 2003 and through June 30, 2004, a sale or transfer of a motor vehicle of the second division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this

paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(5) a sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Use Tax or Service Occupation Tax, rather than Use Tax or Retailers' Occupation Tax.

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

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

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

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

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

Exemption (5) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. For the purposes of exemption (5), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further, for purposes of exemption (5), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a

different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process; and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The user of such machinery and equipment and tools without an active resale registration number shall prepare a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, which certificate shall be available to the Department for inspection or audit. The Department shall prescribe the form of the certificate.

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

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

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

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

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

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

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

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

1.1. beginning July 1, 2011, having a contract with a person located in this State under which the person, for a commission or other consideration based on the sale of service by the, directly or indirectly refers potential customers to the serviceman by a link on the person's Internet website. The provisions of this paragraph 1.1 shall apply only if the cumulative gross receipts from sales of service by the serviceman to customers who are referred to the serviceman by all persons in this State under such contracts exceed $10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December;

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

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

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

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

2. soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be

broadcast by cable television or other means of broadcasting, to consumers located in this State;

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

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

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

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

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

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

(Source: P.A. 92-484, eff. 8-23-01; 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; 93-1033, eff. 9-3-04.)

Section 97. 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.".

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Cullerton, **House Bill No. 3659**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 49; NAYS 6; Present 3.

The following voted in the affirmative:

Bomke	Haine	Lightford	Rutherford
Bond	Harmon	Link	Sandack
Brady	Hendon	Luechtefeld	Schoenberg
Burzynski	Holmes	Maloney	Silverstein
Clayborne	Hunter	Martinez	Steans
Collins	Hutchinson	Meeks	Sullivan
Crotty	Jacobs	Millner	Trotter
Delgado	Johnson	Mulroe	Viverito
Demuzio	Jones, E.	Muñoz	Wilhelmi
Dillard	Jones, J.	Noland	Mr. President
Forby	Koehler	Pankau	
Frerichs	Kotowski	Radogno	
Garrett	Lauzen	Raoul	

The following voted in the negative:

Bivins	McCarter	Rezin

Duffy Murphy Syverson

The following voted present:

Althoff
Risinger
Sandoval

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

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

HOUSE BILL RECALLED

On motion of Senator Link, **House Bill No. 5727** was recalled from the order of third reading to the order of second reading.

Senator Link offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 5727

AMENDMENT NO. 1. Amend House Bill 5727 by replacing everything after the enacting clause with the following:

"Section 5. The Counties Code is amended by changing Sections 2-3003, 2-3004, 2-5009, and 2-5011 as follows:

(55 ILCS 5/2-3003) (from Ch. 34, par. 2-3003)

Sec. 2-3003. Apportionment plan.

(1) If the county board determines that members shall be elected by districts, it shall develop an apportionment plan and specify the number of districts and the number of county board members to be elected from each district and whether voters will have cumulative voting rights in multi-member districts. Each such district:

a. Shall be equal in population to each other district;

b. Shall be comprised of contiguous territory, as nearly compact as practicable; and

c. May divide townships or municipalities only when necessary to conform to the population requirement of paragraph a. of this Section.

d. Shall be created in such a manner so that no precinct shall be divided between 2 or more districts, insofar as is practicable.

(2) The county board of each county having a population of less than 3,000,000 inhabitants may, if it should so decide, provide within that county for single member districts outside the corporate limits and multi-member districts within the corporate limits of any municipality with a population in excess of 75,000. Paragraphs a, b, c and d of subsection (1) of this Section shall apply to the apportionment of both single and multi-member districts within a county to the extent that compliance with paragraphs a, b, c and d still permit the establishment of such districts, except that the population of any multi-member district shall be equal to the population of any single member district, times the number of members found within that multi-member district.

(3) In a county where the Chairman of the County Board is elected by the voters of the county as provided in Section 2-3007, the Chairman of the County Board may develop and present to the Board by the third Wednesday in May in the year after a federal decennial census year an apportionment plan in accordance with the provisions of subsection (1) of this Section. If the Chairman presents a plan to the Board by the third Wednesday in May, the Board shall conduct at least one public hearing to receive comments and to discuss the apportionment plan, the hearing shall be held at least 6 days but not more than 21 days after the Chairman's plan was presented to the Board, and the public shall be given notice of the hearing at least 6 days in advance. If the Chairman presents a plan by the third Wednesday in May, the Board is prohibited from enacting an apportionment plan until after a hearing on the plan presented by the Chairman. The Chairman shall have access to the federal decennial census available to the Board.

(4) In a county where a County Executive is elected by the voters of the county as provided in 2-5007 of the Counties Code, the County Executive may develop and present to the Board by the third

Wednesday in May in the year after a federal decennial census year an apportionment plan in accordance with the provisions of subsection (1) of this Section. If the Executive presents a plan to the Board by the third Wednesday in May, the Board shall conduct at least one public hearing to receive comments and to discuss the apportionment plan, the hearing shall be held at least 6 days but not more than 21 days after the Executive's plan was presented to the Board, and the public shall be given notice of the hearing at least 6 days in advance. If the Executive presents a plan by the third Wednesday in May, the Board is prohibited from enacting an apportionment plan until after a hearing on the plan presented by the Executive. The Executive shall have access to the federal decennial census available to the Board.

(Source: P.A. 93-308, eff. 7-23-03.)

(55 ILCS 5/2-3004) (from Ch. 34, par. 2-3004)

Sec. 2-3004. Failure to complete reapportionment. If any county board fails to complete the reapportionment of its county by July 1 in 2011 ~~1971~~ or any 10 years thereafter or by the day after the county board's regularly scheduled July meeting in 2011 or any 10 years thereafter, whichever is later, the county clerk of that county shall convene the county apportionment commission. Three members of the commission shall constitute a quorum, but a majority of all the members must vote affirmatively on any determination made by the commission. The commission shall adopt rules for its procedure.

The commission shall develop an apportionment plan for the county in the manner provided by Section 2-3003, dividing the county into the same number of districts as determined by the county board. If the county board has failed to determine the size of the county board to be elected, then the number of districts and the number of members to be elected shall be the largest number to which the county is entitled under Section 2-3002.

The commission shall submit its apportionment plan by October 1 in the year that it is convened, except that the circuit court, for good cause shown, may grant an extension of time, not exceeding a total of 60 days, within which such a plan may be submitted.

(Source: P.A. 86-962.)

(55 ILCS 5/2-5009) (from Ch. 34, par. 2-5009)

Sec. 2-5009. Duties and powers of county executive. Any county executive elected under this Division shall:

(a) see that all of the orders, resolutions and regulations of the board are faithfully executed;

(b) coordinate and direct by executive order or otherwise all administrative and management functions of the county government except the offices of elected county officers;

(c) prepare and submit to the board for its approval the annual budget for the county required by Division 6-1 of this Code;

(d) appoint, with the advice and consent of the board, persons to serve on the various boards and commissions to which appointments are provided by law to be made by the board;

(e) appoint, with the advice and consent of the board, persons to serve on various special districts within the county except where appointment to serve on such districts is otherwise provided by law;

(f) make an annual report to the board on the affairs of the county, on such date and at such time as the board shall designate, and keep the board fully advised as to the financial condition of the county and its future financial needs;

(f-5) for a county executive of a county that has adopted the executive form of government on or before the effective date of this amendatory Act of the 96th General Assembly, appoint, with the advice and consent of the board, all department heads for any county departments;

(g) appoint, with the advice and consent of the board, such subordinate deputies, employees and appointees for the general administration of county affairs as considered necessary, except those deputies, employees and appointees in the office of an elected county officer; however, the advice and consent requirement set forth in this paragraph shall not apply to persons employed as a member of the immediate personal staff of a county executive of a county that has adopted the executive form of government on or before the effective date of this amendatory Act of the 96th General Assembly;

(h) remove or suspend in his discretion, after due notice and hearing, anyone whom he has the power to appoint;

(i) require reports and examine accounts, records and operations of all county administrative units;

(j) supervise the care and custody of all county property including institutions and agencies;

(k) approve or veto ordinances or resolutions pursuant to Section 2-5010;

(l) preside over board meetings; however, the county executive is not entitled to vote except to break a tie vote;

(l-5) for a county executive of a county that has adopted the executive form of government on or before the effective date of this amendatory Act of the 96th General Assembly, if the County Executive is temporarily not available to preside over a board meeting, the County Executive shall designate a

board member to preside over the board meeting;

(m) call a special meeting of the county board, by a written executive order signed by him and upon 24 hours notice by delivery of a copy of such order to the residence of each board member;

(n) with the advice and consent of the county board, enter into intergovernmental agreements with other governmental units;

(o) with the advice and consent of the county board, negotiate on behalf of the county with governmental units and the private sector for the purpose of promoting economic growth and development;

(p) at his discretion, appoint a person to serve as legal counsel at an annual salary established by the county board at an amount no greater than the annual salary of the state's attorney of the county;

(q) perform such other duties as shall be required of him by the board.

(Source: P.A. 86-962.)

(55 ILCS 5/2-5011) (from Ch. 34, par. 2-5011)

Sec. 2-5011. Death, resignation or inability of county executive. In case of the death, resignation or other inability of the county executive to act, the board shall select a person qualified under Section 2-5008 and Section 25-11 of the Election Code to serve as the interim county executive until the next general election.

(Source: P.A. 86-962.)

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

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Link, **House Bill No. 5727**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 41; NAYS 13; Present 1.

The following voted in the affirmative:

Althoff	Haine	Lightford	Schoenberg
Bond	Harmon	Link	Silverstein
Burzynski	Hendon	Maloney	Steans
Clayborne	Holmes	Martinez	Sullivan
Collins	Hunter	Meeks	Trotter
Crotty	Hutchinson	Millner	Viverito
Delgado	Jacobs	Mulroe	Wilhelmi
Demuzio	Johnson	Muñoz	Mr. President
Forby	Jones, E.	Noland	
Frerichs	Koehler	Raoul	
Garrett	Kotowski	Sandack	

The following voted in the negative:

Bivins	Lauzen	Pankau	Risinger
Bomke	Luechtefeld	Radogno	
Brady	McCarter	Rezin	
Duffy	Murphy	Righter	

The following voted present:

Sandoval

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

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

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILL ON SECRETARY'S DESK

On motion of Senator Trotter, **Senate Bill No. 3388**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Trotter 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 36; NAYS 13; Present 4.

The following voted in the affirmative:

Althoff	Hunter	Meeks	Sullivan
Bomke	Jacobs	Millner	Syverson
Brady	Johnson	Mulroe	Trotter
Burzynski	Jones, E.	Muñoz	Viverito
Clayborne	Jones, J.	Murphy	Wilhelmi
Crotty	Koehler	Noland	Mr. President
Dillard	Kotowski	Raoul	
Harmon	Lauzen	Risinger	
Hendon	Luechtefeld	Rutherford	
Holmes	Maloney	Silverstein	

The following voted in the negative:

Bivins	Haine	Radogno	Steans
Demuzio	Link	Rezin	
Duffy	McCarter	Righter	
Garrett	Pankau	Schoenberg	

The following voted present:

Collins	Martinez
Delgado	Sandoval

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 3 to **Senate Bill No. 3388**.

Ordered that the Secretary inform the House of Representatives thereof.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Harmon, **House Bill No. 1410**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 55; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Link	Rezin
Bivins	Harmon	Luechtefeld	Righter
Bomke	Hendon	Maloney	Sandack
Brady	Holmes	Martinez	Sandoval
Burzynski	Hunter	McCarter	Schoenberg
Clayborne	Hutchinson	Meeks	Silverstein
Collins	Jacobs	Millner	Steans
Crotty	Johnson	Mulroe	Sullivan
Delgado	Jones, E.	Muñoz	Syverson
Dillard	Jones, J.	Murphy	Trotter
Duffy	Koehler	Noland	Viverito
Forby	Kotowski	Pankau	Wilhelmi
Frerichs	Lauzen	Radogno	Mr. President
Garrett	Lightford	Raoul	

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

Ordered that the Secretary inform the House of Representatives thereof.

HOUSE BILL RECALLED

On motion of Senator Martinez, **House Bill No. 6460** was recalled from the order of third reading to the order of second reading.

Senator Martinez offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO HOUSE BILL 6460

AMENDMENT NO. _2_. Amend House Bill 6460, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 6, by replacing lines 9 through 16 with the following:

"period, commits 3 or more separate offenses constituting any combination of the following:

(1) an offense under this Article; ~~,~~

(2) a felony offense in violation of Section 16A-3 or paragraph (4) or (5) of subsection (a) of Section 16-1 of this Code for the purpose of reselling or otherwise re-entering the merchandise in commerce, including conveying the merchandise to a merchant in exchange for anything of value; or

(3) ~~,~~ if involving a financial institution, any other felony offense ~~offenses~~ established under this Code.";

and

by replacing lines 22 through 24 on page 6 and lines 1 through 9 on page 7 with the following:

"continuing financial crimes enterprise when the person:

(1) with the intent to commit an offense ~~under this Article~~, agrees with another person to the commission of any combination of the following offenses on 3 or more separate occasions within an 18 month period:

(A) an offense under this Article;

(B) a felony offenses in violation of Section 16A-3 or paragraph (4) or (5) of subsection (a) of Section 16-1 of this Code for the purpose of reselling or otherwise re-entering the merchandise in commerce, including conveying the merchandise to a merchant in exchange for anything of value; or

(C) ~~,~~ if involving a financial institution, any other felony offense established under this Code~~, agrees with another person to the commission of that offense on 3 or more separate occasions within an 18 month period~~, and"; and

on page 7, line 22 by inserting after "of" the following:

"subdivision (2) of Section 16H-50 or subdivision (a)(1)(B) of Section 16H-55 of".

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Martinez, **House Bill No. 6460**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Risinger
Bivins	Harmon	Maloney	Rutherford
Bomke	Hendon	Martinez	Sandack
Brady	Holmes	McCarter	Sandoval
Burzynski	Hunter	Meeks	Schoenberg
Clayborne	Hutchinson	Millner	Silverstein
Collins	Jacobs	Mulroe	Steans
Crotty	Johnson	Muñoz	Sullivan
Delgado	Jones, E.	Murphy	Syverson
Demuzio	Jones, J.	Noland	Trotter
Dillard	Koehler	Pankau	Viverito
Duffy	Kotowski	Radogno	Wilhelmi
Forby	Lauzen	Raoul	Mr. President
Frerichs	Lightford	Rezin	
Garrett	Link	Righter	

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

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

On motion of Senator Steans, **House Bill No. 1716**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Risinger
Bivins	Harmon	Maloney	Rutherford
Bomke	Hendon	Martinez	Sandack
Bond	Holmes	McCarter	Sandoval
Brady	Hunter	Meeks	Schoenberg
Burzynski	Hutchinson	Millner	Silverstein
Clayborne	Jacobs	Mulroe	Steans
Collins	Johnson	Muñoz	Sullivan
Crotty	Jones, E.	Murphy	Syverson
Delgado	Jones, J.	Noland	Trotter
Dillard	Koehler	Pankau	Viverito
Duffy	Kotowski	Radogno	Wilhelmi
Forby	Lauzen	Raoul	Mr. President

Frerichs	Lightford	Rezin
Garrett	Link	Righter

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

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Haine, **House Bill No. 1721**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 55; NAYS None; Present 2.

The following voted in the affirmative:

Althoff	Haine	Link	Rezin
Bivins	Harmon	Luechtefeld	Righter
Bomke	Hendon	Maloney	Risinger
Bond	Holmes	Martinez	Rutherford
Brady	Hunter	McCarter	Sandack
Burzynski	Hutchinson	Meeks	Schoenberg
Collins	Jacobs	Millner	Silverstein
Crotty	Johnson	Mulroe	Steans
Delgado	Jones, E.	Muñoz	Sullivan
Dillard	Jones, J.	Murphy	Syverson
Duffy	Koehler	Noland	Trotter
Forby	Kotowski	Pankau	Viverito
Frerichs	Lauzen	Radogno	Mr. President
Garrett	Lightford	Raoul	

The following voted present:

Clayborne
Sandoval

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

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 7:23 o'clock p.m., the Chair announced that the Senate stand at ease.

AT EASE

At the hour of 7:26 o'clock p.m., the Senate resumed consideration of business.

Senator Clayborne, presiding.

MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 1454

A bill for AN ACT concerning State government.

HOUSE BILL NO. 1515

A bill for AN ACT concerning finance.

Passed the House, January 5, 2011.

MARK MAHONEY, Clerk of the House

The foregoing **House Bills Numbered 1454 and 1515** were taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Mahoney, Clerk:

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

SENATE BILL NO. 2525

A bill for AN ACT concerning public employee benefits.

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

House Amendment No. 1 to SENATE BILL NO. 2525

Passed the House, as amended, January 5, 2011.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2525

AMENDMENT NO. 1. Amend Senate Bill 2525 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, and 10 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 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 26 ~~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 adjudicated ~~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 24 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, (2.1) age 19 to 24 on a medical leave of absence as described in Section 356z.11 of the Illinois Insurance Code (215 ILCS 5/356z.11), or (3)~~ age 19 or over who is mentally or physically disabled from a cause originating prior to the age of 19 (age 26 if enrolled as an adult child dependent) ~~handicapped~~. ~~For the purposes of item (2), an unmarried child age 19 to 24 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 24 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 24. 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 (1) 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 and (2) ~~; 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. A member requesting to cover any dependent must provide documentation as requested by the Department of Central Management Services and file with the Department any and all forms required by the Department.

(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 , step, adjudicated, or adopted child who is (i) under age 26 ~~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 disabled from a cause originating prior to the age of 19 (age 26 if enrolled as adult child) ~~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 , or any other training or duty in service to the United States Armed Forces ~~with approved pay and benefits~~.

(y) (Blank). ~~"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 , step, adjudicated, or adopted child who is (i) under age 26 ~~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 disabled from a cause originating prior to the age of 19 (age 26 if enrolled as an adult child) ~~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. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07; 96-756, eff. 1-1-10.)

(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 a ~~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. 95-632, eff. 9-25-07.)

(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 SURS 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 SURS 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 SURS 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 SURS 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 or ~~,~~ (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 50% 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 50% 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 is hereby created as a nonappropriated trust fund to be held outside the State Treasury, with the State Treasurer as custodian. The Local Government Health Insurance Reserve Fund shall be a continuing fund not subject to fiscal year limitations. The Local Government Health Insurance Reserve Fund is not subject to administrative charges or charge-backs, including but not limited to those authorized under Section 8h of the State Finance Act. 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. Any interest earned on moneys in the Local Government Health Insurance Reserve Fund shall be deposited into the 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 50% 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. The domestic violence shelter 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 domestic violence shelter 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 50% of the employees are enrolled and the domestic violence shelter remits the entire cost of providing coverage to those employees. Employees of a participating domestic violence shelter 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, or special circumstance as defined by the Director or during the annual Benefit Choice Period. 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. The child advocacy center 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 child advocacy center 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 50% of the employees are enrolled and the child advocacy center remits the entire cost of providing coverage to those employees. Employees of a participating child advocacy center 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, or special circumstance as defined by the Director or during the annual Benefit Choice Period. 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. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07; 95-707, eff. 1-11-08; 96-756, eff. 1-1-10; 96-1232, eff. 7-23-10.)

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

Under the rules, the foregoing **Senate Bill No. 2525**, 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. 3383

A bill for AN ACT concerning State government.

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

House Amendment No. 1 to SENATE BILL NO. 3383
House Amendment No. 2 to SENATE BILL NO. 3383
Passed the House, as amended, January 5, 2011.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 3383

AMENDMENT NO. 1. Amend Senate Bill 3383 by replacing everything after the enacting clause

with the following:

"Section 5. The State Finance Act is amended by changing Section 1.1 as follows:
(30 ILCS 105/1.1) (from Ch. 127, par. 137.1)
Sec. 1.1. This Act shall be known and ~~and~~ may be cited as the "State Finance Act".
(Source: P.A. 86-109.)".

AMENDMENT NO. 2 TO SENATE BILL 3383

AMENDMENT NO. _2_. Amend Senate Bill 3383, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Public Labor Relations Act is amended by adding Section 21.5 as follows:
(5 ILCS 315/21.5 new)
Sec. 21.5. Termination of certain agreements after constitutional officers take office.
(a) No collective bargaining agreement entered into on or after the effective date of this amendatory Act of the 96th General Assembly between an executive branch constitutional officer or any agency or department of an executive branch constitutional officer and a labor organization may extend beyond June 30th of the year in which the terms of office of executive branch constitutional officers begin.
(b) No collective bargaining agreement entered into on or after the effective date of this amendatory Act of the 96th General Assembly between an executive branch constitutional officer or any agency or department of an executive branch constitutional officer and a labor organization may provide for an increase in salary, wages, or benefits starting on or after the first day of the terms of office of executive branch constitutional officers and ending June 30th of that same year.
(c) Any collective bargaining agreement in violation of this Section is terminated and rendered null and void by operation of law.
(d) For purposes of this Section, "executive branch constitutional officer" has the same meaning as that term is defined in the State Officials and Employees Ethics Act.

Section 10. The State Budget Law of the Civil Administrative Code of Illinois is amended by changing Sections 50-5 and 50-25 as follows:
(15 ILCS 20/50-5)
Sec. 50-5. Governor to submit State budget.
(a) The Governor shall, as soon as possible and not later than the second Wednesday in March in 2010 (March 10, 2010) and the third Wednesday in February of each year beginning in 2011, except as otherwise provided in this Section, submit a State budget, embracing therein the amounts recommended by the Governor to be appropriated to the respective departments, offices, and institutions, and for all other public purposes, the estimated revenues from taxation, and the estimated revenues from sources other than taxation ~~, and an estimate of the amount required to be raised by taxation~~. Except with respect to the capital development provisions of the State budget, beginning with the revenue estimates prepared for fiscal year 2012, revenue estimates shall be based solely on: (i) revenue sources (including non-income resources), rates, and levels that exist as of the date of the submission of the State budget for the fiscal year and (ii) revenue sources (including non-income resources), rates, and levels that have been passed by the General Assembly as of the date of the submission of the State budget for the fiscal year and that are authorized to take effect in that fiscal year. Except with respect to the capital development provisions of the State budget, the Governor shall determine available revenue, deduct the cost of essential government services, including, but not limited to, pension payments and debt service, and assign a percentage of the remaining revenue to each statewide prioritized goal, as established in Section 50-25 of this Law, taking into consideration the proposed goals set forth in the report of the Commission established under that Section. The Governor shall also demonstrate how spending priorities for the fiscal year fulfill those statewide goals. The amounts recommended by the Governor for appropriation to the respective departments, offices and institutions shall be formulated according to each department's, office's, and institution's ability to effectively deliver services that meet the established statewide goals ~~according to the various functions and activities for which the respective department, office or institution of the State government (including the elective officers in the executive department and including the University of Illinois and the judicial department) is responsible~~. The amounts relating to particular functions and activities shall be further formulated in accordance with the object classification specified in Section 13 of the State Finance Act. In addition, the amounts recommended by the Governor for appropriation shall take into account each State agency's effectiveness in achieving its prioritized goals for the previous fiscal year, as set forth in Section 50-25

of this Law, giving priority to agencies and programs that have demonstrated a focus on the prevention of waste and the maximum yield from resources.

Beginning in fiscal year 2011, the Governor shall distribute written quarterly financial reports on operating funds, which may include general, State, or federal funds and may include funds related to agencies that have significant impacts on State operations, ~~budget statements~~ to the General Assembly and the State Comptroller. The reports ~~statements~~ shall be submitted no later than 45 days after the last day ~~on Wednesday of the last week of the last month~~ of each quarter of the fiscal year and~~, as is currently the practice on the effective date of this amendatory Act of the 96th General Assembly,~~ shall be posted on the Governor's Office of Management and Budget's ~~Comptroller's~~ website on the same day. The reports ~~statements~~ shall be prepared and presented in an executive summary format that may include ~~includes~~, for the fiscal year to date, individual itemizations for each significant revenue type ~~source~~ as well as ~~individual~~ itemizations of expenditures and obligations, by agency ~~the classified line items set forth in Section 13 of the State Finance Act and for other purposes~~, with an appropriate level of detail. The reports ~~statement~~ shall include a calculation of the actual total budget surplus or deficit for the fiscal year to date. The Governor shall also present periodic budget addresses throughout the fiscal year at the invitation of the General Assembly.

The Governor shall not propose expenditures and the General Assembly shall not enact appropriations that exceed the resources estimated to be available, as provided in this Section. Appropriations may be adjusted during the fiscal year by means of one or more supplemental appropriation bills if any State agency either fails to meet or exceeds the goals set forth in Section 50-25 of this Law.

For the purposes of Article VIII, Section 2 of the 1970 Illinois Constitution, the State budget for the following funds shall be prepared on the basis of revenue and expenditure measurement concepts that are in concert with generally accepted accounting principles for governments:

(1) General Revenue Fund.
(2) Common School Fund.
(3) Educational Assistance Fund.
(4) Road Fund.
(5) Motor Fuel Tax Fund.
(6) Agricultural Premium Fund.

These funds shall be known as the "budgeted funds". The revenue estimates used in the State budget for the budgeted funds shall include the estimated beginning fund balance, plus revenues estimated to be received during the budgeted year, plus the estimated receipts due the State as of June 30 of the budgeted year that are expected to be collected during the lapse period following the budgeted year, minus the receipts collected during the first 2 months of the budgeted year that became due to the State in the year before the budgeted year. Revenues shall also include estimated federal reimbursements associated with the recognition of Section 25 of the State Finance Act liabilities. For any budgeted fund for which current year revenues are anticipated to exceed expenditures, the surplus shall be considered to be a resource available for expenditure in the budgeted fiscal year.

Expenditure estimates for the budgeted funds included in the State budget shall include the costs to be incurred by the State for the budgeted year, to be paid in the next fiscal year, excluding costs paid in the budgeted year which were carried over from the prior year, where the payment is authorized by Section 25 of the State Finance Act. For any budgeted fund for which expenditures are expected to exceed revenues in the current fiscal year, the deficit shall be considered as a use of funds in the budgeted fiscal year.

Revenues and expenditures shall also include transfers between funds that are based on revenues received or costs incurred during the budget year.

Appropriations for expenditures shall also include all anticipated statutory continuing appropriation obligations that are expected to be incurred during the budgeted fiscal year.

By March 15 of each year, the Commission on Government Forecasting and Accountability shall prepare revenue and fund transfer estimates in accordance with the requirements of this Section and report those estimates to the General Assembly and the Governor.

For all funds other than the budgeted funds, the proposed expenditures shall not exceed funds estimated to be available for the fiscal year as shown in the budget. Appropriation for a fiscal year shall not exceed funds estimated by the General Assembly to be available during that year.

(b) ~~This subsection applies only to the process for the proposed fiscal year 2011 budget.~~

By February 24, 2010, the Governor must file a written report with the Secretary of the Senate and the Clerk of the House of Representatives containing the following:

(1) for fiscal year 2010, the revenues for all budgeted funds, both actual to date and estimated for the full fiscal year;

(2) for fiscal year 2010, the expenditures for all budgeted funds, both actual to date and estimated for the full fiscal year;

(3) for fiscal year 2011, the estimated revenues for all budgeted funds, including without limitation the affordable General Revenue Fund appropriations, for the full fiscal year; and

(4) for fiscal year 2011, an estimate of the anticipated liabilities for all budgeted funds, including without limitation the affordable General Revenue Fund appropriations, debt service on bonds issued, and the State's contributions to the pension systems, for the full fiscal year.

Between July 1 and August 31 of each fiscal year ~~February 24, 2010 and March 10, 2010~~, the members of the General Assembly and members of the public may make written budget recommendations to the Governor~~, and the Governor shall promptly make those recommendations available to the public through the Governor's Internet website~~.

Beginning with budgets prepared for fiscal year 2013, the budgets submitted by the Governor and appropriations made by the General Assembly for all executive branch State agencies must adhere to a method of budgeting where each priority must be justified each year according to merit rather than according to the amount appropriated for the preceding year.

(Source: P.A. 96-1, eff. 2-17-09; 96-320, eff. 1-1-10; 96-881, eff. 2-11-10; 96-958, eff. 7-1-10; 96-1000, eff. 7-2-10.)

(15 ILCS 20/50-25)

Sec. 50-25. Statewide prioritized goals. For fiscal year 2012 and each fiscal year thereafter, prior to the submission of the State budget, the Governor, in consultation with the appropriation committees of the General Assembly and, beginning with budgets prepared for fiscal year 2013, the commission established under this Section, shall: (i) prioritize outcomes that are most important for each State agency of the executive branch under the jurisdiction of the Governor to achieve for the next fiscal year and (ii) set goals to accomplish those outcomes according to the priority of the outcome. There must be a reasonable number of annually defined statewide goals defining State priorities for the budget. Each goal shall be further defined to facilitate success in achieving that goal. No later than July 31 of each fiscal year beginning in fiscal year 2012, the Governor shall establish a commission for the purpose of advising the Governor in setting those outcomes and goals, including the timeline for achieving those outcomes and goals. The commission shall be a well-balanced group and shall be a manageable size. The commission shall hold at least 2 public meetings during each fiscal year. One meeting shall be held in the City of Chicago and one meeting shall be held in the City of Springfield. By November 1 of each year, the commission shall submit a report to the Governor and the General Assembly setting forth recommendations with respect to the Governor's proposed outcomes and goals. The report shall be published on the Governor's Office of Management and Budget's website. In its report, the commission shall propose a percentage of the total budget to be assigned to each proposed outcome and goal. The commission shall also review existing mandated expenditures and include in its report recommendations for the termination of mandated expenditures. The General Assembly may object to the commission's report by passing a joint resolution detailing the General Assembly's objections.

In addition, each other constitutional officer of the executive branch, in consultation with the appropriation committees of the General Assembly, shall: (i) prioritize outcomes that are most important for his or her office to achieve for the next fiscal year and (ii) set goals to accomplish those outcomes according to the priority of the outcome. The Governor and each constitutional officer shall separately conduct performance analyses to determine which programs, strategies, and activities will best achieve those desired outcomes. The Governor shall recommend that appropriations be made to State agencies and officers for the next fiscal year based on the agreed upon goals and priorities. Each agency and officer may develop its own strategies for meeting those goals and shall review and analyze those strategies on a regular basis. The Governor shall also implement procedures to measure annual progress toward the State's highest priority outcomes and shall develop a statewide reporting system that compares the actual results with budgeted results. Those performance measures and results shall be posted on the State Comptroller's website, and compiled for distribution in the Comptroller's Public Accountability Report, as is currently the practice on the effective date of this amendatory Act of the 96th General Assembly.

(Source: P.A. 96-958, eff. 7-1-10.)

Section 15. The Illinois Grant Funds Recovery Act is amended by adding Section 4.2 as follows:

(30 ILCS 705/4.2 new)

Sec. 4.2. Suspension of grant making authority. Any grant funds and any grant program administered by a grantor agency subject to this Act are indefinitely suspended on July 1, 2012, and on July 1st of every 5th year thereafter, unless the General Assembly, acting by Joint Resolution, authorizes that

grantor agency to make grants or lifts the suspension of the authorization of that grantor agency to make grants. In the case of a suspension of the authorization of a grantor agency to make grants, the authority of that grantor agency to make grants is suspended until the suspension is explicitly lifted by Joint Resolution by the General Assembly, even if an appropriation has been made for the explicit purpose of such grants. This suspension of grant making authority supersedes any other law or rule to the contrary.

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

Under the rules, the foregoing **Senate Bill No. 3383**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

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

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

SENATE BILL NO. 3965

A bill for AN ACT concerning local government.

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

House Amendment No. 1 to SENATE BILL NO. 3965
House Amendment No. 2 to SENATE BILL NO. 3965
Passed the House, as amended, January 5, 2011.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 3965

AMENDMENT NO. 1. Amend Senate Bill 3965 by replacing everything after the enacting clause with the following:

"Section 5. The State Officials and Employees Ethics Act is amended by changing Sections 1-5, 20-5, 20-10, 20-23, 20-90, and 20-95 and by adding the heading of Article 75 and Sections 75-5 and 75-10 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.

"Board members of Regional Transit Boards" means any person appointed to serve on the governing board of a Regional Transit Board.

"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, including any retirement system or investment board subject to the Illinois Pension Code or (iii) any other appointee.

"Employment benefits" include but are not limited to the following: modified compensation or benefit terms; compensated time off; or change of title, job duties, or location of office or employment. An employment benefit may also include favorable treatment in determining whether to bring any disciplinary or similar action or favorable treatment during the course of any disciplinary or similar action or other performance review.

"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 (including a community college district) or a school district but not a State agency or a Regional Transit Board.

"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;

(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; or

(6) is an agent of, a spouse of, or an immediate family member who is living with a "prohibited source".

"Regional Transit Boards" means (i) the Regional Transportation Authority created by the Regional Transportation Authority Act, (ii) the Suburban Bus Division created by the Regional Transportation Authority Act, (iii) the Commuter Rail Division created by the Regional Transportation Authority Act, and (iv) the Chicago Transit Authority created by the Metropolitan Transit Authority Act.

"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 (except community colleges), 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 (including community college districts) 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 (except community colleges), 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), the Governor.

(9) For employees of Regional Transit Boards, the appropriate Regional Transit Board.

(10) For board members of Regional Transit Boards, the Governor.

(Source: P.A. 95-880, eff. 8-19-08; 96-6, eff. 4-3-09; 96-555, eff. 8-18-09.)

(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, and the Office of the Auditor General. The Executive Ethics Commission shall have jurisdiction over all board members and employees of Regional Transit Boards. The jurisdiction of the Commission is limited to matters arising under this Act, except as provided in subsection (d-5).

A member or legislative branch State employee serving on an executive branch board or commission remains subject to the jurisdiction of the Legislative Ethics Commission and is not subject to the jurisdiction of the Executive Ethics Commission.

(d-5) The Executive Ethics Commission shall have jurisdiction over all chief procurement officers and procurement compliance monitors and their respective staffs. The Executive Ethics Commission shall have jurisdiction over any matters arising under the Illinois Procurement Code if the Commission is given explicit authority in that Code.

(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) advocate for the appointment of another person to an appointed or elected office or position or actively participate in any campaign for any elective office.

(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. The Executive Director of the Executive Ethics Commission may employ and determine the compensation of staff, as appropriations permit.

(i) The Executive Ethics Commission shall appoint, by a majority of the members appointed to the Commission, chief procurement officers and procurement compliance monitors in accordance with the provisions of the Illinois Procurement Code. The compensation of a chief procurement officer and procurement compliance monitor shall be determined by the Commission.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/20-10)

Sec. 20-10. Offices of Executive Inspectors General.

(a) Five independent Offices of the Executive Inspector General are created, one each for the Governor, the Attorney General, the Secretary of State, the Comptroller, and the Treasurer. Each Office shall be under the direction and supervision of an Executive Inspector General and shall be a fully independent office with separate appropriations.

(b) The Governor, Attorney General, Secretary of State, Comptroller, and Treasurer shall each appoint an Executive Inspector General, without regard to political affiliation and solely on the basis of integrity and demonstrated ability. 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 Executive Inspector General, 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 Executive Inspector General 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.

Nothing in this Article precludes the appointment by the Governor, Attorney General, Secretary of State, Comptroller, or Treasurer of any other inspector general required or permitted by law. The Governor, Attorney General, Secretary of State, Comptroller, and Treasurer each may appoint an existing inspector general as the Executive Inspector General required by this Article, provided that such an inspector general is not prohibited by law, rule, jurisdiction, qualification, or interest from serving as the Executive Inspector General required by this Article. An appointing authority may not appoint a relative as an Executive Inspector General.

Each Executive 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 term of each initial Executive Inspector General shall commence upon qualification and shall run through June 30, 2008. The initial appointments shall be made within 60 days after the effective date of this Act.

After the initial term, each Executive 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. An Executive 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 by the appointing authority only for the balance of the term of the Executive Inspector General whose office is vacant.

Terms shall run regardless of whether the position is filled.

(c) The Executive Inspector General appointed by the Attorney General shall have jurisdiction over the Attorney General and all officers and employees of, and vendors and others doing business with, State agencies within the jurisdiction of the Attorney General. The Executive Inspector General appointed by the Secretary of State shall have jurisdiction over the Secretary of State and all officers and employees of, and vendors and others doing business with, State agencies within the jurisdiction of the Secretary of State. The Executive Inspector General appointed by the Comptroller shall have jurisdiction over the Comptroller and all officers and employees of, and vendors and others doing business with, State agencies within the jurisdiction of the Comptroller. The Executive Inspector General appointed by the Treasurer shall have jurisdiction over the Treasurer and all officers and employees of, and vendors and others doing business with, State agencies within the jurisdiction of the Treasurer. The Executive Inspector General appointed by the Governor shall have jurisdiction over (i) the Governor, (ii) the Lieutenant Governor, (iii) ~~and~~ 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 , and (iv) all board members and employees of the Regional Transit Boards and all vendors and others doing business with the Regional Transit Boards.

The jurisdiction of each Executive 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 for each Executive Inspector General shall be determined by the Executive Ethics Commission and shall be made from appropriations made to the Comptroller for this purpose. Subject to Section 20-45 of this Act, each Executive Inspector General has full authority to organize his or her Office of the Executive Inspector General, including the employment and determination of the compensation of staff, such as deputies, assistants, and other employees, as appropriations permit. A separate appropriation shall be made for each Office of Executive Inspector General.

(e) No Executive Inspector General or employee of the Office of the Executive 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) advocate for the appointment of another person to an appointed or elected office or position or actively participate in any campaign for any elective office.

In this subsection an appointed public office means a position authorized by law that is filled by an appointing authority as provided by law and does not include employment by hiring in the ordinary course of business.

(e-1) No Executive Inspector General or employee of the Office of the Executive 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 Executive Ethics Commission.

(f) An Executive Inspector General may be removed only for cause and may be removed only by the appointing constitutional officer. At the time of the removal, the appointing constitutional officer must report to the Executive Ethics Commission the justification for the removal.

(Source: P.A. 96-555, eff. 8-18-09.)

(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 shall designate an Ethics Officer for the office or State agency. The board of each Regional Transit Board shall designate an Ethics Officer. Ethics Officers shall:

(1) act as liaisons between the State agency or Regional Transit Board and the appropriate Executive Inspector

General and between the State agency or Regional Transit Board 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 430/20-90)

Sec. 20-90. Confidentiality.

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

(b) Subject to the provisions of Section 20-52, commissioners, employees, and agents of the Executive Ethics Commission, the Executive Inspectors General, and employees and agents of each Office of an Executive Inspector General, the Attorney General, and the employees and agents of the office of the Attorney General shall keep confidential and shall not disclose information exempted from disclosure under the Freedom of Information Act or by this Act, provided the identity of any individual providing information or reporting any possible or alleged misconduct to the Executive Inspector General for the Governor may be disclosed to an Inspector General appointed or employed by a Regional Transit Board in accordance with Section 75-10.

(Source: P.A. 96-555, eff. 8-18-09.)

(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.

(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 response 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 the Freedom of Information Act. A summary report released by the Executive Ethics Commission under Section 20-52 is a public record, but information redacted by the Executive Ethics Commission shall not be part of the public record.

(c) Meetings of the Commission are exempt from the provisions of the Open Meetings Act.

(d) Unless otherwise provided in this Act, all investigatory files and reports of the Office of an Executive Inspector General, other than monthly reports required under Section 20-85, are confidential, are exempt from disclosure under the Freedom of Information Act, and shall not be divulged to any person or agency, except as necessary (i) to a law enforcement authority, (ii) to the ultimate jurisdictional authority, (iii) to the Executive Ethics Commission, ~~; or~~ (iv) to another Inspector General appointed pursuant to this Act , or (v) to an Inspector General appointed or employed by a Regional Transit Board in accordance with Section 75-10.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/Art. 75 heading new)

ARTICLE 75. REGIONAL TRANSIT BOARDS

(5 ILCS 430/75-5 new)

Sec. 75-5. Application of the State Officials and Employees Ethics Act to the Regional Transit Boards.

(a) Beginning July 1, 2011, the provisions of Articles 1, 5, 10, 20, and 50 of this Act, as well as this Article, shall apply to the Regional Transit Boards. As used in Articles 1, 5, 10, 20, 50, and 75, (i) "appointee" and "officer" include a person appointed to serve on the board of a Regional Transit Board,

and (ii) "employee" and "State employee" include a full-time, part-time, or contractual employee of a Regional Transit Board.

(b) The Executive Ethics Commission shall have jurisdiction over all board members and employees of the Regional Transit Boards. The Executive Inspector General appointed by the Governor shall have jurisdiction over all board members, employees, vendors, and others doing business with the Regional Transit Boards to investigate allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of this Act.

(5 ILCS 430/75-10 new)

Sec. 75-10. Coordination between Executive Inspector General and Inspectors General appointed by Regional Transit Boards.

(a) Nothing in this amendatory Act of the 96th General Assembly precludes a Regional Transit Board from appointing or employing an Inspector General to serve under the jurisdiction of a Regional Transit Board to receive complaints and conduct investigations in accordance with an ordinance or resolution adopted by that respective Board, provided he or she is approved by the Executive Ethics Commission. A Regional Transit Board shall notify the Executive Ethics Commission within 10 days after employing or appointing a person to serve as Inspector General, and the Executive Ethics Commission shall approve or reject the appointment or employment of the Inspector General. Any notification not acted upon by the Executive Ethics Commission within 60 days after its receipt shall be deemed to have received the approval of the Executive Ethics Commission. Within 30 days after the effective date of this amendatory Act of the 96th General Assembly, a Regional Transit Board shall notify the Executive Ethics Commission or any person serving on the effective date of this amendatory Act as an Inspector General for the Regional Transit Board, and the Executive Ethics Commission shall approve or reject the appointment or employment within 30 days after receipt of the notification, provided that any notification not acted upon by the Executive Ethics Commission within 30 days shall be deemed to have received approval. No person rejected by the Executive Ethics Commission shall serve as an Inspector General for a Regional Transit Board for a term of 5 years after being rejected by the Commission. For purposes of this subsection (a), any person appointed or employed by a Transit Board to receive complaints and investigate allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of this Act shall be considered an Inspector General and shall be subject to approval of the Executive Ethics Commission.

(b) The Executive Inspector General appointed by the Governor shall have exclusive jurisdiction to investigate complaints or allegations of violations of this Act and, in his or her discretion, may investigate other complaints or allegations. Complaints or allegations of a violation of this Act received by an Inspector General appointed or employed by a Regional Transit Board shall be immediately referred to the Executive Inspector General. The Executive Inspector General shall have authority to assume responsibility and investigate any complaint or allegation received by an Inspector General appointed or employed by a Regional Transit Board. In the event the Executive Inspector General provides written notification of intent to assume investigatory responsibility for a complaint, allegation, or ongoing investigation, the Inspector General appointed or employed by a Regional Transit Board shall cease review of the complaint, allegation, or ongoing investigation and provide all information to the Executive Inspector General. The Executive Inspector General may delegate responsibility for an investigation to the Inspector General appointed or employed by a Regional Transit Board. In the event the Executive Inspector General provides an Inspector General appointed or employed by a Regional Transit Board with written notification of intent to delegate investigatory responsibility for a complaint, allegation, or ongoing investigation, the Executive Inspector General shall provide all information to the Inspector General appointed or employed by a Regional Transit Board.

(c) An Inspector General appointed or employed by a Regional Transit Board shall provide a monthly activity report to the Executive Inspector General indicating:

(1) the total number of complaints or allegations received since the date of the last report and a description of each complaint;

(2) the number of investigations pending as of the reporting date and the status of each investigation;

(3) the number of investigations concluded since the date of the last report and the result of each investigation;

(4) the number of investigations pending as of the reporting date and the status of each investigation; and

(5) the status of any investigation delegated by the Executive Inspector General.

An Inspector General appointed or employed by a Regional Transit Board and the Executive Inspector General shall cooperate and share resources or information as necessary to implement the provisions of

this Article.

(d) Reports filed under this Section are exempt from the Freedom of Information Act and shall be deemed confidential. Investigatory files and reports prepared by the Office of the Executive Inspector General and the Office of an Inspector General appointed or employed by a Regional Transit Board may be disclosed between the Offices as necessary to implement the provisions of this Article.

Section 10. The Metropolitan Transit Authority Act is amended by changing Section 21 as follows:

(70 ILCS 3605/21) (from Ch. 111 2/3, par. 321)

Sec. 21. Members of the Board shall hold office until their respective successors have been appointed and have qualified. Any member may resign from his or her office, to take effect when his or her successor has been appointed and has qualified. The Governor and the Mayor, respectively, may remove any member of the Board appointed by him or her in case of incompetency, neglect of duty, or malfeasance in office. They may give him or her a copy of the charges against him or her and an opportunity to be publicly heard in person or by counsel in his or her own defense upon not less than 10 ~~ten~~ days' notice. The Governor may remove any member in response to a summary report received from the Executive Inspector General in accordance with Section 20-50 of the State Officials and Employees Ethics Act, provided he or she has an opportunity to be publicly heard in person or by counsel prior to removal. In case of failure to qualify within the time required, or of abandonment of his or her office, or in case of death, conviction of a crime or removal from office, his or her office shall become vacant. Each vacancy shall be filled for the unexpired term by appointment in like manner, and with like regard as to the place of residence of the appointee, as in case of expiration of the term of a member of the Board.

(Source: Laws 1945, p. 1171.)

Section 15. The Regional Transportation Authority Act is amended by changing Sections 3.03, 3A.03, and 3B.03 as follows:

(70 ILCS 3615/3.03) (from Ch. 111 2/3, par. 703.03)

Sec. 3.03. Terms, vacancies. Each Director shall hold office for a term of 5 years, and until his successor has been appointed and has qualified. A vacancy shall occur upon resignation, death, conviction of a felony, or removal from office of a Director. Any Director may be removed from office (i) upon concurrence of not less than 11 Directors, on a formal finding of incompetence, neglect of duty, or malfeasance in office or (ii) by the Governor in response to a summary report received from the Executive Inspector General in accordance with Section 20-50 of the State Officials and Employees Ethics Act, provided he or she has an opportunity to be publicly heard in person or by counsel prior to removal. Within 30 days after the office of any member becomes vacant for any reason, the appointing authorities of such member shall make an appointment to fill the vacancy. A vacancy shall be filled for the unexpired term.

Whenever a vacancy for a Director, except as to the Chairman or those Directors appointed by the Mayor of the City of Chicago, exists for longer than 4 months, the new Director shall be chosen by election by all legislative members in the General Assembly representing the affected area. In order to qualify as a voting legislative member in this matter, the affected area must be more than 50% of the geographic area of the legislative district.

(Source: P.A. 95-708, eff. 1-18-08.)

(70 ILCS 3615/3A.03) (from Ch. 111 2/3, par. 703A.03)

Sec. 3A.03. Terms, Vacancies. The initial term of the directors appointed pursuant to subdivision (a) of Section 3A.02 shall expire on June 30, 1985; the initial term of the directors appointed pursuant to subdivisions (b) through (g) of Section 3A.02 shall expire on June 30, 1986. Thereafter, each director shall be appointed for a term of 4 years, and until his successor has been appointed and qualified. A vacancy shall occur upon the resignation, death, conviction of a felony, or removal from office of a director. Any director may be removed from office (i) upon the concurrence of not less than 8 directors, on a formal finding of incompetence, neglect of duty, or malfeasance in office or (ii) by the Governor in response to a summary report received from the Executive Inspector General in accordance with Section 20-50 of the State Officials and Employees Ethics Act, provided he or she has an opportunity to be publicly heard in person or by counsel prior to removal. Within 30 days after the office of any director becomes vacant for any reason, the appointing authorities of such director shall make an appointment to fill the vacancy. A vacancy shall be filled for the unexpired term. The initial directors other than the chairman shall be appointed within 180 days of November 9, 1983.

On June 1, 1984 the seat of any Director of the Suburban Bus Board not yet filled shall be deemed vacant and shall be chosen by the election of all the legislative members of the General Assembly

representing the affected area. In order to qualify as a voting legislative member in this matter, the affected area must be more than 50% of the geographic area of the legislative district.
(Source: P.A. 83-1156.)

(70 ILCS 3615/3B.03) (from Ch. 111 2/3, par. 703B.03)

Sec. 3B.03. Terms, Vacancies. Each director shall be appointed for a term of 4 years, and until his successor has been appointed and qualified. A vacancy shall occur upon the resignation, death, conviction of a felony, or removal from office of a director. Any director may be removed from office (i) upon the concurrence of not less than 8 directors, on a formal finding of incompetence, neglect of duty, or malfeasance in office or (ii) by the Governor in response to a summary report received from the Executive Inspector General in accordance with Section 20-50 of the State Officials and Employees Ethics Act, provided he or she has an opportunity to be publicly heard in person or by counsel prior to removal. Within 30 days after the office of any director becomes vacant for any reason, the appropriate appointing authorities of such director, as provided in Section 3B.02, shall make an appointment to fill the vacancy. A vacancy shall be filled for the unexpired term.
(Source: P.A. 95-708, eff. 1-18-08.)

Section 99. Effective date. This Act takes effect July 1, 2011.".

AMENDMENT NO. 2 TO SENATE BILL 3965

AMENDMENT NO. 2. Amend Senate Bill 3965, AS AMENDED, with reference to page and line numbers of House Amendment No. 1 on page 25, line 24, by replacing "or" with "of"; and

on page 28, by replacing lines 1 through 5 with the following:

"investigation; and

(4) the status of any investigation delegated by the Executive Inspector General.".

Under the rules, the foregoing **Senate Bill No. 3965**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

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

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

SENATE BILL NO. 647

A bill for AN ACT concerning education.
Passed the House, January 5, 2011.

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 passage of a bill of the following title, to-wit:

SENATE BILL NO. 902

A bill for AN ACT concerning fish.
Passed the House, January 5, 2011.

MARK MAHONEY, Clerk of the House

JOINT ACTION MOTIONS FILED

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

Motion to Concur in House Amendment 1 to Senate Bill 2525
Motion to Concur in House Amendments 1 and 2 to Senate Bill 2530
Motion to Concur in House Amendments 1 and 2 to Senate Bill 3965
Motion to Concur in House Amendments 1 and 2 to Senate Bill 3383

LEGISLATIVE MEASURE FILED

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

Senate Floor Amendment No. 2 to House Bill 3833

At the hour of 7:27 o'clock p.m., the Chair announced that the Senate stand at ease.

AT EASE

At the hour of 7:29 o'clock p.m., the Senate resumed consideration of business.
Senator Schoenberg, presiding.

REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its January 5, 2011 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Higher Education: **Senate Floor Amendment No. 2 to House Bill 2386**.

Insurance: **Senate Floor Amendment No. 2 to House Bill 5018**.

State Government and Veterans Affairs: **Senate Floor Amendment No. 2 to House Bill 3833**.

Senator Clayborne, Chairperson of the Committee on Assignments, during its January 5, 2011 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Executive: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 3383**

Insurance: **Motion to Concur in House Amendment 1 to Senate Bill 2525**

Revenue: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 2530**

Transportation: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 3965**

COMMITTEE MEETING ANNOUNCEMENTS

The Chair announced the following Committees to meet tomorrow morning, Thursday, January 6, 2011:

9:30 o'clock a.m., Higher Education in Room 409

9:50 o'clock a.m., Transportation in Room 400

10:10 o'clock a.m., Executive in Room 212; Revenue in Room 400

10:30 o'clock a.m., Insurance in Room 400; State Government and Veterans' Affairs in Room 409.

At the hour of 7:45 o'clock p.m., the Chair announced that the Senate stand adjourned until Thursday, January 6, 2011, at 9:00 o'clock a.m.