SENATE JOURNAL

STATE OF ILLINOIS

NINETY-EIGHTH GENERAL ASSEMBLY

107TH LEGISLATIVE DAY

TUESDAY, APRIL 8, 2014

12:12 O'CLOCK P.M.

NO. 107
[April 8, 2014]

SENATE
Daily Journal Index
107th Legislative Day

The Senate met pursuant to adjournment.
Senator Terry Link, Waukegan, Illinois, presiding.
Prayer by Reverend Dr. Clifford Hayes, First Presbyterian Church, Springfield, Illinois.
Senator Haine led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Monday, April 7, 2014, be postponed, pending arrival of the printed Journal.
The motion prevailed.

MESSAGE FROM THE PRESIDENT

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

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

April 8, 2014

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Pat McGuire to temporarily replace Senator David Koehler as a member of the Senate Local Government Committee. This appointment will automatically expire upon adjournment of the Senate Local Government Committee.

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

cc: Senate Minority Leader Christine Radogno

LEGISLATIVE MEASURES FILED

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

Senate Floor Amendment No. 2 to Senate Bill 452
Senate Floor Amendment No. 2 to Senate Bill 646
Senate Floor Amendment No. 1 to Senate Bill 647
Senate Floor Amendment No. 2 to Senate Bill 728
Senate Floor Amendment No. 1 to Senate Bill 742
Senate Floor Amendment No. 2 to Senate Bill 1103
Senate Floor Amendment No. 1 to Senate Bill 2004
Senate Floor Amendment No. 3 to Senate Bill 2870
Senate Floor Amendment No. 2 to Senate Bill 2952
Senate Floor Amendment No. 3 to Senate Bill 3318
Senate Floor Amendment No. 3 to Senate Bill 3397
Senate Floor Amendment No. 1 to Senate Bill 3398
Senate Floor Amendment No. 4 to Senate Bill 3409
Senate Floor Amendment No. 3 to Senate Bill 3411

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 1077

Offered by Senator Jacobs and all Senators:
Mourns the death of Kassidy Ann Bridge of Springfield.

SENATE RESOLUTION NO. 1078

Offered by Senator McConnaughay and all Senators:
Mourns the death of Patricia N. "Trish" Lee.

SENATE RESOLUTION NO. 1079

Offered by Senator Hastings and all Senators:
Mourns the death of Thomas F. Frawley.

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

REPORTS FROM STANDING COMMITTEES

Senator Mulroe, Chairperson of the Committee on Public Health, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 3 to Senate Bill 741
Senate Amendment No. 1 to Senate Bill 2928
Senate Amendment No. 3 to Senate Bill 3409
Senate Amendment No. 2 to Senate Bill 3465

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

Senator Delgado, Chairperson of the Committee on Education, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 2 to Senate Bill 2870
Senate Amendment No. 3 to Senate Bill 3412

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

Senator Hunter, Chairperson of the Committee on Human Services, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 221
Senate Amendment No. 2 to Senate Bill 1999
Senate Amendment No. 4 to Senate Bill 2586
Senate Amendment No. 1 to Senate Bill 3421

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

Senator Frerichs, Chairperson of the Committee on Higher Education, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 230
Senate Amendment No. 3 to Senate Bill 2846
Senate Amendment No. 3 to Senate Bill 3306

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

Senator Raoul, Chairperson of the Committee on Judiciary, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 506
Senate Amendment No. 1 to Senate Bill 978
Senate Amendment No. 1 to Senate Bill 1098
Senate Amendment No. 1 to Senate Bill 1099
Senate Amendment No. 1 to Senate Bill 2002
Senate Amendment No. 4 to Senate Bill 2829
Senate Amendment No. 3 to Senate Bill 3023
Senate Amendment No. 2 to Senate Bill 3110
Senate Amendment No. 2 to Senate Bill 3112

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

Senator Sandoval, Chairperson of the Committee on Transportation, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 3 to Senate Bill 927
Senate Amendment No. 1 to Senate Bill 930
Senate Amendment No. 2 to Senate Bill 930
Senate Amendment No. 2 to Senate Bill 3139
Senate Amendment No. 1 to Senate Bill 3270
Senate Amendment No. 1 to Senate Bill 3548

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

Senator Sandoval, Chairperson of the Committee on Transportation, to which was referred **House Joint Resolution No. 86,** reported the same back with the recommendation that the resolution be adopted.

Under the rules, **House Joint Resolution No. 86** was placed on the Secretary's Desk.

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

Senate Amendment No. 1 to Senate Bill 2650
Senate Amendment No. 1 to Senate Bill 2808
Senate Amendment No. 1 to Senate Bill 2995
Senate Amendment No. 2 to Senate Bill 3007
Senate Amendment No. 1 to Senate Bill 3522
Senate Amendment No. 2 to Senate Bill 3538
Senate Amendment No. 2 to Senate Bill 3558

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

Senator Haine, Chairperson of the Committee on Insurance, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 644
Senate Amendment No. 1 to Senate Bill 646
Senate Amendment No. 3 to Senate Bill 3014

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

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

Senate Amendment No. 1 to Senate Bill 218
Senate Amendment No. 2 to Senate Bill 218
Senate Amendment No. 4 to Senate Bill 3108
Senate Amendment No. 1 to Senate Bill 3369
Senate Amendment No. 2 to Senate Bill 3397
Senate Amendment No. 2 to Senate Bill 3574

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

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

Senate Amendment No. 2 to Senate Bill 2727

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

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

Senate Amendment No. 1 to Senate Bill 504
Senate Amendment No. 2 to Senate Bill 504
Senate Amendment No. 1 to Senate Bill 507
Senate Amendment No. 1 to Senate Bill 585
Senate Amendment No. 2 to Senate Bill 3313

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

MESSAGES FROM THE HOUSE

A message from the House by
Mr. Mapes, 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. 2544
A bill for AN ACT concerning regulation.

HOUSE BILL NO. 4418
A bill for AN ACT concerning local government.

HOUSE BILL NO. 4636
A bill for AN ACT concerning civil law.

HOUSE BILL NO. 4914
A bill for AN ACT concerning education.

HOUSE BILL NO. 4995
A bill for AN ACT concerning education.

HOUSE BILL NO. 5613
A bill for AN ACT concerning revenue.

HOUSE BILL NO. 5684
A bill for AN ACT concerning finance.

HOUSE BILL NO. 5949
A bill for AN ACT concerning civil law.

Passed the House, April 8, 2014.

TIMOTHY D. MAPES, Clerk of the House

The foregoing **House Bills Numbered 2544, 4418, 4636, 4914, 4995, 5613, 5684 and 5949** were taken up, ordered printed and placed on first reading.

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

Mr. President -- I am directed to inform the Senate that the House of Representatives has adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE JOINT RESOLUTION NO. 74

WHEREAS, It is important to recognize those who contributed to the betterment of the State of Illinois through public service; and

WHEREAS, Tim Jansen was born on February 3, 1967 in Breese; his parents were Marjorie "Margie" (nee Gebke) Jansen and Paul Jansen; he married Brenda Kluemke on January 28, 1995 at St. Cecilia Catholic Church in Bartelso; and

WHEREAS, Tim Jansen was the owner and operator of MacJenna's Restaurant in Bartelso; and

WHEREAS, Tim Jansen was a member of St. Cecilia Catholic Church in Bartelso; he was also a 15-year veteran of the Santa Fe Fire Protection District in Bartelso, Bartelso Knights of Columbus Council 4745, and the 7 Levee Club in Bartelso; and

WHEREAS, Tim Jansen was an avid deer hunter and loved spending time with his family and friends on the river and at the clubhouse; and

WHEREAS, Tim Jansen gave his life in the line of duty while fighting a fire; and

WHEREAS, Tim Jansen was preceded in death by his father; his mother-in-law, Bernadette (nee Varel) Kluemke; his dear uncle, Fr. James Jansen; and his many aunts and uncles; and

WHEREAS, Tim Jansen is survived by his wife, Brenda; his daughters, Mackenna and Jenna Jansen; his siblings, Tony (Brenda) Jansen, Lynn (Louie) Loepker, Jeff (Sonja) Jansen, Joe (Sandy) Jansen, and Theresa (Jim) Ghormley; his father-in-law, Gerhard Kluemke; his sisters-in-law and brothers-in-law, Karen (Linus) Ripperda, Brian (Sam) Kluemke, Craig (Tanya) Kluemke, and Danny (Shelly) Kluemke; and his many nieces and nephews; and

WHEREAS, Governor Pat Quinn ordered flags in the State of Illinois to fly at half-staff from December 4-6, 2012 to honor the sacrifice of Tim Jansen; and

WHEREAS, Tim Jansen was added to the National Fallen Firefighters Memorial on the National Fire Academy in Emmitsburg, Maryland and the Illinois Fallen Firefighter Memorial; he was also honored at the annual Illinois Fallen Firefighter Memorial and Firefighter Medal of Honor Awards Ceremony on May 9, 2013; and

WHEREAS, It is highly fitting that the Illinois General Assembly pays honor and respect to individuals who gave their lives in the service of the State of Illinois; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that we designate the section of Illinois Route 161 between the intersection of Hanover Street in Germantown and the intersection of South B Street in Bartelso as the Firefighter Tim Jansen Memorial Highway; and be it further

RESOLVED, That the Illinois Department of Transportation is requested to erect at suitable locations, consistent with State and federal regulations, appropriate plaques or signs giving notice of the name of the Firefighter Tim Jansen Memorial Highway; and be it further

RESOLVED, That suitable copies of this resolution be presented to the family of Tim Jansen, the Santa Fe Volunteer Fire Department, the Mayors of Bartelso and Germantown, and the Secretary of the Illinois Department of Transportation.

Adopted by the House, April 7, 2014.

TIMOTHY D. MAPES, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 74 was referred to the Committee on Assignments.

ANNOUNCEMENT ON ATTENDANCE

Senator Hunter announced for the record that Senator Koehler was absent due to district business.

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

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

At the hour of 12:24 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 1:31 o'clock p.m., the Senate resumed consideration of business.
Senator Link, presiding.

MESSAGE FROM THE HOUSE

A message from the House by
Mr. Mapes, 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. 1922

A bill for AN ACT concerning public employee benefits.
Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:
House Amendment No. 2 to SENATE BILL NO. 1922
House Amendment No. 6 to SENATE BILL NO. 1922
Passed the House, as amended, April 8, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 2 TO SENATE BILL 1922

AMENDMENT NO. 2. Amend Senate Bill 1922 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Section 9-101 as follows:
(40 ILCS 5/9-101) (from Ch. 108 1/2, par. 9-101)

Sec. 9-101. Creation of fund. In each county of more than 3,000,000 inhabitants a County Employees' and ~~and~~ Officers' Annuity and Benefit Fund shall be created, set apart, maintained and administered, in the manner prescribed in this Article, for the benefit of the employees and officers herein designated and their beneficiaries.
(Source: P.A. 90-32, eff. 6-27-97.)".

AMENDMENT NO. 6 TO SENATE BILL 1922

AMENDMENT NO. _6_. Amend Senate Bill 1922, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 1. Findings. It is the intention of the General Assembly to address an immediate funding crisis that threatens the solvency and sustainability of the public pension systems ("Pension Funds") serving employees of the City of Chicago ("City"). The Pension Funds include the Municipal Employees' Annuity and Benefit Fund of Chicago ("MEABF") and the Laborers' and Retirement Board Employees' Annuity Benefit Fund of Chicago ("LABF"). The General Assembly observes that both the pension benefits provided by these Pension Funds and the City's obligation to contribute to these Pension Funds are established by State law. The General Assembly further observes that the City has continuously made the required contributions to these Pension Funds. After reviewing the condition of the Pension Funds, potential sources of funding, and assessing the need for reform thereof, the General Assembly finds and declares that:

1. The overall financial condition of these two city pension funds is so dire, even under the most optimistic assumptions, a balanced increase in funding, both from the City and from its employees, combined with a modification of annual adjustments for both current and future retirees, is necessary to stabilize and fund the pension funds.

2. While considering the combined unfunded liabilities of the MEABF and LABF, as well as other pension funding that ultimately relies on funds from the City's property tax base, a combination of modifications to employee contribution rates and annual adjustments and increased revenues are necessary to keep the city funds solvent. The City, even as a home rule unit, lacks the ability and flexibility to raise sufficient revenues to fund the current level of pension benefits of these Pension Funds while at the same time providing important public services essential to the public welfare.

3. The General Assembly has been advised by the City that the City cannot feasibly reduce its other expenses to address this serious problem without an unprecedented reduction in basic City services. Personnel costs constitute approximately 75% of the non-discretionary appropriations for the City. As such, reductions in City expenditures to fund pensions would necessarily result in substantial cuts to City personnel, including in key services areas such as public safety, sanitation, and construction.

4. In sum, the crisis confronting the City and its Funds is so large and immediate that it cannot be addressed through increased funding alone, without modifying employee contribution rates and annual adjustments for current and future retirees. The consequences to the City of attempting to do so would be draconian. Accordingly, the General Assembly concludes that, unless reforms are enacted, the benefits currently promised by the Pension Funds are at risk.

Section 10. The Illinois Pension Code is amended by changing Sections 1-160, 8-137, 8-137.1, 8-173, 8-174, 11-134.1, 11-134.3, 11-169, and 11-170 and by adding Sections 8-173.1, 8-174.2, 11-169.1, and 11-179.1 as follows:

(40 ILCS 5/1-160)

(Text of Section before amendment by P.A. 98-622)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, 15 or 18 of this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code, to any person with respect to service as a sheriff's law enforcement employee under Article 7, or to any participant of the retirement plan established under Section 22-101. Notwithstanding anything to the contrary in this Section, for purposes of this Section, a person who participated in a retirement system under Article 15 prior to January 1, 2011 shall be deemed a person who first became a member or participant prior to January 1, 2011 under any retirement system or pension fund subject to this Section. The changes made to this Section by Public Act 98-596 ~~this amendatory Act of the 98th General Assembly~~ are a clarification of existing law and are intended to be

retroactive to the effective date of Public Act 96-889, notwithstanding the provisions of Section 1-103.1 of this Code.

(b) "Final average salary" means the average monthly (or annual) salary obtained by dividing the total salary or earnings calculated under the Article applicable to the member or participant during the 96 consecutive months (or 8 consecutive years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the applicable Article was the highest by the number of months (or years) of service in that period. For the purposes of a person who first becomes a member or participant of any retirement system or pension fund to which this Section applies on or after January 1, 2011, in this Code, "final average salary" shall be substituted for the following:

(1) In Article 7 (except for service as sheriff's law enforcement employees), "final rate of earnings".

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed $106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

(c) A member or participant is entitled to a retirement annuity upon written application if he or she has attained age 67 and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article.

A member or participant who has attained age 62 and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67.

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be 66 2/3% of the earned annuity without a reduction due to age. A child's annuity of an otherwise eligible child shall be in the amount prescribed under each Article if applicable. Any survivor's or widow's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual

unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(g) The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, or a security employee of the Department of Corrections or the Department of Juvenile Justice, as those terms are defined in subsection (b) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(h) If a person who first becomes a member or a participant of a retirement system or pension fund subject to this Section on or after January 1, 2011 is receiving a retirement annuity or retirement pension under that system or fund and becomes a member or participant under any other system or fund created by this Code and is employed on a full-time basis, except for those members or participants exempted from the provisions of this Section under subsection (a) of this Section, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and be recalculated if recalculation is provided for under the applicable Article of this Code.

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit such notification shall be guilty of a Class A misdemeanor and required to pay a fine of $1,000. Upon termination of that contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) (Blank).

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596, eff. 11-19-13; revised 1-23-14.)

(Text of Section after amendment by P.A. 98-622)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, 15 or 18 of this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code, to any person with respect to service as a sheriff's law enforcement employee under Article 7, or to any participant of the retirement plan established under Section 22-101. Notwithstanding anything to the contrary in this Section, for purposes of this Section, a person who participated in a retirement system under Article 15 prior to January 1, 2011 shall be deemed a person who first became a member or participant prior to January 1, 2011 under any retirement system or pension fund subject to this Section. The changes made to this Section by Public Act 98-596 ~~this amendatory Act of the 98th General Assembly~~ are a clarification of existing law and are intended to be retroactive to the effective date of Public Act 96-889, notwithstanding the provisions of Section 1-103.1 of this Code.

(b) "Final average salary" means the average monthly (or annual) salary obtained by dividing the total salary or earnings calculated under the Article applicable to the member or participant during the 96 consecutive months (or 8 consecutive years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the applicable Article was the highest by the number of months (or years) of service in that period. For the purposes of a person who first becomes a member or participant of any retirement system or pension fund to which this Section applies on or after January 1, 2011, in this Code, "final average salary" shall be substituted for the following:

(1) In Article 7 (except for service as sheriff's law enforcement employees), "final

rate of earnings".

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed $106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

(c) A member or participant is entitled to a retirement annuity upon written application if he or she has attained age 67 (beginning January 1, 2015, age 65 with respect to service under Article 8, 11, or 12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article.

A member or participant who has attained age 62 (beginning January 1, 2015, age 60 with respect to service under Article 8, 11, or 12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 (beginning January 1, 2015, age 60 with respect to service under Article 8, 11, or 12 of this Code that is subject to this Section) with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67 (beginning January 1, 2015, age 65 with respect to service under Article 8, 11, or 12 of this Code that is subject to this Section).

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 (beginning January 1, 2015, age 65 with respect to service under Article 8, 11, or 12 of this Code that is subject to this Section) or the first anniversary (the second anniversary with respect to service under Article 8 or 11) of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

Notwithstanding any provision of this Section to the contrary, with respect to service under Article 8 or 11 of this Code that is subject to this Section, no annual increase under this subsection shall be paid or accrue to any person in year 2025. In all other years, the Fund shall continue to pay annual increases as provided in this Section.

Notwithstanding Section 1-103.1 of this Code, the changes in this amendatory Act of the 98th General Assembly are applicable without regard to whether the employee was in active service on or after the effective date of this amendatory Act of the 98th General Assembly.

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be 66 2/3% of the earned annuity without a reduction due to age. A child's annuity of an otherwise eligible child shall be in the amount prescribed under each Article if applicable. Any survivor's or widow's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a

retirement annuity or (2) in other cases, on each January 1 occurring after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(g) The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, or a security employee of the Department of Corrections or the Department of Juvenile Justice, as those terms are defined in subsection (b) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(h) If a person who first becomes a member or a participant of a retirement system or pension fund subject to this Section on or after January 1, 2011 is receiving a retirement annuity or retirement pension under that system or fund and becomes a member or participant under any other system or fund created by this Code and is employed on a full-time basis, except for those members or participants exempted from the provisions of this Section under subsection (a) of this Section, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and be recalculated if recalculation is provided for under the applicable Article of this Code.

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit such notification shall be guilty of a Class A misdemeanor and required to pay a fine of $1,000. Upon termination of that contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) (Blank).

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596, eff. 11-19-13; 98-622, eff. 6-1-14; revised 1-23-14.)

(40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

Sec. 8-137. Automatic increase in annuity.

(a) An employee who retired or retires from service after December 31, 1959 and before January 1, 1987, having attained age 60 or more, shall, in January of the year after the year in which the first anniversary of retirement occurs, have the amount of his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by a further 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%, and beginning with January of the year 1984 such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article. An employee who retires on annuity after December 31, 1959 and before January 1, 1987, but before age 60, shall receive such increases beginning in January of the year after the year in which he attains age 60.

An employee who retires from service on or after January 1, 1987 shall, upon the first annuity payment date following the first anniversary of the date of retirement, or upon the first annuity payment date following attainment of age 60, whichever occurs later, have his then fixed and payable monthly annuity increased by 3%, and such annuity shall be increased by an additional 3% of the original fixed annuity on the same date each year thereafter. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

(a-5) Notwithstanding the provisions of subsection (a), upon the first annuity payment date following (1) the third anniversary of retirement, (2) the attainment of age 53, or (3) January 1, 2002, whichever occurs latest, the monthly annuity of an employee who retires on annuity prior to the attainment of age 60

and has not received an increase under subsection (a) shall be increased by 3%, and the annuity shall be increased by an additional 3% of the current payable monthly annuity, including any increases previously granted under this Article, on the same date each year thereafter. The increases provided under this subsection are in lieu of the increases provided in subsection (a).

(a-6) Notwithstanding the provisions of subsections (a) and (a-5), for all calendar years following the year in which this amendatory Act of the 93rd General Assembly takes effect, an increase in annuity under this Section that would otherwise take effect at any time during the year shall instead take effect in January of that year.

(b) Subsections (a), (a-5), and (a-6) are not applicable to an employee retiring and receiving a term annuity, as herein defined, nor to any otherwise qualified employee who retires before he makes employee contributions (at the 1/2 of 1% rate as provided in this Act) for this additional annuity for not less than the equivalent of one full year. Such employee, however, shall make arrangement to pay to the fund a balance of such 1/2 of 1% contributions, based on his final salary, as will bring such 1/2 of 1% contributions, computed without interest, to the equivalent of or completion of one year's contributions.

Beginning with January, 1960, each employee shall contribute by means of salary deductions 1/2 of 1% of each salary payment, concurrently with and in addition to the employee contributions otherwise made for annuity purposes.

Each such additional contribution shall be credited to an account in the prior service annuity reserve, to be used, together with city contributions, to defray the cost of the specified annuity increments. Any balance in such account at the beginning of each calendar year shall be credited with interest at the rate of 3% per annum.

Such additional employee contributions are not refundable, except to an employee who withdraws and applies for refund under this Article, and in cases where a term annuity becomes payable. In such cases his contributions shall be refunded, without interest, and charged to such account in the prior service annuity reserve.

(b-5) Notwithstanding any provision of this Section to the contrary:

(1) A person retiring after the effective date of this amendatory Act of the 98th General Assembly shall not be eligible for an annual increase under this Section until one full year after the date on which such annual increase otherwise would take effect under this Section.

(2) Except for persons eligible under subdivision (4) of this subsection for a minimum annual increase, there shall be no annual increase under this Section in years 2017, 2019, and 2025.

(3) In all other years, beginning January 1, 2015, the Fund shall pay an annual increase to persons eligible to receive one under this Section, in lieu of any other annual increase provided under this Section (but subject to the minimum increase under subdivision (4) of this subsection, if applicable) in an amount equal to the lesser of 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, of the person's last annual annuity amount prior to January 1, 2015, or if the person was not yet receiving an annuity on that date, then this calculation shall be based on his or her originally granted annual annuity amount.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100.

(4) A person is eligible under this subdivision (4) to receive a minimum annual increase in a particular year if: (i) the person is otherwise eligible to receive an annual increase under subdivision (3) of this subsection, and (ii) the annual amount of the annuity payable at the time of the increase, including all increases previously received, is less than $22,000.

Beginning January 1, 2015, for a person who is eligible under this subdivision (4) to receive a minimum annual increase in the year 2017, 2019, or 2025, the annual increase shall be 1% of the person's last annual annuity amount prior to January 1, 2015, or if the person was not yet receiving an annuity on that date, then 1% of his or her originally granted annual annuity amount.

Beginning January 1, 2015, for any other year in which a person is eligible under this subdivision (4) to receive a minimum annual increase, the annual increase shall be as specified under subdivision (3), but not less than 1% of the person's last annual annuity amount prior to January 1, 2015 or, if the person was not yet receiving an annuity on that date, then not less than 1% of his or her originally granted annual annuity amount.

For the purposes of Section 1-103.1, this subsection (b-5) is applicable without regard to whether the employee was in active service on or after the effective date of this amendatory Act of the 98th General Assembly. This subsection (b-5) applies to any former employee who on or after the effective date of this

amendatory Act of the 98th General Assembly is receiving a retirement annuity and is eligible for an automatic annual increase under this Section.

(Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02; 93-654, eff. 1-16-04.)

(40 ILCS 5/8-137.1) (from Ch. 108 1/2, par. 8-137.1)

Sec. 8-137.1. Automatic increases in annuity for certain heretofore retired participants.

(a) A retired municipal employee who (i) ~~(a)~~ is receiving annuity based on a service credit of 20 or more years regardless of age at retirement or based on a service credit of 15 or more years with retirement at age 55 or over, and (ii) ~~(b)~~ does not qualify for the automatic increases in annuity provided for in Section 8-137 of this Article, and (iii) ~~(c)~~ elects to make a contribution to the Fund at a time and manner prescribed by the Retirement Board, of a sum equal to 1% of the amount of final monthly salary times the number of full years of service on which the annuity was based in those cases where the annuity was computed on the money purchase formula and in those cases in which the annuity was computed under the minimum annuity formula provisions of this Article a sum equal to 1% of the average monthly salary on which the annuity was based times such number of full years of service, shall have his original fixed and payable monthly amount of annuity increased in January of the year following the year in which he attains the age of 65 years, if such age of 65 years is attained in the year 1969 or later, by an amount equal to 1-1/2%, and by an equal additional 1-1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%, and beginning January of the year 1984 such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

Whenever the retired municipal employee receiving annuity has attained the age of 66 or more in 1969, he shall have such annuity increased in January, 1970 by an amount equal to 1-1/2% multiplied by the number equal to the number of months of January elapsing from and including January of the year immediately following the year he attained the age of 65 if retired at or before age 65, or from and including January of the year immediately following the year of retirement if retired at an age greater than 65, to and including January, 1970, and by an equal additional 1-1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%, and beginning January of the year 1984 such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

(b) To defray the annual cost of such increases, the annual interest income of the Fund, accruing from investments held by the Fund, exclusive of gains or losses on sales or exchanges of assets during the year, over and above 4% a year, shall be used to the extent necessary and available to finance the cost of such increases for the following year, and such amount shall be transferred as of the end of each year, beginning with the year 1969, to a Fund account designated as the Supplementary Payment Reserve from the Investment and Interest Reserve set forth in Section 8-221. The sums contributed by annuitants as provided for in this Section shall also be placed in the aforesaid Supplementary Payment Reserve and shall be applied and used for the purposes of such Fund account, together with the aforesaid interest.

In the event the monies in the Supplementary Payment Reserve in any year arising from: (1) the available interest income as defined hereinbefore and accruing in the preceding year above 4% a year and (2) the contributions by retired persons, as set forth hereinbefore, are insufficient to make the total payments to all persons estimated to be entitled to the annuity increases specified hereinbefore, then (3) any interest earnings over 4% a year beginning with the year 1969 which were not previously used to finance such increases and which were transferred to the Prior Service Annuity Reserve may be used to the extent necessary and available to provide sufficient funds to finance such increases for the current year, and such sums shall be transferred from the Prior Service Annuity Reserve.

In the event the total monies available in the Supplementary Payment Reserve from the preceding indicated sources are insufficient to make the total payments to all persons entitled to such increases for the year, a proportionate amount computed as the ratio of the monies available to the total of the total payments for that year shall be paid to each person for that year.

The Fund shall be obligated for the payment of the increases in annuity as provided for in this Section only to the extent that the assets for such purpose, as specified herein, are available.

(b-5) Notwithstanding any provision of this Section to the contrary:

(1) Except for persons eligible under subdivision (3) of this subsection for a minimum annual increase, there shall be no annual increase under this Section in years 2017, 2019, and 2025.

(2) In all other years, beginning January 1, 2015, the Fund shall pay an annual increase to persons eligible to receive one under this Section, in lieu of any other annual increase provided under this Section (but subject to the minimum increase under subdivision (3) of this subsection, if applicable) in an amount

equal to the lesser of 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, of the person's last annual annuity amount prior to January 1, 2015.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100.

(3) A person is eligible under this subdivision (3) to receive a minimum annual increase in a particular year if: (i) the person is otherwise eligible to receive an annual increase under subdivision (2) of this subsection, and (ii) the annual amount of the annuity payable at the time of the increase, including all increases previously received, is less than $22,000.

Beginning January 1, 2015, for a person who is eligible under this subdivision (3) to receive a minimum annual increase in the year 2017, 2019, or 2025, the annual increase shall be 1% of the person's last annual annuity amount prior to January 1, 2015.

Beginning January 1, 2015, for any other year in which a person is eligible under this subdivision (3) to receive a minimum annual increase, the annual increase shall be as specified under subdivision (2), but not less than 1% of the person's last annual annuity amount prior to January 1, 2015.

For the purposes of Section 1-103.1, this subsection (b-5) is applicable without regard to whether the employee was in active service on or after the effective date of this amendatory Act of the 98th General Assembly. This subsection (b-5) applies to any former employee who on or after the effective date of this amendatory Act of the 98th General Assembly is receiving a retirement annuity and is eligible for an automatic annual increase under this Section.

(Source: P.A. 90-766, eff. 8-14-98.)

(40 ILCS 5/8-173) (from Ch. 108 1/2, par. 8-173)

Sec. 8-173. Financing; tax levy.

(a) Except as provided in subsection (f) of this Section, the city council of the city shall levy a tax annually upon all taxable property in the city at a rate that will produce a sum which, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them and the amounts deposited under subsection (f), will be sufficient for the requirements of this Article, but which when extended will produce an amount not to exceed the greater of the following: (a) the sum obtained by the levy of a tax of .1093% of the value, as equalized or assessed by the Department of Revenue, of all taxable property within such city, or (b) the sum of $12,000,000. However any city in which a Fund has been established and in operation under this Article for more than 3 years prior to 1970 shall levy for the year 1970 a tax at a rate on the dollar of assessed valuation of all taxable property that will produce, when extended, an amount not to exceed 1.2 times the total amount of contributions made by employees to the Fund for annuity purposes in the calendar year 1968, and, for the year 1971 and 1972 such levy that will produce, when extended, an amount not to exceed 1.3 times the total amount of contributions made by employees to the Fund for annuity purposes in the calendar years 1969 and 1970, respectively; and for the year 1973 an amount not to exceed 1.365 times such total amount of contributions made by employees for annuity purposes in the calendar year 1971; and for the year 1974 an amount not to exceed 1.430 times such total amount of contributions made by employees for annuity purposes in the calendar year 1972; and for the year 1975 an amount not to exceed 1.495 times such total amount of contributions made by employees for annuity purposes in the calendar year 1973; and for the year 1976 an amount not to exceed 1.560 times such total amount of contributions made by employees for annuity purposes in the calendar year 1974; and for the year 1977 an amount not to exceed 1.625 times such total amount of contributions made by employees for annuity purposes in the calendar year 1975; and for the year 1978 and each year thereafter through levy year 2014, such levy as will produce, when extended, an amount not to exceed the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 1.690 for the years 1978 through 1998 and by 1.250 for the year 1999 and for each year thereafter through levy year 2014. Beginning in levy year 2015, and in each year thereafter, the levy shall not exceed the amount of the city's total required contribution to the Fund for the next payment year, as determined under subsection (a-5). For the purposes of this Section, the payment year is the year immediately following the levy year.

The tax shall be levied and collected in like manner with the general taxes of the city, and shall be exclusive of and in addition to the amount of tax the city is now or may hereafter be authorized to levy for general purposes under any laws which may limit the amount of tax which the city may levy for general purposes. The county clerk of the county in which the city is located, in reducing tax levies under the provisions of any Act concerning the levy and extension of taxes, shall not consider the tax herein provided

for as a part of the general tax levy for city purposes, and shall not include the same within any limitation of the percent of the assessed valuation upon which taxes are required to be extended for such city.

Revenues derived from such tax shall be paid to the city treasurer of the city as collected and held by the city treasurer ~~him~~ for the benefit of the fund.

If the payments on account of taxes are insufficient during any year to meet the requirements of this Article, the city may issue tax anticipation warrants against the current tax levy.

The city may continue to use other lawfully available funds in lieu of all or part of the levy, as provided under subsection (f) of this Section.

(a-5) Beginning in payment year 2016, the city's required annual contribution to the Fund shall be the lesser of:

(i) (I) for payment years 2016 through 2055, the annual amount determined by the Fund to be equal to the greater of $0, or the sum of (1) the City's portion of the projected normal cost for that fiscal year, plus (2) an amount determined on a level percentage of applicable employee payroll basis (reflecting any limits on individual participants' pay that apply for benefit and contribution purposes under this plan) that is sufficient to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of 2055. (II) For payment years after 2055, the annual amount determined by the Fund to be equal to the amount, if any, needed to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund as of the end of the year. In making the determinations under both (I) and (II), the actuarial calculations shall be determined under the entry age normal actuarial cost method, and any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following the fiscal year; or

(ii) for payment year 2016, 1.85 times the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2013; for payment year 2017, 2.15 times the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2014; for payment year 2018, 2.45 times the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2015; for payment year 2019, 2.75 times the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2016; for payment year 2020, 3.05 times the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2017.

However, beginning in the earlier of payment year 2021 or the first payment year in which the annual contribution amount calculated under subdivision (i) is less than the contribution amount calculated under subdivision (ii), and in each year thereafter, the city's required annual contribution to the Fund shall be determined under subdivision (i).

The city's required annual contribution to the Fund may be paid with any available funds and shall be paid by the city to the city treasurer. The city treasurer shall collect and hold those funds for the benefit of the Fund.

(a-10) If the city fails to transmit to the Fund contributions required of it under this Article by December 31st of the year in which such contributions are due, the Fund may, after giving notice to the city, certify to the State Comptroller the amounts of the delinquent payments, and the Comptroller must, beginning in payment year 2016, deduct and deposit into the Fund the certified amounts or a portion of those amounts from the following proportions of grants of State funds to the city:

(1) in payment year 2016, one-third of the total amount of any grants of State funds to the city;

(2) in payment year 2017, two-thirds of the total amount of any grants of State funds to the city; and

(3) in payment year 2018 and each payment year thereafter, the total amount of any grants of State funds to the city.

The State Comptroller may not deduct from any grants of State funds to the city more than the amount of delinquent payments certified to the State Comptroller by the Fund.

(b) On or before July 1 ~~January 10~~, annually, the board shall certify to ~~notify~~ the city council the annual amounts required under ~~of the requirements of~~ this Article , for which ~~that~~ the tax herein provided may ~~shall~~ be levied for the following ~~that current~~ year. The board shall compute the amounts necessary to be credited to the reserves established and maintained as herein provided, and shall make an annual determination of the amount of the required city contributions, and certify the results thereof to the city council.

(c) In respect to employees of the city who are transferred to the employment of a park district by virtue of the "Exchange of Functions Act of 1957", the corporate authorities of the park district shall annually levy a tax upon all the taxable property in the park district at such rate per cent of the value of such property, as equalized or assessed by the Department of Revenue, as shall be sufficient, when added to the amounts deducted from their salaries and otherwise contributed by them to provide the benefits to which

they and their dependents and beneficiaries are entitled under this Article. The city shall not levy a tax hereunder in respect to such employees.

The tax so levied by the park district shall be in addition to and exclusive of all other taxes authorized to be levied by the park district for corporate, annuity fund, or other purposes. The county clerk of the county in which the park district is located, in reducing any tax levied under the provisions of any act concerning the levy and extension of taxes shall not consider such tax as part of the general tax levy for park purposes, and shall not include the same in any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for the park district. The proceeds of the tax levied by the park district, upon receipt by the district, shall be immediately paid over to the city treasurer of the city for the uses and purposes of the fund.

The various sums to be contributed by the city and park district and allocated for the purposes of this Article, and any interest to be contributed by the city, shall be derived from the revenue from the taxes authorized in this Section or otherwise as expressly provided in this Section.

If it is not possible or practicable for the city to make contributions for age and service annuity and widow's annuity at the same time that employee contributions are made for such purposes, such city contributions shall be construed to be due and payable as of the end of the fiscal year for which the tax is levied and shall accrue thereafter with interest at the effective rate until paid.

(d) With respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L. 93-567, 88 Stat. 1845), hereinafter referred to as CETA, subsequent to October 1, 1978, and in instances where the board has elected to establish a manpower program reserve, the board shall compute the amounts necessary to be credited to the manpower program reserves established and maintained as herein provided, and shall make a periodic determination of the amount of required contributions from the City to the reserve to be reimbursed by the federal government in accordance with rules and regulations established by the Secretary of the United States Department of Labor or his designee, and certify the results thereof to the City Council. Any such amounts shall become a credit to the City and will be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(e) In lieu of establishing a manpower program reserve with respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as authorized by subsection (d), the board may elect to establish a special municipality contribution rate for all such employees. If this option is elected, the City shall contribute to the Fund from federal funds provided under the Comprehensive Employment and Training Act program at the special rate so established and such contributions shall become a credit to the City and be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(f) In lieu of levying all or a portion of the tax required under this Section in any year, the city may deposit with the city treasurer no later than March 1 of that year for the benefit of the fund, to be held in accordance with this Article, an amount that, together with the taxes levied under this Section for that year, is not less than the amount of the city contributions for that year as certified by the board to the city council. The deposit may be derived from any source legally available for that purpose, including, but not limited to, the proceeds of city borrowings. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the fund for any of the purposes for which the proceeds of the tax levied by the city under this Section may be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of that tax.

(Source: P.A. 90-31, eff. 6-27-97; 90-655, eff. 7-30-98; 90-766, eff. 8-14-98.)

(40 ILCS 5/8-173.1 new)

Sec. 8-173.1. Funding Obligation.

(a) Beginning January 1, 2015, the city shall be obligated to contribute to the Fund in each fiscal year an amount not less than the amount determined annually under subsection (a-5) of Section 8-173 of this Code. Notwithstanding any other provision of law, if the city fails to pay the amount guaranteed under this Section on or before December 31 of the year in which such amount is due, the retirement board may bring a mandamus action in the Circuit Court of Cook County to compel the city to make the required payment, irrespective of other remedies that may be available to the Fund. The obligations and causes of action created under this Section shall be in addition to any other right or remedy otherwise accorded by common law or State or federal law, and nothing in this Section shall be construed to deny, abrogate, impair, or waive any such common law or statutory right or remedy.

(b) In ordering the city to make the required payment, the court may order a reasonable payment schedule to enable the city to make the required payment without significantly imperiling the public health, safety, or welfare. Any payments required to be made by the city pursuant to this Section are expressly

subordinated to the payment of the principal, interest, premium, if any, and other payments on or related to any bonded debt obligation of the city, either currently outstanding or to be issued, for which the source of repayment or security thereon is derived directly or indirectly from any funds collected or received by the city or collected or received on behalf of the city. Payments on such bonded obligations include any statutory fund transfers or other prefunding mechanisms or formulas set forth, now or hereafter, in State law, city ordinance, or bond indentures, into debt service funds or accounts of the city related to such bonded obligations, consistent with the payment schedules associated with such obligations.

(40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

Sec. 8-174. Contributions for age and service annuities for present employees and future entrants.

(a) Beginning on the effective date and prior to July 1, 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 5%; and beginning July 1, 1953, and prior to January 1, 1972, 6%; and beginning January 1, 1972, 6.5%; and beginning January 1, 2015, and prior to January 1, 2016, 7.0%; and beginning January 1, 2016, and prior to January 1, 2017, 7.5%; and, beginning January 1, 2017, and prior to January 1, 2018, 8.0%; and beginning January 1, 2018, and prior to January 1, 2019, 8.5%; and beginning January 1, 2019, and thereafter, 9.0% ~~6 1/2%~~ of each payment of the salary of each present employee and future entrant shall be contributed to the fund as a deduction from salary for age and service annuity ; provided, however, that beginning with the first pay period on or after the date when the funded ratio of the Fund is first determined to have reached the 90% funding goal set forth in subsection (a-5) of Section 8-173, and each pay period thereafter for as long as the Fund maintains a funding ratio of 90% or more, employee contributions shall be 7.75% of salary for the age and service annuity. If the funding ratio falls below 90%, then employee contributions for the age and service annuity shall revert to 9.0% of salary until such time as the Fund once again is determined to have reached a funding ratio of at least 90%, at which time employee contributions of 7.75% shall resume for the age and service annuity.

Notwithstanding Section 1-103.1, the changes to this Section made by this amendatory Act of the 98th General Assembly apply regardless of whether the employee was in active service on or after the effective date of this amendatory Act.

Such deductions beginning on the effective date and prior to July 1, 1947 shall be made for a future entrant while he is in the service until he attains age 65 and for a present employee while he is in the service until the amount so deducted from his salary with the amount deducted from his salary or paid by him according to law to any municipal pension fund in force on the effective date with interest on both such amounts at 4% per annum equals the sum that would have been to his credit from sums deducted from his salary if deductions at the rate herein stated had been made during his entire service until he attained age 65 with interest at 4% per annum for the period subsequent to his attainment of age 65. Such deductions beginning July 1, 1947 shall be made and continued for employees while in the service.

(b) Concurrently with each employee contribution beginning on the effective date and prior to July 1, 1947 the city shall contribute 5 3/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 7%; and beginning July 1, 1953, 6% of each payment of such salary until the employee attains age 65. Notwithstanding any provision of this subsection (b) to the contrary, the city shall not make a contribution for any credit established by an employee under subsection (b) of Section 8-138.4.

(c) Each employee contribution made prior to the date the age and service annuity for an employee is fixed and each corresponding city contribution shall be credited to the employee and allocated to the account of the employee for whose benefit it is made.

(Source: P.A. 93-654, eff. 1-16-04.)

(40 ILCS 5/8-174.2 new)

Sec. 8-174.2. Use of contributions for health care subsidies. Except as may be required pursuant to Sections 8-164.1 and 8-164.2 of this Code, the Fund shall not use any contribution received by the Fund under this Article to provide a subsidy for the cost of participation in a retiree health care program.

(40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)

Sec. 11-134.1. Automatic increase in annuity.

(a) An employee who retired or retires from service after December 31, 1963, and before January 1, 1987, having attained age 60 or more, shall, in the month of January of the year following the year in which the first anniversary of retirement occurs, have the amount of his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by a further 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning January, 1984, such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article. An employee who retires on annuity after December 31, 1963 and before January 1, 1987, but prior to age 60, shall receive

such increases beginning with January of the year immediately following the year in which he attains the age of 60 years.

An employee who retires from service on or after January 1, 1987 shall, upon the first annuity payment date following the first anniversary of the date of retirement, or upon the first annuity payment date following attainment of age 60, whichever occurs later, have his then fixed and payable monthly annuity increased by 3%, and such annuity shall be increased by an additional 3% of the original fixed annuity on the same date each year thereafter. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

(a-5) Notwithstanding the provisions of subsection (a), upon the first annuity payment date following (1) the third anniversary of retirement, (2) the attainment of age 53, or (3) January 1, 2002, whichever occurs latest, the monthly annuity of an employee who retires on annuity prior to the attainment of age 60 and has not received an increase under subsection (a) shall be increased by 3%, and the annuity shall be increased by an additional 3% of the current payable monthly annuity, including any increases previously granted under this Article, on the same date each year thereafter. The increases provided under this subsection are in lieu of the increases provided in subsection (a).

(a-6) Notwithstanding the provisions of subsections (a) and (a-5), for all calendar years following the year in which this amendatory Act of the 93rd General Assembly takes effect, an increase in annuity under this Section that would otherwise take effect at any time during the year shall instead take effect in January of that year.

(b) Subsections (a), (a-5), and (a-6) are not applicable to an employee retiring and receiving a term annuity, as defined in this Article, nor to any otherwise qualified employee who retires before he shall have made employee contributions (at the 1/2 of 1% rate as hereinafter provided) for the purposes of this additional annuity for not less than the equivalent of one full year. Such employee, however, shall make arrangement to pay to the fund a balance of such 1/2 of 1% contributions, based on his final salary, as will bring such 1/2 of 1% contributions, computed without interest, to the equivalent of or completion of one year's contributions.

Beginning with the month of January, 1964, each employee shall contribute by means of salary deductions 1/2 of 1% of each salary payment, concurrently with and in addition to the employee contributions otherwise made for annuity purposes.

Each such additional employee contribution shall be credited to an account in the prior service annuity reserve, to be used, together with city contributions, to defray the cost of the specified annuity increments. Any balance as of the beginning of each calendar year existing in such account shall be credited with interest at the rate of 3% per annum.

Such employee contributions shall not be subject to refund, except to an employee who resigns or is discharged and applies for refund under this Article, and also in cases where a term annuity becomes payable.

In such cases the employee contributions shall be refunded him, without interest, and charged to the aforementioned account in the prior service annuity reserve.

(b-5) Notwithstanding any provision of this Section to the contrary:

(1) A person retiring after the effective date of this amendatory Act of the 98th General Assembly shall not be eligible for an annual increase under this Section until one full year after the date on which such annual increase otherwise would take effect under this Section.

(2) Except for persons eligible under subdivision (4) of this subsection for a minimum annual increase, there shall be no annual increase under this Section in years 2017, 2019, and 2025.

(3) In all other years, beginning January 1, 2015, the Fund shall pay an annual increase to persons eligible to receive one under this Section, in lieu of any other annual increase provided under this Section (but subject to the minimum increase under subdivision (4) of this subsection, if applicable) in an amount equal to the lesser of 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, of the person's last annual annuity amount prior to January 1, 2015, or if the person was not yet receiving an annuity on that date, then this calculation shall be based on his or her originally granted annual annuity amount.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100.

(4) A person is eligible under this subdivision (4) to receive a minimum annual increase in a particular year if: (i) the person is otherwise eligible to receive an annual increase under subdivision (3) of this

subsection, and (ii) the annual amount of the annuity payable at the time of the increase, including all increases previously received, is less than $22,000.

Beginning January 1, 2015, for a person who is eligible under this subdivision (4) to receive a minimum annual increase in the year 2017, 2019, or 2025, the annual increase shall be 1% of the person's last annual annuity amount prior to January 1, 2015, or if the person was not yet receiving an annuity on that date, then 1% of his or her originally granted annual annuity amount.

Beginning January 1, 2015, for any other year in which a person is eligible under this subdivision (4) to receive a minimum annual increase, the annual increase shall be as specified under subdivision (3), but not less than 1% of the person's last annual annuity amount prior to January 1, 2015 or, if the person was not yet receiving an annuity on that date, then not less than 1% of his or her originally granted annual annuity amount.

For the purposes of Section 1-103.1, this subsection (b-5) is applicable without regard to whether the employee was in active service on or after the effective date of this amendatory Act of the 98th General Assembly. This subsection (b-5) applies to any former employee who on or after the effective date of this amendatory Act of the 98th General Assembly is receiving a retirement annuity and is eligible for an automatic annual increase under this Section.

(Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02; 93-654, eff. 1-16-04.)

(40 ILCS 5/11-134.3) (from Ch. 108 1/2, par. 11-134.3)

Sec. 11-134.3. Automatic increases in annuity for certain heretofore retired participants.

(a) A retired employee who (i) ~~(a)~~ is receiving annuity based on a service credit of 20 or more years regardless of age at retirement or based on a service credit of 15 or more years with retirement at age 55 or over, and (ii) ~~(b)~~ does not qualify for the automatic increases in annuity provided for in Section 11-134.1 of this Article, and (iii) ~~(c)~~ elects to make a contribution to the Fund at a time and manner prescribed by the Retirement Board, of a sum equal to 1% of the amount of final monthly salary times the number of full years of service on which the annuity was based in those cases where the annuity was computed on the money purchase formula, and in those cases in which the annuity was computed under the minimum annuity formula provisions of this Article a sum equal to 1% of the average monthly salary on which the annuity was based times such number of full years of service, shall have his original fixed and payable monthly amount of annuity increased in January of the year following the year in which he attains the age of 65 years, if such age of 65 years is attained in the year 1969 or later, by an amount equal to 1 1/2%, and by an equal additional 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning January, 1984, such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

In those cases in which the retired employee receiving annuity has attained the age of 66 or more years in the year 1969, he shall have such annuity increased in January of the year 1970 by an amount equal to 1 1/2% multiplied by the number equal to the number of months of January elapsing from and including January of the year immediately following the year he attained the age of 65 years if retired at or prior to age 65, or from and including January of the year immediately following the year of retirement if retired at an age greater than 65 years, to and including January of the year 1970, and by an equal additional 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning January, 1984, such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

(b) To defray the annual cost of such increases, the annual interest income of the Fund, accruing from investments held by the Fund, exclusive of gains or losses on sales or exchanges of assets during the year, over and above 4% a year, shall be used to the extent necessary and available to finance the cost of such increases for the following year, and such amount shall be transferred as of the end of each year, beginning with the year 1969, to a Fund account designated as the Supplementary Payment Reserve from the Investment and Interest Reserve set forth in Sec. 11-210. The sums contributed by annuitants as provided for in this Section shall also be placed in the aforesaid Supplementary Payment Reserve and shall be applied for and used for the purposes of such Fund account, together with the aforesaid interest.

In the event the monies in the Supplementary Payment Reserve in any year arising from: (1) the available interest income as defined hereinbefore and accruing in the preceding year above 4% a year and (2) the contributions by retired persons, as set forth hereinbefore, are insufficient to make the total payments to all persons estimated to be entitled to the annuity increases specified hereinbefore, then (3) any interest earnings over 4% a year beginning with the year 1969 which were not previously used to finance such increases and which were transferred to the Prior Service Annuity Reserve may be used to

the extent necessary and available to provide sufficient funds to finance such increases for the current year, and such sums shall be transferred from the Prior Service Annuity Reserve.

In the event the total monies available in the Supplementary Payment Reserve from the preceding indicated sources are insufficient to make the total payments to all persons entitled to such increases for the year, a proportionate amount computed as the ratio of the monies available to the total of the total payments for that year shall be paid to each person for that year.

The Fund shall be obligated for the payment of the increases in annuity as provided for in this Section only to the extent that the assets for such purpose, as specified herein, are available.

(b-5) Notwithstanding any provision of this Section to the contrary:

(1) Except for persons eligible under subdivision (3) of this subsection for a minimum annual increase, there shall be no annual increase under this Section in years 2017, 2019, and 2025.

(2) In all other years, beginning January 1, 2015, the Fund shall pay an annual increase to persons eligible to receive one under this Section, in lieu of any other annual increase provided under this Section (but subject to the minimum increase under subdivision (3) of this subsection, if applicable) in an amount equal to the lesser of 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, of the person's last annual annuity amount prior to January 1, 2015.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100.

(3) A person is eligible under this subdivision (3) to receive a minimum annual increase in a particular year if: (i) the person is otherwise eligible to receive an annual increase under subdivision (2) of this subsection, and (ii) the annual amount of the annuity payable at the time of the increase, including all increases previously received, is less than $22,000.

Beginning January 1, 2015, for a person who is eligible under this subdivision (3) to receive a minimum annual increase in the year 2017, 2019, or 2025, the annual increase shall be 1% of the person's last annual annuity amount prior to January 1, 2015.

Beginning January 1, 2015, for any other year in which a person is eligible under this subdivision (3) to receive a minimum annual increase, the annual increase shall be as specified under subdivision (2), but not less than 1% of the person's last annual annuity amount prior to January 1, 2015.

For the purposes of Section 1-103.1, this subsection (b-5) is applicable without regard to whether the employee was in active service on or after the effective date of this amendatory Act of the 98th General Assembly. This subsection (b-5) applies to any former employee who on or after the effective date of this amendatory Act of the 98th General Assembly is receiving a retirement annuity and is eligible for an automatic annual increase under this Section.

(Source: P.A. 90-766, eff. 8-14-98.)

(40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)

Sec. 11-169. Financing; tax levy.

(a) Except as provided in subsection (f) of this Section, the city council of the city shall levy a tax annually upon all taxable property in the city at the rate that will produce a sum which, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them and the amounts deposited under subsection (f), will be sufficient for the requirements of this Article. For the years prior to the year 1950 the tax rate shall be as provided for under "The 1935 Act". Beginning with the year 1950 to and including the year 1969 such tax shall be not more than .036% annually of the value, as equalized or assessed by the Department of Revenue, of all taxable property within such city. Beginning with the year 1970 and each year thereafter through levy year 2014, the city shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue of all taxable property within such city that will produce, when extended, not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 1.1 for the years 1970, 1971 and 1972; 1.145 for the year 1973; 1.19 for the year 1974; 1.235 for the year 1975; 1.280 for the year 1976; 1.325 for the year 1977; 1.370 for the years 1978 through 1998; and 1.000 for the year 1999 and for each year thereafter through levy year 2014. Beginning in levy year 2015, and in each year thereafter, the levy shall not exceed the amount of the city's total required contribution to the Fund for the next payment year, as determined under subsection (a-5). For the purposes of this Section, the payment year is the year immediately following the levy year.

The tax shall be levied and collected in like manner with the general taxes of the city, and shall be exclusive of and in addition to the amount of tax the city is now or may hereafter be authorized to levy for

general purposes under any laws which may limit the amount of tax which the city may levy for general purposes. The county clerk of the county in which the city is located, in reducing tax levies under the provisions of any Act concerning the levy and extension of taxes, shall not consider the tax herein provided for as a part of the general tax levy for city purposes, and shall not include the same within any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for such city.

Revenues derived from such tax shall be paid to the city treasurer of the city as collected and held by the city treasurer ~~him~~ for the benefit of the fund.

If the payments on account of taxes are insufficient during any year to meet the requirements of this Article, the city may issue tax anticipation warrants against the current tax levy.

The city may continue to use other lawfully available funds in lieu of all or part of the levy, as provided under subsection (f) of this Section.

(a-5) Beginning in payment year 2016, the city's required annual contribution to the Fund shall be the lesser of:

(i) (I) for payment years 2016 through 2055, the annual amount determined by the Fund to be equal to the greater of $0, or the sum of (1) the City's portion of the projected normal cost for that fiscal year, plus (2) an amount determined on a level percentage of applicable employee payroll basis (reflecting any limits on individual participants' pay that apply for benefit and contribution purposes under this plan) that is sufficient to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of 2055. (II) For payment years after 2055, the annual amount determined by the Fund to be equal to the amount, if any, needed to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund as of the end of the year. In making the determinations under both (I) and (II), the actuarial calculations shall be determined under the entry age normal actuarial cost method, and any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following the fiscal year; or

(ii) for payment year 2016, 1.60 times the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2013; for payment year 2017, 1.90 times the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2014; for payment year 2018, 2.20 times the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2015; for payment year 2019, 2.50 times the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2016; for payment year 2020, 2.80 times the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2017.

However, beginning in the earlier of payment year 2021 or the first payment year in which the annual contribution amount calculated under subdivision (i) is less than the contribution amount calculated under subdivision (ii), and in each year thereafter, the city's required annual contribution to the Fund shall be determined under subdivision (i).

The city's required annual contribution to the Fund may be paid with any available funds and shall be paid by the city to the city treasurer. The city treasurer shall collect and hold those funds for the benefit of the Fund.

(a-10) If the city fails to transmit to the Fund contributions required of it under this Article by December 31st of the year in which such contributions are due, the Fund may, after giving notice to the city, certify to the State Comptroller the amounts of the delinquent payments, and the Comptroller must, beginning in payment year 2016, deduct and deposit into the Fund the certified amounts or a portion of those amounts from the following proportions of grants of State funds to the city:

(1) in payment year 2016, one-third of the total amount of any grants of State funds to the city;

(2) in payment year 2017, two-thirds of the total amount of any grants of State funds to the city; and

(3) in payment year 2018 and each payment year thereafter, the total amount of any grants of State funds to the city.

The State Comptroller may not deduct from any grants of State funds to the city more than the amount of delinquent payments certified to the State Comptroller by the Fund.

(b) On or before July 1 ~~January 10~~, annually, the board shall certify to ~~notify~~ the city council the annual amounts required under ~~of the requirement of~~ this Article , for which ~~that~~ the tax herein provided may ~~shall~~ be levied for the following ~~that current~~ year. The board shall compute the amounts necessary for the purposes of this fund to be credited to the reserves established and maintained as herein provided, and shall make an annual determination of the amount of the required city contributions; and certify the results thereof to the city council.

(c) In respect to employees of the city who are transferred to the employment of a park district by virtue of "Exchange of Functions Act of 1957" the corporate authorities of the park district shall annually levy a tax upon all the taxable property in the park district at such rate per cent of the value of such property, as

equalized or assessed by the Department of Revenue, as shall be sufficient, when added to the amounts deducted from their salaries and otherwise contributed by them, to provide the benefits to which they and their dependents and beneficiaries are entitled under this Article. The city shall not levy a tax hereunder in respect to such employees.

The tax so levied by the park district shall be in addition to and exclusive of all other taxes authorized to be levied by the park district for corporate, annuity fund, or other purposes. The county clerk of the county in which the park district is located, in reducing any tax levied under the provisions of any Act concerning the levy and extension of taxes shall not consider such tax as part of the general tax levy for park purposes, and shall not include the same in any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for the park district. The proceeds of the tax levied by the park district, upon receipt by the district, shall be immediately paid over to the city treasurer of the city for the uses and purposes of the fund.

The various sums to be contributed by the city and allocated for the purposes of this Article, and any interest to be contributed by the city, shall be taken from the revenue derived from the taxes authorized in this Section, and no money of such city derived from any source other than the levy and collection of those taxes or the sale of tax anticipation warrants in accordance with the provisions of this Article shall be used to provide revenue for this Article, except as expressly provided in this Section.

If it is not possible for the city to make contributions for age and service annuity and widow's annuity concurrently with the employee's contributions made for such purposes, such city shall make such contributions as soon as possible and practicable thereafter with interest thereon at the effective rate to the time they shall be made.

(d) With respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L. 93-567, 88 Stat. 1845), hereinafter referred to as CETA, subsequent to October 1, 1978, and in instances where the board has elected to establish a manpower program reserve, the board shall compute the amounts necessary to be credited to the manpower program reserves established and maintained as herein provided, and shall make a periodic determination of the amount of required contributions from the City to the reserve to be reimbursed by the federal government in accordance with rules and regulations established by the Secretary of the United States Department of Labor or his designee, and certify the results thereof to the City Council. Any such amounts shall become a credit to the City and will be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(e) In lieu of establishing a manpower program reserve with respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as authorized by subsection (d), the board may elect to establish a special municipality contribution rate for all such employees. If this option is elected, the City shall contribute to the Fund from federal funds provided under the Comprehensive Employment and Training Act program at the special rate so established and such contributions shall become a credit to the City and be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(f) In lieu of levying all or a portion of the tax required under this Section in any year, the city may deposit with the city treasurer no later than March 1 of that year for the benefit of the fund, to be held in accordance with this Article, an amount that, together with the taxes levied under this Section for that year, is not less than the amount of the city contributions for that year as certified by the board to the city council. The deposit may be derived from any source legally available for that purpose, including, but not limited to, the proceeds of city borrowings. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the fund for any of the purposes for which the proceeds of the tax levied by the city under this Section may be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of that tax.

(Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

(40 ILCS 5/11-169.1 new)

Sec. 11-169.1. Funding Obligation.

(a) Beginning January 1, 2015, the city shall be obligated to contribute to the Fund in each fiscal year an amount not less than the amount determined annually under subsection (a-5) of Section 11-169 of this Code. Notwithstanding any other provision of law, if the city fails to pay the amount guaranteed under this Section on or before December 31 of the year in which such amount is due, the retirement board may bring a mandamus action in the Circuit Court of Cook County to compel the city to make the required payment, irrespective of other remedies that may be available to the Fund. The obligations and causes of action created under this Section shall be in addition to any other right or remedy otherwise accorded by common

law or State or federal law, and nothing in this Section shall be construed to deny, abrogate, impair, or waive any such common law or statutory right or remedy.

(b) In ordering the city to make the required payment, the court may order a reasonable payment schedule to enable the city to make the required payment without significantly imperiling the public health, safety, or welfare. Any payments required to be made by the city pursuant to this Section are expressly subordinated to the payment of the principal, interest, premium, if any, and other payments on or related to any bonded debt obligation of the city, either currently outstanding or to be issued, for which the source of repayment or security thereon is derived directly or indirectly from any funds collected or received by the city or collected or received on behalf of the city. Payments on such bonded obligations include any statutory fund transfers or other prefunding mechanisms or formulas set forth, now or hereafter, in State law, city ordinance, or bond indentures, into debt service funds or accounts of the city related to such bonded obligations, consistent with the payment schedules associated with such obligations.

(40 ILCS 5/11-170) (from Ch. 108 1/2, par. 11-170)

Sec. 11-170. Contributions for age and service annuities for present employees, future entrants and re-entrants.

(a) Beginning on the effective date and prior to July 1, 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1, 1972, 6%; and beginning January 1, 1972, 6.5%; and beginning January 1, 2015, and prior to January 1, 2016, 7.0%; and beginning January 1, 2016, and prior to January 1, 2017, 7.5%; and, beginning January 1, 2017, and prior to January 1, 2018, 8.0%; and beginning January 1, 2018, and prior to January 1, 2019, 8.5%; and beginning January 1, 2019, and thereafter, 9.0% ~~6 1/2%~~ of each payment of the salary of each present employee, future entrant and re-entrant shall be contributed to the fund as a deduction from salary for age and service annuity ; provided, however, that beginning with the first pay period on or after the date when the funded ratio of the Fund is first determined to have reached the 90% funding goal set forth in subsection (a-5) of Section 11-169 of this Code, and each pay period thereafter for as long as the Fund maintains a funding ratio of 90% or more, employee contributions shall be 7.75% of salary for the age and service annuity. If the funding ratio falls below 90%, then employee contributions for the age and service annuity shall revert to 9.0% of salary until such time as the Fund once again is determined to have reached a funding ratio of at least 90%, at which time employee contributions of 7.75% shall resume for the age and service annuity. Such deductions beginning on the effective date and prior to June 30, 1947, inclusive shall be made for a future entrant while he is in service until he attains age 65, and for a present employee while he is in service until the amount so deducted from his salary with interest at the rate of 4% per annum shall be equal to the sum which would have accumulated to his credit from sums deducted from his salary if deductions at the rate herein stated had been made during his entire service until he attained age 65 with interest at 4% per annum for the period subsequent to his attainment of age 65. Such deductions beginning July 1, 1947 shall be made and continued for employees while in the service.

Notwithstanding Section 1-103.1, the changes to this Section made by this amendatory Act of the 98th General Assembly apply regardless of whether the employee was in active service on or after the effective date of this amendatory Act.

(b) Concurrently with each employee contribution, the city shall contribute beginning on the effective date and prior to July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to July 1, 1953, 7%; and beginning July 1, 1953, 6% of each payment of such salary until the employee attains age 65.

(c) Each employee contribution made prior to the date age and service annuity for an employee is fixed and each corresponding city contribution shall be allocated to the account of and credited to the employee for whose benefit it is made.

(Source: P.A. 81-1536.)

(40 ILCS 5/11-179.1 new)

Sec. 11-179.1. Use of contributions for health care subsidies. Except as may be required pursuant to Sections 11-160.1 and 11-160.2 of this Code, the Fund shall not use any contribution received by the Fund under this Article to provide a subsidy for the cost of participation in a retiree health care program.

Section 90. The State Mandates Act is amended by adding Section 8.38 as follows:

(30 ILCS 805/8.38 new)

Sec. 8.38. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 98th General Assembly.

Section 93. Inseverability and severability. The provisions of this amendatory Act of 2013 set forth in Secs. 1-160, 8-137, 8-137.1, 8-173, 8-173.1, 8-174, 11-134.1, 11-134.3, 11-169, 11-169.1, and 11-170 of

the Illinois Pension Code are mutually dependent and inseverable. If any of those provisions is held invalid other than as applied to a particular person or circumstance, then all of those provisions are invalid. The remaining provisions of this Act are severable under Section 1.31 of the Statute on Statutes, and are not mutually dependent upon the provisions set forth in any other Section of this Act.

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

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

Under the rules, the foregoing **Senate Bill No. 1922**, with House Amendments numbered 2 and 6, was referred to the Secretary's Desk.

JOINT ACTION MOTION FILED

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

Motion to Concur in House Amendments 2 and 6 to Senate Bill 1922

INTRODUCTION OF BILL

SENATE BILL NO. 3656. Introduced by Senators Kotowski - J. Cullerton, a bill for AN ACT concerning appropriations.

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

READING BILLS OF THE SENATE A SECOND TIME

On motion of Senator Noland, **Senate Bill No. 2583** having been printed, was taken up, read by title a second time.

Senate Committee Amendment No. 1 was held in the Committee on Assignments.

The following amendment was offered in the Committee on Criminal Law, adopted and ordered printed:

AMENDMENT NO. 2 TO SENATE BILL 2583

AMENDMENT NO. 2 . Amend Senate Bill 2583 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by changing Sections 3-711, 6-601, and 6-803 and adding Section 6-308 as follows:

(625 ILCS 5/3-711) (from Ch. 95 1/2, par. 3-711)

Sec. 3-711. Whenever a court convicts a person of a violation of Section 3-707, 3-708 or 3-710 of this Code, or enters an order placing on supervision the person charged with the violation, the clerk of the court within 5 ~~10~~ days shall forward a report of the conviction or order of supervision to the Secretary of State in a form prescribed by the Secretary. In any case where the person charged with the violation fails to appear in court, the procedures provided in Section 6-308 ~~6-306.3 or 6-306.4~~ of this Code, whichever is applicable shall apply.

The Secretary shall keep records of such reports. However, reports of orders of supervision shall not be released to any outside source, except the affected driver and law enforcement agencies, and shall be used only to inform the Secretary and the courts that such driver previously has been assigned court supervision. (Source: P.A. 86-149.)

(625 ILCS 5/6-308 new)

Sec. 6-308. Procedures for traffic violations.

(a) Any person cited for violating this Code or a similar provision of a local ordinance for which a violation is a petty offense as defined by Section 5-1-17 of the Unified Code of Corrections shall not be required to post bond. All other provisions of this Code or similar provisions of local ordinances shall be governed by the bail provisions of the Illinois Supreme Court Rules when it is not practical or feasible to take the person before a judge to have bail set or to avoid undue delay because of the hour or circumstances.

(b) Whenever a person fails to appear in court or pay any traffic fine, penalty, or cost imposed for a violation of this Code or a similar provision of a local ordinance the court shall continue the case for a minimum of 30 days and the clerk of the court shall send notice of the continued court date to the person's address of record with the Secretary of State. If the person does not appear in court on the continued court date, pay in full the amount necessary to satisfy the citation on or before the continued court date, or satisfy the court that the person's appearance in and surrender to the court is impossible with no fault on the person's part, the court shall enter an order of failure to appear or pay. The clerk of the court shall notify the Secretary of State of the court's order. The Secretary of State, when notified by the clerk of the court that an order of failure to appear or pay has been entered, shall immediately suspend the driver's license. The suspension of the person's driving privileges resulting from a failure to appear or pay shall be designated by the Secretary as a Failure to Appear suspension. The Secretary shall not remove the suspension, nor issue any hardship permit or privilege to the person whose license has been suspended, until notified by the ordering court that the person has complied or paid in full the amount required to satisfy the judgment and paid any suspension reinstatement fee required by the Secretary. Upon payment in full of a fine, penalty, or court cost which has previously been reported under this Section as unpaid, or in which an order of failure to appear has been entered and reported, the clerk of the court shall present the person with a signed receipt containing the seal of the court indicating the fine, penalty, or cost has been paid in full, and shall notify the Secretary of State that the person has complied or that the fine, penalty, or cost has been paid in full.

(c) This Section does not apply to fines, penalties, or costs to be collected subsequent to orders of court supervision or other available court diversions.

(625 ILCS 5/6-601) (from Ch. 95 1/2, par. 6-601)

Sec. 6-601. Penalties.

(a) It is a petty offense for any person to violate any of the provisions of this Chapter unless such violation is by this Code or other law of this State declared to be a misdemeanor or a felony.

(b) General penalties. Unless another penalty is in this Code or other laws of this State, every person convicted of a petty offense for the violation of any provision of this Chapter shall be punished by a fine of at least $50 but not more than $500.

(c) Unlicensed driving. Except as hereinafter provided a violation of Section 6-101 shall be:

1. A Class A misdemeanor if the person failed to obtain a driver's license or permit after expiration of a period of revocation.

2. A Class B misdemeanor if the person has been issued a driver's license or permit, which has expired, and if the period of expiration is greater than one year; or if the person has never been issued a driver's license or permit, or is not qualified to obtain a driver's license or permit because of his age.

3. A petty offense if the person has been issued a temporary visitor's driver's license or permit and is unable to provide proof of liability insurance as provided in subsection (d-5) of Section 6-105.1.

If a licensee under this Code is convicted of violating Section 6-308 ~~6-303~~ for operating a motor vehicle during a time when such licensee's driver's license was suspended under the provisions of Section 6-308 ~~6-306.3~~, then such act shall be a petty offense (provided the licensee has answered the charge which was the basis of the suspension under Section 6-306.3), and there shall be imposed no additional like period of suspension as provided in paragraph (b) of Section 6-308 ~~6-303~~.

(Source: P.A. 96-607, eff. 8-24-09; 97-1157, eff. 11-28-13.)

(625 ILCS 5/6-803) (from Ch. 95 1/2, par. 6-803)

Sec. 6-803. Procedure for Issuing Jurisdiction. (a) When issuing a citation for a traffic violation, a police officer shall issue the citation to a motorist who possesses a valid driver's license issued by a party jurisdiction and shall not, subject to the exceptions noted in Section 6-308 ~~6-306.4~~ of this Code and paragraph (b) of this Section require the motorist to post collateral to secure appearance, if the officer receives the motorist's personal recognizance to comply with the terms of the citation.

(b) Personal recognizance is acceptable only if not prohibited by law. If mandatory appearance is required, it must take place according to law, following issuance of the citation.

(c) Upon failure of a motorist to comply with the terms of a traffic citation, the appropriate official shall report the failure to comply, in a manner prescribed by the Secretary, to the licensing authority of the

jurisdiction in which the traffic citation was issued. The report shall be made in accordance with procedures specified by the Secretary and shall contain information as specified by the Secretary as minimum requirements for effective processing by the home jurisdiction.

(d) Upon receipt of the report, the Secretary shall transmit to the licensing authority in the home jurisdiction of the motorist the information in a form and content as contained in the Compact Manual.

(e) The Secretary may not, except as provided under Section 6-308 ~~6-306.4~~ of this Code, suspend the privileges of a motorist for whom a report has been transmitted, under the terms of this Compact, to another member jurisdiction.

(f) The Secretary shall not transmit a report on any violation if the date of transmission is more than 6 months after the date on which the traffic citation was issued.

(g) The Secretary shall not transmit a report on any violation where the date of issuance of the citation predates the most recent of the effective dates of entry for the two jurisdictions affected.

(Source: P.A. 84-1231.)

(625 ILCS 5/6-306.3 rep.)

Section 10. The Illinois Vehicle Code is amended by repealing Section 6-306.3.

(625 ILCS 5/6-306.4 rep.)

Section 15. The Illinois Vehicle Code is amended by repealing Section 6-306.4.

Section 20. The Code of Criminal Procedure of 1963 is amended by changing Section 110-15 as follows:

(725 ILCS 5/110-15) (from Ch. 38, par. 110-15)

Sec. 110-15. Applicability of provisions for giving and taking bail. The provisions of Sections 110-7 and 110-8 of this Code are exclusive of other provisions of law for the giving, taking, or enforcement of bail. In all cases where a person is admitted to bail the provisions of Sections 110-7 and 110-8 of this Code shall be applicable.

However, the Supreme Court may, by rule or order, prescribe a uniform schedule of amounts of bail in all but felony offenses. No bail amounts shall be required for petty offenses. ~~specified traffic and conservation cases, quasi-criminal offenses, and misdemeanors.~~ Such uniform schedule may provide that the cash deposit provisions of Section 110-7 shall not apply to bail amounts established for alleged violations punishable by fine alone~~, and the schedule may further provide that in specified traffic cases a valid Illinois chauffeur's or operator's license must be deposited, in addition to 10% of the amount of the bail specified in the schedule~~.

(Source: Laws 1967, p. 2969.)".

Senate Floor Amendment No. 3 was held in the Committee on Assignments.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Biss, **Senate Bill No. 2758** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Executive, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 2758

AMENDMENT NO. 1. Amend Senate Bill 2758 as follows:

on page 2, line 12, by replacing "408" with "408(a) or Section 408(b)"; and

on page 8, line 26, by deleting "or an employee of a non-participating employer".

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

The following amendments were offered in the Committee on Executive, adopted and ordered printed:

AMENDMENT NO. 3 TO SENATE BILL 2758

AMENDMENT NO. 3. Amend Senate Bill 2758 on page 9, line 25, after "therein.", by inserting "However, private funds or federal funding received under subsection (k) of Section 30 of this Act in order to implement the Program until the fund is self-sustaining shall not be repaid unless those funds were offered contingent upon the promise of such repayment.".

AMENDMENT NO. 4 TO SENATE BILL 2758

AMENDMENT NO. 4. Amend Senate Bill 2758 on page 10, line 1, by replacing "1%" with "0.75%".

AMENDMENT NO. 5 TO SENATE BILL 2758

AMENDMENT NO. 5. Amend Senate Bill 2758 as follows:

on page 14, by replacing line 5 with the following:
"on the Program, appropriate disclosures for employees, and information regarding the vendor Internet website described in subsection (i) of Section 60 of this Act."; and

on page 18, immediately below line 2, by inserting the following:
"(i) The Board shall establish and maintain an Internet website designed to assist employers in identifying private sector providers of retirement arrangements that can be set up by the employer rather than allowing employee participation in the Program under this Act; however, the Board shall only establish and maintain an Internet website under this subsection if there is sufficient interest in such an Internet website by private sector providers and if the private sector providers furnish the funding necessary to establish and maintain the Internet website. The Board must provide public notice of the availability of and the process for inclusion on the Internet website before it becomes publicly available. This Internet website must be available to the public before the Board opens the Program for enrollment, and the Internet website address must be included on any Internet website posting or other materials regarding the Program offered to the public by the Board."; and

on page 27, line 7, after the period, by inserting "This notice shall include a statement that rather than enrolling employees in the Program under this Act, employers may sponsor an alternative arrangement, including, but not limited to, a defined benefit plan, 401(k) plan, a Simplified Employee Pension (SEP) plan, a Savings Incentive Match Plan for Employees (SIMPLE) plan, or an automatic payroll deduction IRA offered through a private provider. The Board shall provide a link to the vendor Internet website described in subsection (i) of Section 60 of this Act.".

AMENDMENT NO. 6 TO SENATE BILL 2758

AMENDMENT NO. 6. Amend Senate Bill 2758 as follows:

on page 14, lines 2 and 3, by deleting "through the Department"; and

on page 14, by replacing line 6 with the following:
"(b) The Board shall provide for the contents".

AMENDMENT NO. 7 TO SENATE BILL 2758

AMENDMENT NO. 7. Amend Senate Bill 2758 as follows:

on page 3, by replacing line 17 with the following:
"established as a trust outside of the State Treasury, with the Board created in Section 20 as its trustee. The Fund"; and

on page 5, by replacing line 23 with the following:
"Section 25. Fiduciary Duty. The Board, the individual members of the Board, the trustee appointed under subsection (b) of Section 30, any other agents appointed or engaged by the Board, and all".

Senate Floor Amendment Nos. 8, 9 and 10 were held in the Committee on Executive.

There being no further amendments, the foregoing Amendments Numbered 1, 3, 4, 5, 6 and 7 were ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Haine, **Senate Bill No. 2764** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Insurance, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 2764

AMENDMENT NO. 1. Amend Senate Bill 2764 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Insurance Code is amended by changing Sections 223 and 229.2 as follows:

(215 ILCS 5/223) (from Ch. 73, par. 835)

Sec. 223. Director to value policies - Legal standard of valuation.

(1) The Director shall annually value, or cause to be valued, the reserve liabilities (hereinafter called reserves) for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurance company doing business in this State, except that in the case of an alien company, such valuation shall be limited to its United States business, issued prior to the operative date of the Valuation Manual. ~~and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest, and methods (net level premium method or other) used in the calculation of such reserves. Other assumptions may be incorporated into the reserve calculation to the extent permitted by the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual.~~ In calculating such reserves, he may use group methods and approximate averages for fractions of a year or otherwise. In lieu of the valuation of the reserves herein required of any foreign or alien company, he may accept any valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when such valuation complies with the minimum standard ~~herein~~ provided in this Section.

The provisions set forth in this subsection (1) and in subsections (2), (3), (4), (5), (6), and (7) of this Section shall apply to all policies and contracts, as appropriate, subject to this Section issued prior to the operative date of the Valuation Manual. The provisions set forth in subsections (8) and (9) of this Section shall not apply to any such policies and contracts.

The Director shall annually value, or cause to be valued, the reserve liabilities (reserves) for all outstanding life insurance contracts, annuity and pure endowment contracts, accident and health contracts, and deposit-type contracts of every company issued on or after the operative date of the Valuation Manual. In lieu of the valuation of the reserves required of a foreign or alien company, the Director may accept a valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when the valuation complies with the minimum standard provided in this Code.

The provisions set forth in subsections (8) and (9) of this Section shall apply to all policies and contracts issued on or after the operative date of the Valuation Manual. ~~and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the Director when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that state or jurisdiction.~~

Any such company which adopts at any time a ~~has adopted any~~ standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard ~~herein~~ provided under this Section may adopt a lower standard of valuation, with the approval of the Director, adopt any lower standard of valuation, but not lower than the minimum herein provided, however, that, for the purposes of this subsection, the holding of additional reserves previously determined by the appointed ~~a qualified~~ actuary to be necessary to render the opinion required by subsection (1a) shall not be deemed to be the adoption of a higher standard of valuation. In the valuation of policies the Director shall give no consideration to, nor make any deduction because of, the existence or the possession by the company of

(a) policy liens created by any agreement given or assented to by any assured subsequent to July 1, 1937, for which liens such assured has not received cash or other consideration equal in value to the amount of such liens, or

(b) policy liens created by any agreement entered into in violation of Section 232

unless the agreement imposing or creating such liens has been approved by a Court in a proceeding under Article XIII, or in the case of a foreign or alien company has been approved by a court in a rehabilitation or liquidation proceeding or by the insurance official of its domiciliary state or country, in accordance with the laws thereof.

(1a) This subsection shall become operative at the end of the first full calendar year following the effective date of this amendatory Act of 1991.

(A) General.

(1) Every life insurance company doing business in this State shall annually submit the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the Director by regulation are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts and comply with applicable laws of this State. The Director by regulation shall define the specifics of this opinion and add any other items deemed to be necessary to its scope.

(2) The opinion shall be submitted with the annual statement reflecting the valuation of reserve liabilities for each year ending on or after December 31, 1992.

(3) The opinion shall apply to all business in force including individual and group health insurance plans, in form and substance acceptable to the Director as specified by regulation.

(4) The opinion shall be based on standards adopted from time to time by the Actuarial Standards Board and on additional standards as the Director may by regulation prescribe.

(5) In the case of an opinion required to be submitted by a foreign or alien company, the Director may accept the opinion filed by that company with the insurance supervisory official of another state if the Director determines that the opinion reasonably meets the requirements applicable to a company domiciled in this State.

(6) For the purpose of this Section, "qualified actuary" means a member in good standing of the American Academy of Actuaries who meets the requirements set forth in its regulations.

(7) Except in cases of fraud or willful misconduct, the qualified actuary shall not be liable for damages to any person (other than the insurance company and the Director) for any act, error, omission, decision or conduct with respect to the actuary's opinion.

(8) Disciplinary action by the Director against the company or the qualified actuary shall be defined in regulations by the Director.

(9) A memorandum, in form and substance acceptable to the Director as specified by regulation, shall be prepared to support each actuarial opinion.

(10) If the insurance company fails to provide a supporting memorandum at the request of the Director within a period specified by regulation or the Director determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the regulations or is otherwise unacceptable to the Director, the Director may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare the supporting memorandum as is required by the Director.

(11) Any memorandum in support of the opinion, and any other material provided by the company to the Director in connection therewith, shall be kept confidential by the Director and shall not be made public and shall not be subject to subpoena, other than for the purpose of defending an action seeking damages from any person by reason of any action required by this Section or by regulations promulgated hereunder; provided, however, that the memorandum or other material may otherwise be released by the Director (a) with the written consent of the company or (b) to the American Academy of Actuaries upon request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the Director for preserving the confidentiality of the memorandum or other material. Once any portion of the confidential memorandum is cited by the company in its marketing or is cited before any governmental agency other than a state insurance department or is released by the company to the news media, all portions of the confidential memorandum shall be no longer confidential.

(B) Actuarial analysis of reserves and assets supporting those reserves.

(1) Every life insurance company, except as exempted by or under regulation, shall also annually include in the opinion required by paragraph (A)(1) of this subsection (1a), an opinion of the same qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the Director by regulation, when considered in light of the assets held by the company with respect to the reserves and related actuarial items including, but not limited to, the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts including, but not limited to, the benefits under and expenses associated with the policies and contracts.

(2) The Director may provide by regulation for a transition period for establishing any higher reserves which the qualified actuary may deem necessary in order to render the opinion required by this Section.

(1b) Actuarial Opinion of Reserves after the Operative Date of the Valuation Manual.

(A) General.

(1) Every company with outstanding life insurance contracts, accident and health insurance contracts, or deposit-type contracts in this State and subject to regulation by the Director shall annually submit the opinion of the appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this

State. The Valuation Manual shall prescribe the specifics of this opinion, including any items deemed to be necessary to its scope.

(2) The opinion shall be submitted with the annual statement reflecting the valuation of such reserve liabilities for each year ending on or after the operative date of the Valuation Manual.

(3) The opinion shall apply to all policies and contracts subject to paragraph (B) of this subsection (1b), plus other actuarial liabilities as may be specified in the Valuation Manual.

(4) The opinion shall be based on standards adopted from time to time by the Actuarial Standards Board or its successor and on additional standards as may be prescribed in the Valuation Manual.

(5) In the case of an opinion required to be submitted by a foreign or alien company, the Director may accept the opinion filed by that company with the insurance supervisory official of another state if the Director determines that the opinion reasonably meets the requirements applicable to a company domiciled in this State.

(6) Except in cases of fraud or willful misconduct, the appointed actuary shall not be liable for damages to any person (other than the insurance company and the Director) for any act, error, omission, decision, or conduct with respect to the appointed actuary's opinion.

(7) A memorandum, in a form and substance as specified in the Valuation Manual and acceptable to the Director, shall be prepared to support each actuarial opinion.

(8) If the insurance company fails to provide a supporting memorandum at the request of the Director within a period specified in the Valuation Manual or the Director determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the Valuation Manual or is otherwise unacceptable to the Director, the Director may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare the supporting memorandum as is required by the Director.

(B) Every company with outstanding life insurance contracts, accident and health insurance contracts, or deposit-type contracts in this state and subject to regulation by the Director, except as exempted in the Valuation Manual, shall also annually include in the opinion required by subparagraph (1) of paragraph (A) of this subsection (1b), an opinion of the same appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified in the Valuation Manual, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including, but not limited to, the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts, including, but not limited to, the benefits under and expenses associated with the policies and contracts.

(2) This subsection shall apply to only those policies and contracts issued prior to the operative date of Section 229.2 (the Standard Non-forfeiture Law).

(a) Except as otherwise in this Article provided, the legal minimum standard for valuation of contracts issued before January 1, 1908, shall be the Actuaries or Combined Experience Table of Mortality with interest at 4% per annum and for valuation of contracts issued on or after that date shall be the American Experience Table of Mortality with either Craig's or Buttolph's Extension for ages under 10 and with interest at 3 1/2% per annum. The legal minimum standard for the valuation of group insurance policies under which premium rates are not guaranteed for a period in excess of 5 years shall be the American Men Ultimate Table of Mortality with interest at 3 1/2% per annum. Any life company may, at its option, value its insurance contracts issued on or after January 1, 1938, in accordance with their terms on the basis of the American Men Ultimate Table of Mortality with interest not higher than 3 1/2% per annum.

(b) Policies issued prior to January 1, 1908, may continue to be valued according to a method producing reserves not less than those produced by the full preliminary term method. Policies issued on and after January 1, 1908, may be valued according to a method producing reserves not less than those produced by the modified preliminary term method hereinafter described in paragraph (c). Policies issued on and after January 1, 1938, may be valued either according to a method producing reserves not less than those produced by such modified preliminary term method or by the select and ultimate method on the basis that the rate of mortality during the first 5 years after the issuance of such contracts respectively shall be calculated according to the following percentages of rates shown by the American Experience Table of Mortality:

(i) first insurance year 50% thereof;

(ii) second insurance year 65% thereof;

(iii) third insurance year 75% thereof;

(iv) fourth insurance year 85% thereof;

(v) fifth insurance year 95% thereof.

(c) If the premium charged for the first policy year under a limited payment life preliminary term policy providing for the payment of all premiums thereon in less than 20 years from the date of the policy or under an endowment preliminary term policy, exceeds that charged for the first policy year under 20 payment life preliminary term policies of the same company, the reserve thereon at the end of any year, including the first, shall not be less than the reserve on a 20 payment life preliminary term policy issued in the same year at the same age, together with an amount which shall be equivalent to the accumulation of a net level premium sufficient to provide for a pure endowment at the end of the premium payment period, equal to the difference between the value at the end of such period of such a 20 payment life preliminary term policy and the full net level premium reserve at such time of such a limited payment life or endowment policy. The premium payment period is the period during which premiums are concurrently payable under such 20 payment life preliminary term policy and such limited payment life or endowment policy.

(d) The legal minimum standard for the valuations of annuities issued on and after January 1, 1938, shall be the American Annuitant's Table with interest not higher than 3 3/4% per annum, and all annuities issued before that date shall be valued on a basis not lower than that used for the annual statement of the year 1937; but annuities deferred 10 or more years and written in connection with life insurance shall be valued on the same basis as that used in computing the consideration or premiums therefor, or upon any higher standard at the option of the company.

(e) The Director may vary the standards of interest and mortality as to contracts issued in countries other than the United States and may vary standards of mortality in particular cases of invalid lives and other extra hazards.

(f) The legal minimum standard for valuation of waiver of premium disability benefits or waiver of premium and income disability benefits issued on and after January 1, 1938, shall be the Class (3) Disability Table (1926) modified to conform to the contractual waiting period, with interest at not more than 3 1/2% per annum; but in no event shall the values be less than those produced by the basis used in computing premiums for such benefits. The legal minimum standard for the valuation of such benefits issued prior to January 1, 1938, shall be such as to place an adequate value, as determined by sound insurance practices, on the liabilities thereunder and shall be such that the value of the benefits under each and every policy shall in no case be less than the value placed upon the future premiums.

(g) The legal minimum standard for the valuation of industrial policies issued on or after January 1, 1938, shall be the American Experience Table of Mortality or the Standard Industrial Mortality Table or the Substandard Industrial Mortality Table with interest at 3 1/2% per annum by the net level premium method, or in accordance with their terms by the modified preliminary term method hereinabove described.

(h) Reserves for all such policies and contracts may be calculated, at the option of the company, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by this subsection.

(3) This subsection shall apply to only those policies and contracts issued on or after January 1, 1948 or such earlier operative date of Section 229.2 (the Standard Non-forfeiture Law) as shall have been elected by the insurance company issuing such policies or contracts.

(a) Except as otherwise provided in subsections (4), (6), and (7), the minimum standard for the valuation of all such policies and contracts shall be the Commissioners Reserve valuation method defined in paragraphs (b) and (f) of this subsection and in subsection 5, 3 1/2% interest for such policies issued prior to September 8, 1977, 5 1/2% interest for single premium life insurance policies and 4 1/2% interest for all other such policies issued on or after September 8, 1977, and the following tables:

(i) The Commissioners 1941 Standard Ordinary Mortality Table for all Ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies, for such policies issued prior to the operative date of subsection (4a) of Section 229.2 (Standard Non-forfeiture Law); and the Commissioners 1958 Standard Ordinary Mortality Table for such policies issued on or after such operative date but prior to the operative date of subsection (4c) of Section 229.2 provided that for any category of such policies issued on female risks all modified net premiums and present values referred to in this Section ~~Act~~ may, prior to September 8, 1977, be calculated according to an age not more than 3 years younger than the actual age of the insured and, after September 8, 1977, calculated according to an age not more than 6 years younger than the actual age of the insured; and for such policies issued on or after the operative date of subsection (4c) of Section 229.2, (i) the Commissioners 1980 Standard Ordinary Mortality Table, or (ii) at the election of the company for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors, or (iii) any ordinary mortality table adopted after 1980 by the NAIC ~~National Association of Insurance~~

~~Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such policies.

(ii) For all Industrial Life Insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies--the 1941 Standard Industrial Mortality Table for such policies issued prior to the operative date of subsection 4 (b) of Section 229.2 (Standard Non-forfeiture Law); and for such policies issued on or after such operative date the Commissioners 1961 Standard Industrial Mortality Table or any industrial mortality table adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such policies.

(iii) For Individual Annuity and Pure Endowment contracts, excluding any disability and accidental death benefits in such policies--the 1937 Standard Annuity Mortality Table--or, at the option of the company, the Annuity Mortality Table for 1949, Ultimate, or any modification of either of these tables approved by the Director.

(iv) For Group Annuity and Pure Endowment contracts, excluding any disability and accidental death benefits in such policies--the Group Annuity Mortality Table for 1951, any modification of such table approved by the Director, or, at the option of the company, any of the tables or modifications of tables specified for Individual Annuity and Pure Endowment contracts.

(v) For Total and Permanent Disability Benefits in or supplementary to Ordinary policies or contracts for policies or contracts issued on or after January 1, 1966, the tables of Period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 Disability Study of the Society of Actuaries, with due regard to the type of benefit, or any tables of disablement rates and termination rates adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such policies; for policies or contracts issued on or after January 1, 1961, and prior to January 1, 1966, either such tables or, at the option of the company, the Class (3) Disability Table (1926); and for policies issued prior to January 1, 1961, the Class (3) Disability Table (1926). Any such table shall, for active lives, be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(vi) For Accidental Death benefits in or supplementary to policies--for policies issued on or after January 1, 1966, the 1959 Accidental Death Benefits Table or any accidental death benefits table adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such policies; for policies issued on or after January 1, 1961, and prior to January 1, 1966, any of such tables or, at the option of the company, the Inter-Company Double Indemnity Mortality Table; and for policies issued prior to January 1, 1961, the Inter-Company Double Indemnity Mortality Table. Either table shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(vii) For Group Life Insurance, life insurance issued on the substandard basis and other special benefits--such tables as may be approved by the Director.

(b) Except as otherwise provided in paragraph (f) of subsection (3), subsection (5), and subsection (7) reserves according to the Commissioners reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (A) over (B), as follows:

(A) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due; provided, however, that such net level annual premium shall not exceed the net level annual premium on the 19 year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such policy.

(B) A net one year term premium for such benefits provided for in the first policy year.

For any life insurance policy issued on or after January 1, 1987, for which the contract

premium in the first policy year exceeds that of the second year with no comparable additional benefit being provided in that first year, which policy provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than such excess premium, the reserve according to the Commissioners reserve valuation method as of any policy anniversary occurring on or before the assumed ending date, defined herein as the first policy anniversary on which the sum of any endowment benefit and any cash surrender value then available is greater than such excess premium, shall, except as otherwise provided in paragraph (f) of subsection (3), be the greater of the reserve as of such policy anniversary calculated as described in the preceding part of this paragraph (b) and the reserve as of such policy anniversary calculated as described in the preceding part of this paragraph (b) with (i) the value defined in subpart A of the preceding part of this paragraph (b) being reduced by 15% of the amount of such excess first year premium, (ii) all present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date, (iii) the policy being assumed to mature on such date as an endowment, and (iv) the cash surrender value provided on such date being considered as an endowment benefit. In making the above comparison, the mortality and interest bases stated in paragraph (a) of subsection (3) and in subsection (6) shall be used.

Reserves according to the Commissioners reserve valuation method for (i) life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums, (ii) group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer (including a partnership or sole proprietorship) or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under Section 408 of the Internal Revenue Code, as now or hereafter amended, (iii) disability and accidental death benefits in all policies and contracts, and (iv) all other benefits, except life insurance and endowment benefits in life insurance policies and benefits provided by all other annuity and pure endowment contracts, shall be calculated by a method consistent with the principles of this paragraph (b), except that any extra premiums charged because of impairments or special hazards shall be disregarded in the determination of modified net premiums.

(c) In no event shall a company's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits be less than the aggregate reserves calculated in accordance with the methods set forth in paragraphs (b), (f), and (g) of subsection (3) and in subsection (5) and the mortality table or tables and rate or rates of interest used in calculating non-forfeiture benefits for such policies.

(d) In no event shall the aggregate reserves for all policies, contracts, and benefits be less than the aggregate reserves determined by the appointed ~~qualified~~ actuary to be necessary to render the opinion required by subsection (1a).

(e) Reserves for any category of policies, contracts or benefits as established by the Director, may be calculated, at the option of the company, according to any standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used for policies and contracts, other than annuity and pure endowment contracts, shall not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided for therein.

(f) If in any contract year the gross premium charged by any life insurance company on any policy or contract is less than the valuation net premium for the policy or contract calculated by the method used in calculating the reserve thereon but using the minimum valuation standards of mortality and rate of interest, the minimum reserve required for such policy or contract shall be the greater of either the reserve calculated according to the mortality table, rate of interest, and method actually used for such policy or contract, or the reserve calculated by the method actually used for such policy or contract but using the minimum standards of mortality and rate of interest and replacing the valuation net premium by the actual gross premium in each contract year for which the valuation net premium exceeds the actual gross premium. The minimum valuation standards of mortality and rate of interest referred to in this paragraph (f) are those standards stated in subsection (6) and paragraph (a) of subsection (3).

For any life insurance policy issued on or after January 1, 1987, for which the gross premium in the first policy year exceeds that of the second year with no comparable additional benefit provided in that first year, which policy provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than such excess premium, the foregoing provisions of this paragraph (f) shall be applied as if the method actually used in calculating the reserve for such policy were the method described in paragraph (b) of subsection (3), ignoring the second paragraph of said paragraph (b). The minimum reserve at each policy anniversary of such a policy shall be the greater of the minimum reserve calculated in accordance with paragraph (b) of subsection (3), including the

second paragraph of said paragraph (b), and the minimum reserve calculated in accordance with this paragraph (f).

(g) In the case of any plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurance company based on then estimates of future experience, or in the case of any plan of life insurance or annuity which is of such a nature that the minimum reserves cannot be determined by the methods described in paragraphs (b) and (f) of subsection (3) and subsection (5), the reserves which are held under any such plan shall:

(i) be appropriate in relation to the benefits and the pattern of premiums for that plan, and

(ii) be computed by a method which is consistent with the principles of this Standard Valuation Law, as determined by regulations promulgated by the Director.

(4) Except as provided in subsection (6), the minimum standard of ~~for the~~ valuation for ~~of all~~ individual annuity and pure endowment contracts issued on or after the operative date of this subsection, as defined herein, and for all annuities and pure endowments purchased on or after such operative date under group annuity and pure endowment contracts shall be the Commissioners Reserve valuation methods defined in paragraph (b) of subsection (3) and subsection (5) and the following tables and interest rates:

(a) For individual single premium immediate annuity contracts, excluding any disability and accidental death benefits in such contracts, the 1971 Individual Annuity Mortality Table, any individual annuity mortality table adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such contracts, or any modification of those tables approved by the Director, and 7 1/2% interest.

(b) For individual and pure endowment contracts other than single premium annuity contracts, excluding any disability and accidental death benefits in such contracts, the 1971 Individual Annuity Mortality Table, any individual annuity mortality table adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such contracts, or any modification of those tables approved by the Director, and 5 1/2% interest for single premium deferred annuity and pure endowment contracts and 4 1/2% interest for all other such individual annuity and pure endowment contracts.

(c) For all annuities and pure endowments purchased under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts, the 1971 Group Annuity Mortality Table, any group annuity mortality table adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such annuities and pure endowments, or any modification of those tables approved by the Director, and 7 1/2% interest.

After September 8, 1977, any company may file with the Director a written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1979, which shall be the operative date of this subsection for such company; provided, a company may elect a different operative date for individual annuity and pure endowment contracts from that elected for group annuity and pure endowment contracts. If a company makes no election, the operative date of this subsection for such company shall be January 1, 1979.

(5) This subsection shall apply to all annuity and pure endowment contracts other than group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer (including a partnership or sole proprietorship) or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under Section 408 of the Internal Revenue Code, as now or hereafter amended.

Reserves according to the Commissioners annuity reserve method for benefits under annuity or pure endowment contracts, excluding any disability and accidental death benefits in such contracts, shall be the greatest of the respective excesses of the present values, at the date of valuation, of the future guaranteed benefits, including guaranteed nonforfeiture benefits, provided for by such contracts at the end of each respective contract year, over the present value, at the date of valuation, of any future valuation considerations derived from future gross considerations, required by the terms of such contract, that become payable prior to the end of such respective contract year. The future guaranteed benefits shall be determined by using the mortality table, if any, and the interest rate, or rates, specified in such contracts for determining guaranteed benefits. The valuation considerations are the portions of the respective gross considerations applied under the terms of such contracts to determine nonforfeiture values.

(6)(a) Applicability of this subsection. The interest rates used in determining the minimum standard for the valuation of

(A) all life insurance policies issued in a particular calendar year, on or after the operative date of subsection (4c) of Section 229.2 (Standard Nonforfeiture Law),

(B) all individual annuity and pure endowment contracts issued in a particular calendar year ending on or after December 31, 1983,

(C) all annuities and pure endowments purchased in a particular calendar year ending on or after December 31, 1983, under group annuity and pure endowment contracts, and

(D) the net increase in a particular calendar year ending after December 31, 1983, in amounts held under guaranteed interest contracts

shall be the calendar year statutory valuation interest rates, as defined in this subsection.

(b) Calendar Year Statutory Valuation Interest Rates.

(i) The calendar year statutory valuation interest rates shall be determined according to the following formulae, rounding "I" to the nearest .25%.

(A) For life insurance,

I = .03 + W (R1 - .03) + W/2 (R2 - .09).

(B) For single premium immediate annuities and annuity benefits involving life contingencies arising from other annuities with cash settlement options and from guaranteed interest contracts with cash settlement options,

I = .03 + W (R - .03) or with prior approval of the Director I = .03 + W (Rq - .03).

For the purposes of this subparagraph (i), "I" equals the calendar year statutory valuation interest rate, "R" is the reference interest rate defined in this subsection, "R1" is the lesser of R and .09, "R2" is the greater of R and .09, "Rq" is the quarterly reference interest rate defined in this subsection, and "W" is the weighting factor defined in this subsection.

(C) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on an issue year basis, except as stated in (B), the formula for life insurance stated in (A) applies to annuities and guaranteed interest contracts with guarantee durations in excess of 10 years, and the formula for single premium immediate annuities stated in (B) above applies to annuities and guaranteed interest contracts with guarantee durations of 10 years or less.

(D) For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the formula for single premium immediate annuities stated in (B) applies.

(E) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change in fund basis, the formula for single premium immediate annuities stated in (B) applies.

(ii) If the calendar year statutory valuation interest rate for any life insurance policy issued in any calendar year determined without reference to this subparagraph differs from the corresponding actual rate for similar policies issued in the immediately preceding calendar year by less than .5%, the calendar year statutory valuation interest rate for such life insurance policy shall be the corresponding actual rate for the immediately preceding calendar year. For purposes of applying this subparagraph, the calendar year statutory valuation interest rate for life insurance policies issued in a calendar year shall be determined for 1980, using the reference interest rate defined for 1979, and shall be determined for each subsequent calendar year regardless of when subsection (4c) of Section 229.2 (Standard Nonforfeiture Law) becomes operative.

(c) Weighting Factors.

(i) The weighting factors referred to in the formulae stated in paragraph (b) are given in the following tables.

(A) Weighting Factors for Life Insurance.

Guarantee Duration (Years)	Weighting Factors
10 or less	.50
More than 10, but not more than 20	.45
More than 20	.35

For life insurance, the guarantee duration is the maximum number of years the

life insurance can remain in force on a basis guaranteed in the policy or under options to convert to plans of life insurance with premium rates or nonforfeiture values or both which are guaranteed in the original policy.

(B) The weighting factor for single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options is .80.

(C) The weighting factors for other annuities and for guaranteed interest contracts, except as stated in (B) of this subparagraph (i), shall be as specified in tables (1), (2), and (3) of this subpart (C), according to the rules and definitions in (4), (5) and (6) of this subpart (C).

(1) For annuities and guaranteed interest contracts valued on an issue year basis.

Guarantee Duration (Years)	Weighting Factor for Plan Type A	B	C
5 or less	.80	.60	.50
More than 5, but not more than 10	.75	.60	.50
More than 10, but not more than 20	.65	.50	.45
More than 20	.45	.35	.35

(2) For annuities and guaranteed interest contracts valued on a change in fund basis, the factors shown in (1) for Plan Types A, B and C are increased by .15, .25 and .05, respectively.

(3) For annuities and guaranteed interest contracts valued on an issue year basis, other than those with no cash settlement options, which do not guarantee interest on considerations received more than one year after issue or purchase, and for annuities and guaranteed interest contracts valued on a change in fund basis which do not guarantee interest rates on considerations received more than 12 months beyond the valuation date, the factors shown in (1), or derived in (2), for Plan Types A, B and C are increased by .05.

(4) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the guarantee duration is the number of years for which the contract guarantees interest rates in excess of the calendar year statutory valuation interest rate for life insurance policies with guarantee durations in excess of 20 years. For other annuities with no cash settlement options, and for guaranteed interest contracts with no cash settlement options, the guarantee duration is the number of years from the date of issue or date of purchase to the date annuity benefits are scheduled to commence.

(5) The plan types used in the above tables are defined as follows.

Plan Type A is a plan under which the policyholder may not withdraw funds, or may withdraw funds at any time but only (a) with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, (b) without such an adjustment but in installments over 5 years or more, or (c) as an immediate life annuity.

Plan Type B is a plan under which the policyholder may not withdraw funds before expiration of the interest rate guarantee, or may withdraw funds before such expiration but only (a) with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or (b) without such adjustment but in installments over 5 years or more. At the end of the interest rate guarantee, funds may be withdrawn without such adjustment in a single sum or installments over less than 5 years.

Plan Type C is a plan under which the policyholder may withdraw funds before expiration of the interest rate guarantee in a single sum or installments over less than 5 years either (a) without adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or (b) subject only to a fixed surrender charge stipulated in the contract as a percentage of the fund.

(6) A company may elect to value guaranteed interest contracts with cash settlement options and annuities with cash settlement options on either an issue year basis or on a change in fund basis. Guaranteed interest contracts with no cash settlement options and other annuities with no cash settlement options shall be valued on an issue year basis. As used in this Section, "issue year basis of valuation" refers to a valuation basis under which the interest rate

used to determine the minimum valuation standard for the entire duration of the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of issue or year of purchase of the annuity or guaranteed interest contract. "Change in fund basis of valuation", as used in this Section, refers to a valuation basis under which the interest rate used to determine the minimum valuation standard applicable to each change in the fund held under the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of the change in the fund.

(d) Reference Interest Rate. The reference interest rate referred to in paragraph (b) of this subsection is defined as follows.

(A) For all life insurance, the reference interest rate is the lesser of the average over a period of 36 months, and the average over a period of 12 months, with both periods ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year next preceding the year of issue, of Moody's Corporate Bond Yield Average - Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(B) For single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the reference interest rate is the average over a period of 12 months, ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year of issue or year of purchase, of Moody's Corporate Bond Yield Average - Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(C) For annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year of issue basis, except those described in (B), with guarantee durations in excess of 10 years, the reference interest rate is the lesser of the average over a period of 36 months and the average over a period of 12 months, ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year of issue or purchase, of Moody's Corporate Bond Yield Average-Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(D) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year of issue basis, except those described in (B), with guarantee durations of 10 years or less, the reference interest rate is the average over a period of 12 months, ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year of issue or purchase, of Moody's Corporate Bond Yield Average-Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(E) For annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the reference interest rate is the average over a period of 12 months, ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year of issue or purchase, of Moody's Corporate Bond Yield Average-Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(F) For annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change in fund basis, except those described in (B), the reference interest rate is the average over a period of 12 months, ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year of the change in the fund, of Moody's Corporate Bond Yield Average-Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(G) For annuities valued by a formula based on Rq, the quarterly reference interest rate is, with the prior approval of the Director, the average within each of the 4 consecutive calendar year quarters ending on March 31, June 30, September 30 and December 31 of the calendar year of issue or year of purchase of Moody's Corporate Bond Yield Average-Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(e) Alternative Method for Determining Reference Interest Rates. In the event that the Moody's Corporate Bond Yield Average-Monthly Average Corporates is no longer published by Moody's Investors Services, Inc., or in the event that the NAIC ~~National Association of Insurance Commissioners~~ determines that Moody's Corporate Bond Yield Average-Monthly Average Corporates as published by Moody's Investors Service, Inc. is no longer appropriate for the determination of the reference interest rate, then an alternative method for determination of the reference interest rate, which is adopted by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director, may be substituted.

(7) Minimum Standards for Accident and Health (Disability, Accident and Sickness) Insurance Contracts ~~Plans~~. The Director shall promulgate a regulation containing the minimum standards applicable

to the valuation of health (disability, sickness and accident) plans which are issued prior to the operative date of the Valuation Manual for accident and health (disability, accident and sickness) insurance contracts issued on or after the operative date of the Valuation Manual, the standard prescribed in the Valuation Manual is the minimum standard of valuation required under subsection (1).

(8) Valuation Manual for Policies Issued On or After the Operative Date of the Valuation Manual.

(a) For policies issued on or after the operative date of the Valuation Manual, the standard prescribed in the Valuation Manual is the minimum standard of valuation required under subsection (1), except as provided under paragraphs (e) or (g) of this subsection (8).

(b) The operative date of the Valuation Manual is January 1 of the first calendar year following the first July 1 when all of the following have occurred:

(i) The Valuation Manual has been adopted by the NAIC by an affirmative vote of at least 42 members, or three-fourths of the members voting, whichever is greater.

(ii) The Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by states representing greater than 75% of the direct premiums written as reported in the following annual statements submitted for 2008: life, accident and health annual statements; health annual statements; or fraternal annual statements.

(iii) The Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by at least 42 of the following 55 jurisdictions: the 50 states of the United States, American Samoa, the American Virgin Islands, the District of Columbia, Guam, and Puerto Rico.

(c) Unless a change in the Valuation Manual specifies a later effective date, changes to the Valuation Manual shall be effective on January 1 following the date when the change to the Valuation Manual has been adopted by the NAIC by an affirmative vote representing:

(i) at least three-fourths of the members of the NAIC voting, but not less than a majority of the total membership; and

(ii) members of the NAIC representing jurisdictions totaling greater than 75% of the direct premiums written as reported in the following annual statements most recently available prior to the vote in subparagraph (i) of this paragraph (c): life, accident and health annual statements; health annual statements; or fraternal annual statements.

(d) The Valuation Manual must specify all of the following:

(i) Minimum valuation standards for and definitions of the policies or contracts subject to subsection (1). Such minimum valuation standards shall be:

(A) the Director's reserve valuation method for life insurance contracts, other than annuity contracts, subject to subsection (1);

(B) the Director's annuity reserve valuation method for annuity contracts subject to subsection (1); and

(C) minimum reserves for all other policies or contracts subject to subsection (1).

(ii) Which policies or contracts or types of policies or contracts are subject to the requirements of a principle-based valuation in paragraph (a) of subsection (9) and the minimum valuation standards consistent with those requirements.

(iii) For policies and contracts subject to a principle-based valuation under subsection (9):

(A) Requirements for the format of reports to the Director under subparagraph (iii) of paragraph (b) of subsection (9), and which shall include information necessary to determine if the valuation is appropriate and in compliance with this Section.

(B) Assumptions shall be prescribed for risks over which the company does not have significant control or influence.

(C) Procedures for corporate governance and oversight of the actuarial function, and a process for appropriate waiver or modification of such procedures.

(iv) For policies not subject to a principle-based valuation under subsection (9), the minimum valuation standard shall either:

(A) be consistent with the minimum standard of valuation prior to the operative date of the Valuation Manual; or

(B) develop reserves that quantify the benefits and guarantees and the funding associated with the contracts and their risks at a level of conservatism that reflects conditions that include unfavorable events that have a reasonable probability of occurring.

(v) Other requirements, including, but not limited to, those relating to reserve methods, models for measuring risk, generation of economic scenarios, assumptions, margins, use of company experience, risk measurement, disclosure, certifications, reports, actuarial opinions and memorandums, transition rules, and internal controls.

(vi) The data and form of the data required under subsection (10) of this Section, with whom the data must be submitted, and may specify other requirements, including data analyses and the reporting of analyses.

(e) In the absence of a specific valuation requirement or if a specific valuation requirement in the valuation manual is not, in the opinion of the Director, in compliance with this Code, then the company shall, with respect to such requirements, comply with minimum valuation standards prescribed by the Director by rule.

(f) The Director may engage a qualified actuary, at the expense of the company, to perform an actuarial examination of the company and opine on the appropriateness of any reserve assumption or method used by the company, or to review and opine on a company's compliance with any requirement set forth in this Section. The Director may rely upon the opinion regarding provisions contained within this Section of a qualified actuary engaged by the Director of another state, district, or territory of the United States. As used in this paragraph, "engage" includes employment and contracting.

(g) The Director may require a company to change any assumption or method that in the opinion of the Director is necessary in order to comply with the requirements of the Valuation Manual or this Code; and the company shall adjust the reserves as required by the Director. The Director may take other disciplinary action as permitted pursuant to law.

(9) Requirements of a Principle-Based Valuation.

(a) A company must establish reserves using a principle-based valuation that meets the following conditions for policies or contracts as specified in the Valuation Manual:

(i) Quantify the benefits and guarantees, and the funding, associated with the contracts and their risks at a level of conservatism that reflects conditions that include unfavorable events that have a reasonable probability of occurring during the lifetime of the contracts. For policies or contracts with significant tail risk, reflect conditions appropriately adverse to quantify the tail risk.

(ii) Incorporate assumptions, risk analysis methods, and financial models and management techniques that are consistent with, but not necessarily identical to, those utilized within the company's overall risk assessment process, while recognizing potential differences in financial reporting structures and any prescribed assumptions or methods.

(iii) Incorporate assumptions that are derived in one of the following manners:

(A) The assumption is prescribed in the Valuation Manual.

(B) For assumptions that are not prescribed, the assumptions shall:

(1) be established utilizing the company's available experience, to the extent it is relevant and statistically credible; or

(2) to the extent that company data is not available, relevant, or statistically credible, be established utilizing other relevant, statistically credible experience.

(iv) Provide margins for uncertainty, including adverse deviation and estimation error, such that the greater the uncertainty, the larger the margin and resulting reserve.

(b) A company using a principle-based valuation for one or more policies or contracts subject to this subsection as specified in the Valuation Manual shall:

(i) Establish procedures for corporate governance and oversight of the actuarial valuation function consistent with those described in the valuation manual.

(ii) Provide to the Director and the board of directors an annual certification of the effectiveness of the internal controls with respect to the principle-based valuation. Such controls shall be designed to ensure that all material risks inherent in the liabilities and associated assets subject to such valuation are included in the valuation, and that valuations are made in accordance with the valuation manual. The certification shall be based on the controls in place as of the end of the preceding calendar year.

(iii) Develop and file with the Director upon request a principle-based valuation report that complies with standards prescribed in the valuation manual.

(c) A principle-based valuation may include a prescribed formulaic reserve component.

(10) Experience Reporting for Policies In Force On or After the Operative Date of the Valuation Manual. A company shall submit mortality, morbidity, policyholder behavior, or expense experience and other data as prescribed in the valuation manual.

(11) Confidentiality.

(a) For the purposes of this subsection (11), "confidential information" means any of the following:

(i) A memorandum in support of an opinion submitted under subsection (1) of this Section and any other documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced or obtained by or disclosed to the Director or any other person in connection with the memorandum.

(ii) All documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the Director or any other person in the course of an examination made under paragraph (f) of subsection (8) of this Section.

(iii) Any reports, documents, materials, and other information developed by a company in support of, or in connection with, an annual certification by the company under subparagraph (ii) of paragraph (b) of subsection (9) of this Section evaluating the effectiveness of the company's internal controls with respect to a principle-based valuation and any other documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the Director or any other person in connection with such reports, documents, materials, and other information.

(iv) Any principle-based valuation report developed under subparagraph (iii) of paragraph (b) of subsection (9) of this Section and any other documents, materials and other information, including, but not limited to, all working papers, and copies thereof, created, produced or obtained by or disclosed to the Director or any other person in connection with such report.

(v) Any documents, materials, data, and other information submitted by a company under subsection (10) of this Section (collectively, "experience data") and any other documents, materials, data, and other information, including, but not limited to, all working papers, and copies thereof, created or produced in connection with such experience data, in each case that include any potentially company-identifying or personally identifiable information, that is provided to or obtained by the Director (together with any experience data, the "experience materials") and any other documents, materials, data and other information, including, but not limited to, all working papers and copies thereof, created, produced, or obtained by or disclosed to the Director or any other person in connection with such experience materials.

(b) Privilege for and Confidentiality of Confidential Information.

(i) Except as provided in this subsection (11), a company's confidential information is confidential by law and privileged, and shall not be subject to the Freedom of Information Act, subpoena, or discovery or admissible as evidence in any private civil action; however, the Director is authorized to use the confidential information in the furtherance of any regulatory or legal action brought against the company as a part of the Director's official duties.

(ii) Neither the Director nor any person who received confidential information while acting under the authority of the Director shall be permitted or required to testify in any private civil action concerning any confidential information.

(iii) In order to assist in the performance of the Director's duties, the Director may share confidential information (A) with other state, federal, and international regulatory agencies and with the NAIC and its affiliates and subsidiaries and (B) in the case of confidential information specified in subparagraphs (i) and (iv) of paragraph (a) of subsection (11) only, with the Actuarial Board for Counseling and Discipline or its successor upon request stating that the Confidential Information is required for the purpose of professional disciplinary proceedings and with state, federal, and international law enforcement officials; in the case of (A) and (B), provided that such recipient agrees and has the legal authority to agree, to maintain the confidentiality and privileged status of such documents, materials, data, and other information in the same manner and to the same extent as required for the Director.

(iv) The Director may receive documents, materials, data, and other information, including otherwise confidential and privileged documents, materials, data, or information, from the NAIC and its affiliates and subsidiaries, from regulatory or law enforcement officials of other foreign or domestic jurisdictions, and from the Actuarial Board for Counseling and Discipline or its successor and shall maintain as confidential or privileged any document, material, data, or other information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or other information.

(v) The Director may enter into agreements governing the sharing and use of information consistent with paragraph (b) of this subsection (11).

(vi) No waiver of any applicable privilege or claim of confidentiality in the confidential information shall occur as a result of disclosure to the Director under this subsection (11) or as a result of sharing as authorized in subparagraph (iii) of paragraph (b) of this subsection (11).

(vii) A privilege established under the law of any state or jurisdiction that is substantially similar to the privilege established under paragraph (b) of this subsection (11) shall be available and enforced in any proceeding in and in any court of this State.

(viii) In this subsection (11) "regulatory agency", "law enforcement agency", and "NAIC" include, but are not limited to, their employees, agents, consultants, and contractors.

(c) Notwithstanding paragraph (b) of this subsection (11), any confidential information specified in subparagraphs (i) and (iv) of paragraph (a) of this subsection (11):

(i) may be subject to subpoena for the purpose of defending an action seeking damages from the appointed actuary submitting the related memorandum in support of an opinion submitted under subsection (1) of this Section or principle-based valuation report developed under subparagraph (iii) of paragraph (b) of subsection (9) of this Section by reason of an action required by this Section or by regulations promulgated under this Section;

(ii) may otherwise be released by the Director with the written consent of the company; and

(iii) once any portion of a memorandum in support of an opinion submitted under subsection (1) of this Section or a principle-based valuation report developed under subparagraph (iii) of paragraph (b) of subsection (9) of this Section is cited by the company in its marketing or is publicly volunteered to or before a governmental agency other than a state insurance department or is released by the company to the news media, all portions of such memorandum or report shall no longer be confidential.

(12) Exemptions.

(a) The Director may exempt specific product forms or product lines of a domestic company that is licensed and doing business only in Illinois from the requirements of subsection (8) of this Section, provided that:

(i) the Director has issued an exemption in writing to the company and has not subsequently revoked the exemption in writing; and

(ii) the company computes reserves using assumptions and methods used prior to the operative date of the Valuation Manual in addition to any requirements established by the Director and adopted by rule.

(b) A domestic company that has less than $300,000,000 of ordinary life premiums and that is licensed and doing business in Illinois is exempt from the requirements of subsection (8), provided that:

(i) if the company is a member of a group of life insurers, the group has combined ordinary life premiums of less than $1,000,000,000.00;

(ii) the company has an RBC ratio of at least 450% of authorized control level RBC;

(iii) the appointed actuary has provided an unqualified opinion on the reserves in accordance with subsection (1) of this Section; and

(iv) the company has provided a certification by a qualified actuary that any universal life policy with a secondary guarantee issued by the company after the operative date of the Valuation Manual is not subject to material interest rate risk or asset return volatility risk, as defined in the Valuation Manual.

(c) For purposes of paragraph (b) of this subsection (12), ordinary life premiums are measured as direct plus reinsurance assumed from an unaffiliated company, not reduced by reinsurance ceded, from the prior calendar year annual statement.

(d) For any company granted an exemption under this subsection, subsections (1), (2), (3), (4), (5), (6), and (7) shall be applicable. With respect to any company applying this exemption, any reference to subsection (8) found in subsections (1), (2), (3), (4), (5), (6), and (7) shall not be applicable.

(13) Definitions. For the purposes of this Section, the following definitions shall apply beginning on the operative date of the Valuation Manual:

"Accident and health insurance" means contracts that incorporate morbidity risk and provide protection against economic loss resulting from accident, sickness, or medical conditions and as may be specified in the Valuation Manual.

"Appointed actuary" means a qualified actuary who is appointed in accordance with the Valuation Manual to prepare the actuarial opinion required in paragraph (b) of subsection (1) of this Section.

"Company" means an entity that (a) has written, issued, or reinsured life insurance contracts, accident and health insurance contracts, or deposit-type contracts in this State and has at least one such policy in force or on claim or (b) has written, issued, or reinsured life insurance contracts, accident and health insurance contracts, or deposit-type contracts in any state and is required to hold a certificate of authority to write life insurance, accident and health insurance, or deposit-type contracts in this State.

"Deposit-type contract" means contracts that do not incorporate mortality or morbidity risks and as may be specified in the Valuation Manual.

"Life insurance" means contracts that incorporate mortality risk, including annuity and pure endowment contracts, and as may be specified in the Valuation Manual.

"NAIC" means the National Association of Insurance Commissioners.

"Policyholder behavior" means any action a policyholder, contract holder, or any other person with the right to elect options, such as a certificate holder, may take under a policy or contract subject to this Section including, but not limited to, lapse, withdrawal, transfer, deposit, premium payment, loan, annuitization, or benefit elections prescribed by the policy or contract, but excluding events of mortality or morbidity that result in benefits prescribed in their essential aspects by the terms of the policy or contract.

"Principle-based valuation" means a reserve valuation that uses one or more methods or one or more assumptions determined by the insurer and is required to comply with subsection (9) of this Section as specified in the Valuation Manual.

"Qualified actuary" means an individual who is qualified to sign the applicable statement of actuarial opinion in accordance with the American Academy of Actuaries qualification standards for actuaries signing such statements and who meets the requirements specified in the valuation manual.

"Tail risk" means a risk that occurs either where the frequency of low probability events is higher than expected under a normal probability distribution or where there are observed events of very significant size or magnitude.

"Valuation Manual" means the manual of valuation instructions adopted by the NAIC as specified in this Section or as subsequently amended.

(Source: P.A. 95-86, eff. 9-25-07 (changed from 1-1-08 by P.A. 95-632); 95-876, eff. 8-21-08.)

(215 ILCS 5/229.2) (from Ch. 73, par. 841.2)

Sec. 229.2. Standard Non-forfeiture Law for Life Insurance.

(1) No policy of life insurance, except as stated in subsection (8), shall be delivered or issued for delivery in this State unless it contains in substance the following provisions or corresponding provisions which in the opinion of the Director are at least as favorable to the defaulting or surrendering policyholder and are essentially in compliance with subsection (7) of this law:

(i) That, in the event of default in any premium payment, the company will grant, upon proper request not later than 60 days after the due date of the premium in default, a paid-up nonforfeiture benefit on a plan stipulated in the policy, effective as of such due date, of such amount as may be hereinafter specified. In lieu of such stipulated paid-up nonforfeiture benefit, the company may substitute, upon proper request not later than 60 days after the due date of the premium in default, an actuarially equivalent alternative paid-up nonforfeiture benefit which provides a greater amount or longer period of death benefits or, if applicable, a greater amount or earlier payment of endowment benefits.

(ii) That, upon surrender of the policy within 60 days after the due date of any premium payment in default after premiums have been paid for at least 3 full years in the case of Ordinary insurance or 5 full years in the case of Industrial insurance, the company will pay, in lieu of any paid-up nonforfeiture benefit, a cash surrender value of such amount as may be hereinafter specified.

(iii) That a specified paid-up nonforfeiture benefit shall become effective as specified in the policy unless the person entitled to make such election elects another available option not later than 60 days after the due date of the premium in default.

(iv) That, if the policy shall have become paid-up by completion of all premium payments or if it is continued under any paid-up nonforfeiture benefit which became effective on or after the third policy anniversary in the case of Ordinary insurance or the fifth policy anniversary in the case of Industrial insurance, the company will pay, upon surrender of the policy within 30 days after any policy anniversary, a cash surrender value of such amount as may be hereinafter specified.

(v) In the case of policies which cause on a basis guaranteed in the policy unscheduled changes in benefits or premiums, or which provide an option for changes in benefits or premiums other than a change to a new policy, a statement of the mortality table, interest rate, and method used in calculating cash surrender values and the paid-up nonforfeiture benefits available under the policy. In the case of all other policies, a statement of the mortality table and interest rate used in calculating the cash surrender values and the paid-up nonforfeiture benefits available under the policy, together with a table showing the cash surrender value, if any, and paid-up nonforfeiture benefit, if any, available under the policy on each policy anniversary either during the first 20 policy years or during the term of the policy, whichever is shorter, such values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the company on the policy.

(vi) A statement that the cash surrender values and the paid-up nonforfeiture benefits available under the policy are not less than the minimum values and benefits required by or pursuant to the insurance law of the state in which the policy is delivered; an explanation of the manner in which the cash surrender values and the paid-up nonforfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the company on the policy; if a detailed statement of the method of computation of the values and benefits shown in the policy is not stated therein, a statement that such method of computation has been filed with the insurance supervisory official of the state in which the policy is delivered; and a statement of the method to be used in calculating the cash surrender value and paid-up nonforfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy.

Any of the foregoing provisions or portions thereof not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy.

The company shall reserve the right to defer the payment of any cash surrender value for a period of 6 months after demand therefor with surrender of the policy.

(2) (i) Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary, whether or not required by subsection (1), shall be an amount not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no default, over the sum of (i) the then present value of the adjusted premiums as defined in subsections 4, 4(a), 4(b) and 4(c), corresponding to premiums which would have fallen due on and after such anniversary, and (ii) the amount of any indebtedness to the company on the policy.

(ii) For any policy issued on or after the operative date of subsection 4(c), which provides supplemental life insurance or annuity benefits at the option of the insured for an identifiable additional premium by rider or supplemental policy provision, the cash surrender value shall be an amount not less than the sum of the cash surrender value as determined in paragraph (i) for an otherwise similar policy issued at the same age without such rider or supplemental policy provision and the cash surrender value as determined in such paragraph for a policy which provides only the benefits otherwise provided by such rider or supplemental policy provision.

(iii) For any family policy issued on or after the operative date of subsection 4(c), which defines a primary insured and provides term insurance on the life of the spouse of the primary insured expiring before the spouse attains age 71, the cash surrender value shall be an amount not less than the sum of the cash surrender value as determined in paragraph (i) for an otherwise similar policy issued at the same age without such term insurance on the life of the spouse and the cash surrender value as determined in such paragraph for a policy which provides only the benefits otherwise provided by such term insurance on the life of the spouse.

(iv) Any cash surrender value available within 30 days after any policy anniversary under any policy paid up by completion of all premium payments or any policy continued under any paid-up nonforfeiture benefit, whether or not required by subsection (1), shall be an amount not less than the present value, on such anniversary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additions, decreased by any indebtedness to the company on the policy.

(3) Any paid-up nonforfeiture benefit available under the policy in the event of default in a premium payment due on any policy anniversary shall be such that its present value as of such anniversary shall be at least equal to the cash surrender value then provided for by the policy, or if none is provided for, that cash surrender value which would have been required by this section in the absence of the condition that premiums shall have been paid for at least a specified period.

(4) This subsection (4) shall not apply to policies issued on or after the operative date of subsection (4c). Except as provided in the third paragraph of this subsection, the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premium specified in the policy for each policy year, excluding any extra premiums charged because of impairments or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of (i) the then present value of the future guaranteed benefits provided for by the policy; (ii) 2% of the amount of insurance, if the insurance be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy; (iii) 40% of the adjusted premium for the first policy year; (iv) 25% of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less. Provided, however, that in applying the percentages specified in (iii) and (iv) above, no adjusted premium shall be deemed to exceed 4% of the amount of insurance or uniform amount equivalent thereto. The date of issue of a policy for the purpose of this subsection shall be the date as of which the rated age of the insured is determined.

In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent uniform amount thereof for the purpose of this subsection shall be deemed to be the level amount of insurance, provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the inception of the insurance as the benefits under the policy; provided, however, that in the case of a policy providing a varying amount of insurance issued on the life of a child under age 10, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age 10 were the amount provided by such policy at age 10.

The adjusted premiums for any policy providing term insurance benefits by rider or supplemental policy provision shall be equal to (a) the adjusted premiums for an otherwise similar policy issued at the same

age without such term insurance benefits, increased, during the period for which premiums for such term insurance benefits are payable, by (b) the adjusted premiums for such term insurance, the foregoing items (a) and (b) being calculated separately and as specified in the first 2 paragraphs of this subsection except that, for the purposes of (ii), (iii) and (iv) of the first such paragraph, the amount of insurance or equivalent uniform amount of insurance used in the calculation of the adjusted premiums referred to in (b) shall be equal to the excess of the corresponding amount determined for the entire policy over the amount used in the calculation of the adjusted premiums in (a).

Except as otherwise provided in subsections (4a) and (4b), all adjusted premiums and present values referred to in this section shall for all policies of Ordinary insurance be calculated on the basis of the Commissioners 1941 Standard Ordinary Mortality Table, provided that for any category of Ordinary insurance issued on female risks adjusted premiums and present values may be calculated according to an age not more than 3 years younger than the actual age of the insured, and such calculations for all policies of Industrial insurance shall be made on the basis of the 1941 Standard Industrial Mortality Table. All calculations shall be made on the basis of the rate of interest, not exceeding 3 1/2% per annum, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than 130% of the rates of mortality according to such applicable table. Provided, further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Director.

(4a) This subsection (4a) shall not apply to Ordinary policies issued on or after the operative date of subsection (4c). In the case of Ordinary policies issued on or after the operative date of this subsection (4a) as defined herein, all adjusted premiums and present values referred to in this Section shall be calculated on the basis of the Commissioners 1958 Standard Ordinary Mortality Table and the rate of interest specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, provided that such rate of interest shall not exceed 3 1/2% per annum except that a rate of interest not exceeding 5 1/2% per annum may be used for policies issued on or after September 8, 1977, except that for any single premium whole life or endowment insurance policy a rate of interest not exceeding 6 1/2% per annum may be used and provided that for any category of Ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than 6 years younger than the actual age of the insured. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1958 Extended Term Insurance Table. Provided, however, that for insurance issued on a substandard basis, the calculation for any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Director. After the effective date of this subsection (4a), any company may file with the Director written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1966. After the filing of such notice, then upon such specified date (which shall be the operative date of this subsection for such company), this subsection shall become operative with respect to the Ordinary policies thereafter issued by such company. If a company makes no such election, the operative date of this subsection for such company shall be January 1, 1966.

(4b) This subsection (4b) shall not apply to Industrial policies issued on or after the operative date of subsection (4c). In the case of Industrial policies issued on or after the operative date of this subsection (4b) as defined herein, all adjusted premiums and present values referred to in this Section shall be calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table and the rate of interest specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, provided that such rate of interest shall not exceed 3 1/2% per annum except that a rate of interest not exceeding 5 1/2% per annum may be used for policies issued on or after September 8, 1977, except that for any single premium whole life or endowment insurance policy a rate of interest not exceeding 6 1/2% per annum may be used. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1961 Industrial Extended Term Insurance Table. Provided, further, that for insurance issued on a substandard basis, the calculations of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Director. After the effective date of this subsection (4b), any company may file with the Director a written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1968. After the filing of such notice, then upon such specified date (which shall be the operative date of this subsection for such company), this subsection shall

become operative with respect to the Industrial policies thereafter issued by such company. If a company makes no such election, the operative date of this subsection for such company shall be January 1, 1968.

(4c)(a) This subsection shall apply to all policies issued on or after its operative date. Except as provided in paragraph (g), the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments or special hazards and any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender value and paid-up nonforfeiture benefits of the policy, that the present value, at the date of issue of the policy, of all adjusted premiums shall be equal to the sum of (i) the then present value of the future guaranteed benefits provided for by the policy; (ii) 1% of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years; and (iii) 125% of the nonforfeiture net level premium as hereinafter defined. In applying the percentage specified in (iii), however, no nonforfeiture net level premium shall exceed 4% of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years. The date of issue of a policy for the purpose of this subsection is the date as of which the rated age of the insured is determined.

(b) The nonforfeiture net level premium equals the present value, at the date of issue of the policy, of the guaranteed benefits provided for by the policy divided by the present value, at the date of issue of the policy, of an annuity of one per annum payable on the date of issue of the policy and on each anniversary of such policy on which a premium falls due.

(c) In the case of a policy which causes, on a basis guaranteed in such policy, unscheduled changes in benefits or premiums, or which provides an option for changes in benefits or premiums other than a change to a new policy, adjusted premiums and present values shall initially be calculated on the assumption that future benefits and premiums do not change from those stipulated at the date of issue of such policy. At the time of any such change in the benefits or premiums, the future adjusted premiums, nonforfeiture net level premiums and present values shall be recalculated on the assumption that future benefits and premiums do not change from those stipulated by such policy immediately after the change.

(d) Except as otherwise provided in paragraph (g), the recalculated future adjusted premiums for any policy shall be such uniform percentage of the respective future premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments and special hazards and any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits, that the present value, at the time of change to the newly defined benefits or premiums, of all such future adjusted premiums shall be equal to the excess of (A) the sum of (i) the then present value of the then future guaranteed benefits provided for by the policy and (ii) the additional expense allowance, if any, over (B) the then cash surrender value, if any, or present value of any paid-up nonforfeiture benefit under the policy.

(e) The additional expense allowance at the time of the change to the newly defined benefits or premiums shall be the sum of (i) 1% of the excess, if positive, of the average amount of insurance at the beginning of each of the first 10 policy years subsequent to the change over the average amount of insurance prior to the change at the beginning of each of the first 10 policy years subsequent to the time of the most recent previous change, or, if there has been no previous change, the date of issue of the policy; and (ii) 125% of the increase, if positive, in the nonforfeiture net level premium.

(f) The recalculated nonforfeiture net level premium equals the result obtained by dividing X by Y, where

(i) X equals the sum of

(A) the nonforfeiture net level premium applicable prior to the change times the present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of the change on which a premium would have fallen due had the change not occurred, and

(B) the present value of the increase in future guaranteed benefits provided for by the policy; and

(ii) Y equals the present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of change on which a premium falls due.

(g) Notwithstanding any other provisions of this subsection to the contrary, in the case of a policy issued on a substandard basis which provides reduced graded amounts of insurance so that, in each policy year, such policy has the same tabular mortality cost as an otherwise similar policy issued on the standard basis which provides higher uniform amounts of insurance, adjusted premiums and present values for such substandard policy may be calculated as if it were issued to provide such higher uniform amounts of insurance on the standard basis.

(h) All adjusted premiums and present values referred to in this Section shall for all policies of ordinary insurance be calculated on the basis of the Commissioners 1980 Standard Ordinary Mortality Table or, at

the election of the company for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors. All adjusted premiums and present values referred to in this Section shall for all policies of Industrial insurance be calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table. All adjusted premiums and present values referred to in this Section for all policies issued in a particular calendar year shall be calculated on the basis of a rate of interest not exceeding the nonforfeiture interest rate as defined in this subsection for policies issued in that calendar year. The provisions of this paragraph are subject to the provisions set forth in subparagraphs (i) through (vii).

(i) At the option of the company, calculations for all policies issued in a particular calendar year may be made on the basis of a rate of interest not exceeding the nonforfeiture interest rate, as defined in this subsection, for policies issued in the immediately preceding calendar year.

(ii) Under any paid-up nonforfeiture benefit, including any paid-up dividend additions, any cash surrender value available, whether or not required by subsection (1), shall be calculated on the basis of the mortality table and rate of interest used in determining the amount of such paid-up nonforfeiture benefit and paid-up dividend additions, if any.

(iii) A company may calculate the amount of any guaranteed paid-up nonforfeiture benefit, including any paid-up additions under the policy, on the basis of an interest rate no lower than that specified in the policy for calculating cash surrender values.

(iv) In calculating the present value of any paid-up term insurance with an accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1980 Extended Term Insurance Table for policies of ordinary insurance and not more than the Commissioner 1961 Industrial Extended Term Insurance Table for policies of industrial insurance.

(v) For insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on appropriated modifications of the aforementioned tables.

(vi) For policies issued prior to the operative date of the Valuation Manual, any commissioner's standard ~~Any~~ ordinary mortality tables adopted after 1980 by the National Association of Insurance Commissioners and approved by regulations promulgated by the Director for use in determining the minimum nonforfeiture standard may be substituted for the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioners 1980 Extended Term Insurance Table.

For policies issued on or after the operative date of the Valuation Manual, the Valuation Manual shall provide the Commissioners Standard mortality table for use in determining the minimum nonforfeiture standard that may be substituted for the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioners 1980 Extended Term Insurance Table. If the Director approves by regulation any Commissioner's Standard ordinary mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the Valuation Manual, then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the Valuation Manual.

(vii) For policies issued prior to the operative date of the Valuation Manual, any Commissioner's Standard ~~Any~~ industrial mortality tables adopted after 1980 by the National Association of Insurance Commissioners and approved by regulations promulgated by the Director for use in determining the minimum nonforfeiture standard may be substituted for the Commissioners 1961 Standard Industrial Mortality Table or the Commissioners 1961 Industrial Extended Term Insurance Table.

For policies issued on or after the operative date of the Valuation Manual the Valuation Manual shall provide the Commissioner's Standard mortality table for use in determining the minimum nonforfeiture standard that may be substituted for the Commissioners 1961 Standard Industrial Mortality Table or the Commissioners 1961 Industrial Extended Term Insurance Table. If the Director approves by regulation any Commissioner's Standard industrial mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the Valuation Manual then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the valuation manual.

(i) The nonforfeiture interest rate is defined as follows:

(i) For policies issued prior to the operative date of the Valuation Manual, ~~The~~ nonforfeiture interest rate per annum for any policy issued in a particular calendar

year shall be equal to 125% of the calendar year statutory valuation interest rate for such policy, as defined in the Standard Valuation Law, rounded to the nearest .25%, provided, however, that the nonforfeiture interest rate shall not be less than 4.00%.

(ii) For policies issued on and after the operative date of the Valuation Manual, the nonforfeiture interest rate per annum for any policy issued in a particular calendar year shall be provided by the Valuation Manual.

(j) Notwithstanding any other provision in this Code to the contrary, any refiling of nonforfeiture values or their methods of computation for any previously approved policy form which involves only a change in the interest rate or mortality table used to compute nonforfeiture values shall not require refiling of any other provisions of that policy form.

(k) After the effective date of this subsection, any company may, with respect to any category of insurance, file with the Director a written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1989. That date shall be the operative date of this subsection for that category of insurance for such company. If a company makes no such election, the operative date of this subsection for that category of insurance issued by such company shall be January 1, 1989.

(5) In the case of any plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurance company based on then estimates of future experience, or in the case of any plan of life insurance which is of such a nature that minimum values cannot be determined by the methods described in subsections (1), (2), (3), (4), (4a), (4b) or (4c), then

(a) the Director shall satisfy himself that the benefits provided under such plan are substantially as favorable to policyholders and insured parties as the minimum benefits otherwise required by subsections (1), (2), (3), (4), (4a), (4b) or (4c);

(b) the Director shall satisfy himself that the benefits and the pattern of premiums of that plan are not such as to mislead prospective policyholders or insured parties; and

(c) the cash surrender values and paid-up nonforfeiture benefits provided by such plan shall not be less than the minimum values and benefits computed by a method consistent with the principles of this Standard Nonforfeiture law for Life Insurance, as determined by regulations promulgated by the Director.

(6) Any cash surrender value and any paid-up nonforfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional premiums beyond the last preceding policy anniversary. All values referred to in subsections (2), (3), (4), (4a), (4b) and (4c) may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the amounts used to provide such additions. Notwithstanding the provisions of subsection (2), additional benefits payable (i) in the event of death or dismemberment by accident or accidental means, (ii) in the event of total and permanent disability, (iii) as reversionary annuity or deferred reversionary annuity benefits, (iv) as term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply, (v) as term insurance on the life of a child or on the lives of children provided in a policy on the life of a parent of the child, if such term insurance expires before the child's age is 26, is uniform in amount after the child's age is one, and has not become paid-up by reason of the death of a parent of the child, and (vi) as other policy benefits additional to life insurance and endowment benefits, and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits.

(7) This subsection shall apply to all policies issued on or after January 1, 1987. Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary shall be in an amount which does not differ by more than .2% of either the amount of insurance if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years, from the sum of (a) the greater of zero and the basic cash value hereinafter specified and (b) the present value of any existing paid-up additions less the amount of any indebtedness to the company under the policy.

The basic cash value equals the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy, excluding any existing paid-up additions and before deduction of any indebtedness to the company, if there had been no default, less the then present value of the nonforfeiture factors, as hereinafter defined, corresponding to premiums which would have fallen due on and after such anniversary. The effects on the basic cash value of supplemental life insurance or annuity benefits or of family coverage, as described in subsection (2) or (4), whichever is applicable, shall, however, be the same as are the effects specified in subsection (2) or (4), whichever is applicable, on the cash surrender values defined in that subsection.

The nonforfeiture factor for each policy year equals a percentage of the adjusted premium for the policy year, as defined in subsection (4) or (4c), whichever is applicable. Except as is required by the next succeeding sentence of this paragraph, such percentage

(a) shall be the same percentage for each policy year between the second policy anniversary and the later of (i) the fifth policy anniversary and (ii) the first policy anniversary at which there is available under the policy a cash surrender value in an amount, before including any paid-up additions and before deducting any indebtedness, of at least .2% of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years; and

(b) shall be such that no percentage after the later of the 2 policy anniversaries specified in the preceding item (a) may apply to fewer than 5 consecutive policy years.

No basic cash value may be less than the value which would be obtained if the adjusted premiums for the policy, as defined in subsection (4) or (4c), whichever is applicable, were substituted for the nonforfeiture factors in the calculation of the basic cash value.

All adjusted premiums and present values referred to in this subsection shall for a particular policy be calculated on the same mortality and interest bases as those used in accordance with the other subsections of this law. The cash surrender values referred to in this subsection shall include any endowment benefits provided for by the policy.

Any cash surrender value available other than in the event of default in a premium payment due on a policy anniversary, and the amount of any paid-up nonforfeiture benefit available under the policy in the event of default in a premium payment shall be determined in manners consistent with the manners specified for determining the analogous minimum amounts in subsections 1, 2, 3, 4c, and 6. The amounts of any cash surrender values and of any paid-up nonforfeiture benefits granted in connection with additional benefits such as those listed as items (i) through (vi) in subsection (6) shall conform with the principles of this subsection (7).

(8) This Section shall not apply to any of the following:

(a) reinsurance,

(b) group insurance,

(c) a pure endowment,

(d) an annuity or reversionary annuity contract,

(e) a term policy of uniform amount, which provides no guaranteed nonforfeiture or endowment benefits, or renewal thereof, of 20 years or less expiring before age 71, for which uniform premiums are payable during the entire term of the policy,

(f) a term policy of decreasing amount, which provides no guaranteed nonforfeiture or endowment benefits, on which each adjusted premium, calculated as specified in subsections (4), (4a), (4b) and (4c), is less than the adjusted premium so calculated, on a term policy of uniform amount, or renewal thereof, which provides no guaranteed nonforfeiture or endowment benefits, issued at the same age and for the same initial amount of insurance and for a term of 20 years or less expiring before age 71, for which uniform premiums are payable during the entire term of the policy,

(g) a policy, which provides no guaranteed nonforfeiture or endowment benefits, for which no cash surrender value, if any, or present value of any paid-up nonforfeiture benefit, at the beginning of any policy year, calculated as specified in subsections (2), (3), (4), (4a), (4b) and (4c), exceeds 2.5% of the amount of insurance at the beginning of the same policy year,

(h) any policy which shall be delivered outside this State through an agent or other representative of the company issuing the policy.

For purposes of determining the applicability of this Section, the age of expiry for a joint term life insurance policy shall be the age of expiry of the oldest life.

(9) For the purposes of this Section:

"Operative date of the Valuation Manual" means the January 1 of the first calendar year that the Valuation Manual is effective.

"Valuation Manual" has the same meaning as set forth in Section 223 of this Code.

(Source: P.A. 83-1465.)".

Senator Haine offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 2764

AMENDMENT NO. 2. Amend Senate Bill 2764, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Insurance Code is amended by changing Sections 223 and 229.2 as follows:

(215 ILCS 5/223) (from Ch. 73, par. 835)

Sec. 223. Director to value policies - Legal standard of valuation.

(1) For policies and contracts issued prior to the operative date of the Valuation Manual, the ~~The~~ Director shall annually value, or cause to be valued, the reserve liabilities (hereinafter called reserves) for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurance company doing business in this State, except that in the case of an alien company, such valuation shall be limited to its United States business~~, and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest, and methods (net level premium method or other) used in the calculation of such reserves. Other assumptions may be incorporated into the reserve calculation to the extent permitted by the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual~~. In calculating such reserves, he may use group methods and approximate averages for fractions of a year or otherwise. In lieu of the valuation of the reserves herein required of any foreign or alien company, he may accept any valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when such valuation complies with the minimum standard ~~herein~~ provided in this Section.

The provisions set forth in this subsection (1) and in subsections (2), (3), (4), (5), (6), and (7) of this Section shall apply to all policies and contracts, as appropriate, subject to this Section issued prior to the operative date of the Valuation Manual. The provisions set forth in subsections (8) and (9) of this Section shall not apply to any such policies and contracts.

For policies and contracts issued on or after the operative date of the Valuation Manual, the Director shall annually value, or cause to be valued, the reserve liabilities (reserves) for all outstanding life insurance contracts, annuity and pure endowment contracts, accident and health contracts, and deposit-type contracts of every company issued on or after the operative date of the Valuation Manual. In lieu of the valuation of the reserves required of a foreign or alien company, the Director may accept a valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when the valuation complies with the minimum standard provided in this Section.

The provisions set forth in subsections (8) and (9) of this Section shall apply to all policies and contracts issued on or after the operative date of the Valuation Manual. ~~and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the Director when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that state or jurisdiction.~~

Any such company which adopts at any time a ~~has adopted any~~ standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard ~~herein~~ provided under this Section may adopt a lower standard of valuation, with the approval of the Director, ~~adopt any lower standard of valuation,~~ but not lower than the minimum herein provided, however, that, for the purposes of this subsection, the holding of additional reserves previously determined by the appointed ~~a qualified~~ actuary to be necessary to render the opinion required by subsection (1a) shall not be deemed to be the adoption of a higher standard of valuation. In the valuation of policies the Director shall give no consideration to, nor make any deduction because of, the existence or the possession by the company of

(a) policy liens created by any agreement given or assented to by any assured subsequent to July 1, 1937, for which liens such assured has not received cash or other consideration equal in value to the amount of such liens, or

(b) policy liens created by any agreement entered into in violation of Section 232 unless the agreement imposing or creating such liens has been approved by a Court in a proceeding under Article XIII, or in the case of a foreign or alien company has been approved by a court in a rehabilitation or liquidation proceeding or by the insurance official of its domiciliary state or country, in accordance with the laws thereof.

(1a) This subsection shall become operative at the end of the first full calendar year following the effective date of this amendatory Act of 1991.

(A) General.

(1) Prior to the operative date of the Valuation Manual, every ~~Every~~ life insurance company doing business in this State shall annually submit the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the Director by regulation are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts and comply with applicable laws of this State. The Director by regulation shall define the specifics of this opinion and add any other items deemed to be necessary to its scope.

(2) The opinion shall be submitted with the annual statement reflecting the

valuation of reserve liabilities for each year ending on or after December 31, 1992.

(3) The opinion shall apply to all business in force including individual and group health insurance plans, in form and substance acceptable to the Director as specified by regulation.

(4) The opinion shall be based on standards adopted from time to time by the Actuarial Standards Board and on additional standards as the Director may by regulation prescribe.

(5) In the case of an opinion required to be submitted by a foreign or alien company, the Director may accept the opinion filed by that company with the insurance supervisory official of another state if the Director determines that the opinion reasonably meets the requirements applicable to a company domiciled in this State.

(6) For the purpose of this Section, "qualified actuary" means a member in good standing of the American Academy of Actuaries who meets the requirements set forth in its regulations.

(7) Except in cases of fraud or willful misconduct, the qualified actuary shall not be liable for damages to any person (other than the insurance company and the Director) for any act, error, omission, decision or conduct with respect to the actuary's opinion.

(8) Disciplinary action by the Director against the company or the qualified actuary shall be defined in regulations by the Director.

(9) A memorandum, in form and substance acceptable to the Director as specified by regulation, shall be prepared to support each actuarial opinion.

(10) If the insurance company fails to provide a supporting memorandum at the request of the Director within a period specified by regulation or the Director determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the regulations or is otherwise unacceptable to the Director, the Director may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare the supporting memorandum as is required by the Director.

(11) Any memorandum in support of the opinion, and any other material provided by the company to the Director in connection therewith, shall be kept confidential by the Director and shall not be made public and shall not be subject to subpoena, other than for the purpose of defending an action seeking damages from any person by reason of any action required by this Section or by regulations promulgated hereunder; provided, however, that the memorandum or other material may otherwise be released by the Director (a) with the written consent of the company or (b) to the American Academy of Actuaries upon request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the Director for preserving the confidentiality of the memorandum or other material. Once any portion of the confidential memorandum is cited by the company in its marketing or is cited before any governmental agency other than a state insurance department or is released by the company to the news media, all portions of the confidential memorandum shall be no longer confidential.

(B) Actuarial analysis of reserves and assets supporting those reserves.

(1) Every life insurance company, except as exempted by or under regulation, shall also annually include in the opinion required by paragraph (A)(1) of this subsection (1a), an opinion of the same qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the Director by regulation, when considered in light of the assets held by the company with respect to the reserves and related actuarial items including, but not limited to, the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts including, but not limited to, the benefits under and expenses associated with the policies and contracts.

(2) The Director may provide by regulation for a transition period for establishing any higher reserves which the qualified actuary may deem necessary in order to render the opinion required by this Section.

(1b) Actuarial Opinion of Reserves after the Operative Date of the Valuation Manual.

(A) General.

(1) Every company with outstanding life insurance contracts, accident and health insurance contracts, or deposit-type contracts in this State and subject to regulation by the Director shall annually submit the opinion of the appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this

State. The Valuation Manual shall prescribe the specifics of this opinion, including any items deemed to be necessary to its scope.

(2) The opinion shall be submitted with the annual statement reflecting the valuation of such reserve liabilities for each year ending on or after the operative date of the Valuation Manual.

(3) The opinion shall apply to all policies and contracts subject to paragraph (B) of this subsection (1b), plus other actuarial liabilities as may be specified in the Valuation Manual.

(4) The opinion shall be based on standards adopted from time to time by the Actuarial Standards Board or its successor and on additional standards as may be prescribed in the Valuation Manual.

(5) In the case of an opinion required to be submitted by a foreign or alien company, the Director may accept the opinion filed by that company with the insurance supervisory official of another state if the Director determines that the opinion reasonably meets the requirements applicable to a company domiciled in this State.

(6) Except in cases of fraud or willful misconduct, the appointed actuary shall not be liable for damages to any person (other than the insurance company and the Director) for any act, error, omission, decision, or conduct with respect to the appointed actuary's opinion.

(7) A memorandum, in a form and substance as specified in the Valuation Manual and acceptable to the Director, shall be prepared to support each actuarial opinion.

(8) If the insurance company fails to provide a supporting memorandum at the request of the Director within a period specified in the Valuation Manual or the Director determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the Valuation Manual or is otherwise unacceptable to the Director, the Director may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare the supporting memorandum as is required by the Director.

(B) Every company with outstanding life insurance contracts, accident and health insurance contracts, or deposit-type contracts in this state and subject to regulation by the Director, except as exempted in the Valuation Manual, shall also annually include in the opinion required by subparagraph (1) of paragraph (A) of this subsection (1b), an opinion of the same appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified in the Valuation Manual, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including, but not limited to, the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts, including, but not limited to, the benefits under and expenses associated with the policies and contracts.

(2) This subsection shall apply to only those policies and contracts issued prior to the operative date of Section 229.2 (the Standard Non-forfeiture Law).

(a) Except as otherwise in this Article provided, the legal minimum standard for valuation of contracts issued before January 1, 1908, shall be the Actuaries or Combined Experience Table of Mortality with interest at 4% per annum and for valuation of contracts issued on or after that date shall be the American Experience Table of Mortality with either Craig's or Buttolph's Extension for ages under 10 and with interest at 3 1/2% per annum. The legal minimum standard for the valuation of group insurance policies under which premium rates are not guaranteed for a period in excess of 5 years shall be the American Men Ultimate Table of Mortality with interest at 3 1/2% per annum. Any life company may, at its option, value its insurance contracts issued on or after January 1, 1938, in accordance with their terms on the basis of the American Men Ultimate Table of Mortality with interest not higher than 3 1/2% per annum.

(b) Policies issued prior to January 1, 1908, may continue to be valued according to a method producing reserves not less than those produced by the full preliminary term method. Policies issued on and after January 1, 1908, may be valued according to a method producing reserves not less than those produced by the modified preliminary term method hereinafter described in paragraph (c). Policies issued on and after January 1, 1938, may be valued either according to a method producing reserves not less than those produced by such modified preliminary term method or by the select and ultimate method on the basis that the rate of mortality during the first 5 years after the issuance of such contracts respectively shall be calculated according to the following percentages of rates shown by the American Experience Table of Mortality:

(i) first insurance year 50% thereof;

(ii) second insurance year 65% thereof;

(iii) third insurance year 75% thereof;

(iv) fourth insurance year 85% thereof;

(v) fifth insurance year 95% thereof.

(c) If the premium charged for the first policy year under a limited payment life preliminary term policy providing for the payment of all premiums thereon in less than 20 years from the date of the policy or under an endowment preliminary term policy, exceeds that charged for the first policy year under 20 payment life preliminary term policies of the same company, the reserve thereon at the end of any year, including the first, shall not be less than the reserve on a 20 payment life preliminary term policy issued in the same year at the same age, together with an amount which shall be equivalent to the accumulation of a net level premium sufficient to provide for a pure endowment at the end of the premium payment period, equal to the difference between the value at the end of such period of such a 20 payment life preliminary term policy and the full net level premium reserve at such time of such a limited payment life or endowment policy. The premium payment period is the period during which premiums are concurrently payable under such 20 payment life preliminary term policy and such limited payment life or endowment policy.

(d) The legal minimum standard for the valuations of annuities issued on and after January 1, 1938, shall be the American Annuitant's Table with interest not higher than 3 3/4% per annum, and all annuities issued before that date shall be valued on a basis not lower than that used for the annual statement of the year 1937; but annuities deferred 10 or more years and written in connection with life insurance shall be valued on the same basis as that used in computing the consideration or premiums therefor, or upon any higher standard at the option of the company.

(e) The Director may vary the standards of interest and mortality as to contracts issued in countries other than the United States and may vary standards of mortality in particular cases of invalid lives and other extra hazards.

(f) The legal minimum standard for valuation of waiver of premium disability benefits or waiver of premium and income disability benefits issued on and after January 1, 1938, shall be the Class (3) Disability Table (1926) modified to conform to the contractual waiting period, with interest at not more than 3 1/2% per annum; but in no event shall the values be less than those produced by the basis used in computing premiums for such benefits. The legal minimum standard for the valuation of such benefits issued prior to January 1, 1938, shall be such as to place an adequate value, as determined by sound insurance practices, on the liabilities thereunder and shall be such that the value of the benefits under each and every policy shall in no case be less than the value placed upon the future premiums.

(g) The legal minimum standard for the valuation of industrial policies issued on or after January 1, 1938, shall be the American Experience Table of Mortality or the Standard Industrial Mortality Table or the Substandard Industrial Mortality Table with interest at 3 1/2% per annum by the net level premium method, or in accordance with their terms by the modified preliminary term method hereinabove described.

(h) Reserves for all such policies and contracts may be calculated, at the option of the company, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by this subsection.

(3) This subsection shall apply to only those policies and contracts issued on or after January 1, 1948 or such earlier operative date of Section 229.2 (the Standard Non-forfeiture Law) as shall have been elected by the insurance company issuing such policies or contracts.

(a) Except as otherwise provided in subsections (4), (6), and (7), the minimum standard for the valuation of all such policies and contracts shall be the Commissioners Reserve valuation method defined in paragraphs (b) and (f) of this subsection and in subsection 5, 3 1/2% interest for such policies issued prior to September 8, 1977, 5 1/2% interest for single premium life insurance policies and 4 1/2% interest for all other such policies issued on or after September 8, 1977, and the following tables:

(i) The Commissioners 1941 Standard Ordinary Mortality Table for all Ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies, for such policies issued prior to the operative date of subsection (4a) of Section 229.2 (Standard Non-forfeiture Law); and the Commissioners 1958 Standard Ordinary Mortality Table for such policies issued on or after such operative date but prior to the operative date of subsection (4c) of Section 229.2 provided that for any category of such policies issued on female risks all modified net premiums and present values referred to in this Section ~~Act~~ may, prior to September 8, 1977, be calculated according to an age not more than 3 years younger than the actual age of the insured and, after September 8, 1977, calculated according to an age not more than 6 years younger than the actual age of the insured; and for such policies issued on or after the operative date of subsection (4c) of Section 229.2, (i) the Commissioners 1980 Standard Ordinary Mortality Table, or (ii) at the election of the company for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors, or (iii) any ordinary mortality table adopted after 1980 by the NAIC ~~National Association of Insurance~~

~~Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such policies.

(ii) For all Industrial Life Insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies--the 1941 Standard Industrial Mortality Table for such policies issued prior to the operative date of subsection 4 (b) of Section 229.2 (Standard Non-forfeiture Law); and for such policies issued on or after such operative date the Commissioners 1961 Standard Industrial Mortality Table or any industrial mortality table adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such policies.

(iii) For Individual Annuity and Pure Endowment contracts, excluding any disability and accidental death benefits in such policies--the 1937 Standard Annuity Mortality Table--or, at the option of the company, the Annuity Mortality Table for 1949, Ultimate, or any modification of either of these tables approved by the Director.

(iv) For Group Annuity and Pure Endowment contracts, excluding any disability and accidental death benefits in such policies--the Group Annuity Mortality Table for 1951, any modification of such table approved by the Director, or, at the option of the company, any of the tables or modifications of tables specified for Individual Annuity and Pure Endowment contracts.

(v) For Total and Permanent Disability Benefits in or supplementary to Ordinary policies or contracts for policies or contracts issued on or after January 1, 1966, the tables of Period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 Disability Study of the Society of Actuaries, with due regard to the type of benefit, or any tables of disablement rates and termination rates adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such policies; for policies or contracts issued on or after January 1, 1961, and prior to January 1, 1966, either such tables or, at the option of the company, the Class (3) Disability Table (1926); and for policies issued prior to January 1, 1961, the Class (3) Disability Table (1926). Any such table shall, for active lives, be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(vi) For Accidental Death benefits in or supplementary to policies--for policies issued on or after January 1, 1966, the 1959 Accidental Death Benefits Table or any accidental death benefits table adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such policies; for policies issued on or after January 1, 1961, and prior to January 1, 1966, any of such tables or, at the option of the company, the Inter-Company Double Indemnity Mortality Table; and for policies issued prior to January 1, 1961, the Inter-Company Double Indemnity Mortality Table. Either table shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(vii) For Group Life Insurance, life insurance issued on the substandard basis and other special benefits--such tables as may be approved by the Director.

(b) Except as otherwise provided in paragraph (f) of subsection (3), subsection (5), and subsection (7) reserves according to the Commissioners reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (A) over (B), as follows:

(A) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due; provided, however, that such net level annual premium shall not exceed the net level annual premium on the 19 year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such policy.

(B) A net one year term premium for such benefits provided for in the first policy year.

For any life insurance policy issued on or after January 1, 1987, for which the contract

premium in the first policy year exceeds that of the second year with no comparable additional benefit being provided in that first year, which policy provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than such excess premium, the reserve according to the Commissioners reserve valuation method as of any policy anniversary occurring on or before the assumed ending date, defined herein as the first policy anniversary on which the sum of any endowment benefit and any cash surrender value then available is greater than such excess premium, shall, except as otherwise provided in paragraph (f) of subsection (3), be the greater of the reserve as of such policy anniversary calculated as described in the preceding part of this paragraph (b) and the reserve as of such policy anniversary calculated as described in the preceding part of this paragraph (b) with (i) the value defined in subpart A of the preceding part of this paragraph (b) being reduced by 15% of the amount of such excess first year premium, (ii) all present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date, (iii) the policy being assumed to mature on such date as an endowment, and (iv) the cash surrender value provided on such date being considered as an endowment benefit. In making the above comparison, the mortality and interest bases stated in paragraph (a) of subsection (3) and in subsection (6) shall be used.

Reserves according to the Commissioners reserve valuation method for (i) life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums, (ii) group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer (including a partnership or sole proprietorship) or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under Section 408 of the Internal Revenue Code, as now or hereafter amended, (iii) disability and accidental death benefits in all policies and contracts, and (iv) all other benefits, except life insurance and endowment benefits in life insurance policies and benefits provided by all other annuity and pure endowment contracts, shall be calculated by a method consistent with the principles of this paragraph (b), except that any extra premiums charged because of impairments or special hazards shall be disregarded in the determination of modified net premiums.

(c) In no event shall a company's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits be less than the aggregate reserves calculated in accordance with the methods set forth in paragraphs (b), (f), and (g) of subsection (3) and in subsection (5) and the mortality table or tables and rate or rates of interest used in calculating non-forfeiture benefits for such policies.

(d) In no event shall the aggregate reserves for all policies, contracts, and benefits be less than the aggregate reserves determined by the appointed ~~qualified~~ actuary to be necessary to render the opinion required by subsection (1a).

(e) Reserves for any category of policies, contracts or benefits as established by the Director, may be calculated, at the option of the company, according to any standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used for policies and contracts, other than annuity and pure endowment contracts, shall not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided for therein.

(f) If in any contract year the gross premium charged by any life insurance company on any policy or contract is less than the valuation net premium for the policy or contract calculated by the method used in calculating the reserve thereon but using the minimum valuation standards of mortality and rate of interest, the minimum reserve required for such policy or contract shall be the greater of either the reserve calculated according to the mortality table, rate of interest, and method actually used for such policy or contract, or the reserve calculated by the method actually used for such policy or contract but using the minimum standards of mortality and rate of interest and replacing the valuation net premium by the actual gross premium in each contract year for which the valuation net premium exceeds the actual gross premium. The minimum valuation standards of mortality and rate of interest referred to in this paragraph (f) are those standards stated in subsection (6) and paragraph (a) of subsection (3).

For any life insurance policy issued on or after January 1, 1987, for which the gross premium in the first policy year exceeds that of the second year with no comparable additional benefit provided in that first year, which policy provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than such excess premium, the foregoing provisions of this paragraph (f) shall be applied as if the method actually used in calculating the reserve for such policy were the method described in paragraph (b) of subsection (3), ignoring the second paragraph of said paragraph (b). The minimum reserve at each policy anniversary of such a policy shall be the greater of the minimum reserve calculated in accordance with paragraph (b) of subsection (3), including the

second paragraph of said paragraph (b), and the minimum reserve calculated in accordance with this paragraph (f).

(g) In the case of any plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurance company based on then estimates of future experience, or in the case of any plan of life insurance or annuity which is of such a nature that the minimum reserves cannot be determined by the methods described in paragraphs (b) and (f) of subsection (3) and subsection (5), the reserves which are held under any such plan shall:

(i) be appropriate in relation to the benefits and the pattern of premiums for that plan, and

(ii) be computed by a method which is consistent with the principles of this Standard Valuation Law, as determined by regulations promulgated by the Director.

(4) Except as provided in subsection (6), the minimum standard of ~~for the~~ valuation for ~~of all~~ individual annuity and pure endowment contracts issued on or after the operative date of this subsection, as defined herein, and for all annuities and pure endowments purchased on or after such operative date under group annuity and pure endowment contracts shall be the Commissioners Reserve valuation methods defined in paragraph (b) of subsection (3) and subsection (5) and the following tables and interest rates:

(a) For individual single premium immediate annuity contracts, excluding any disability and accidental death benefits in such contracts, the 1971 Individual Annuity Mortality Table, any individual annuity mortality table adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such contracts, or any modification of those tables approved by the Director, and 7 1/2% interest.

(b) For individual and pure endowment contracts other than single premium annuity contracts, excluding any disability and accidental death benefits in such contracts, the 1971 Individual Annuity Mortality Table, any individual annuity mortality table adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such contracts, or any modification of those tables approved by the Director, and 5 1/2% interest for single premium deferred annuity and pure endowment contracts and 4 1/2% interest for all other such individual annuity and pure endowment contracts.

(c) For all annuities and pure endowments purchased under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts, the 1971 Group Annuity Mortality Table, any group annuity mortality table adopted after 1980 by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director for use in determining the minimum standard of valuation for such annuities and pure endowments, or any modification of those tables approved by the Director, and 7 1/2% interest.

After September 8, 1977, any company may file with the Director a written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1979, which shall be the operative date of this subsection for such company; provided, a company may elect a different operative date for individual annuity and pure endowment contracts from that elected for group annuity and pure endowment contracts. If a company makes no election, the operative date of this subsection for such company shall be January 1, 1979.

(5) This subsection shall apply to all annuity and pure endowment contracts other than group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer (including a partnership or sole proprietorship) or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under Section 408 of the Internal Revenue Code, as now or hereafter amended.

Reserves according to the Commissioners annuity reserve method for benefits under annuity or pure endowment contracts, excluding any disability and accidental death benefits in such contracts, shall be the greatest of the respective excesses of the present values, at the date of valuation, of the future guaranteed benefits, including guaranteed nonforfeiture benefits, provided for by such contracts at the end of each respective contract year, over the present value, at the date of valuation, of any future valuation considerations derived from future gross considerations, required by the terms of such contract, that become payable prior to the end of such respective contract year. The future guaranteed benefits shall be determined by using the mortality table, if any, and the interest rate, or rates, specified in such contracts for determining guaranteed benefits. The valuation considerations are the portions of the respective gross considerations applied under the terms of such contracts to determine nonforfeiture values.

(6)(a) Applicability of this subsection. The interest rates used in determining the minimum standard for the valuation of

(A) all life insurance policies issued in a particular calendar year, on or after the operative date of subsection (4c) of Section 229.2 (Standard Nonforfeiture Law),

(B) all individual annuity and pure endowment contracts issued in a particular calendar year ending on or after December 31, 1983,

(C) all annuities and pure endowments purchased in a particular calendar year ending on or after December 31, 1983, under group annuity and pure endowment contracts, and

(D) the net increase in a particular calendar year ending after December 31, 1983, in amounts held under guaranteed interest contracts

shall be the calendar year statutory valuation interest rates, as defined in this subsection.

(b) Calendar Year Statutory Valuation Interest Rates.

(i) The calendar year statutory valuation interest rates shall be determined according to the following formulae, rounding "I" to the nearest .25%.

(A) For life insurance,

I = .03 + W (R1 - .03) + W/2 (R2 - .09).

(B) For single premium immediate annuities and annuity benefits involving life contingencies arising from other annuities with cash settlement options and from guaranteed interest contracts with cash settlement options,

I = .03 + W (R - .03) or with prior approval of the Director I = .03 + W (Rq - .03).

For the purposes of this subparagraph (i), "I" equals the calendar year statutory valuation interest rate, "R" is the reference interest rate defined in this subsection, "R1" is the lesser of R and .09, "R2" is the greater of R and .09, "Rq" is the quarterly reference interest rate defined in this subsection, and "W" is the weighting factor defined in this subsection.

(C) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on an issue year basis, except as stated in (B), the formula for life insurance stated in (A) applies to annuities and guaranteed interest contracts with guarantee durations in excess of 10 years, and the formula for single premium immediate annuities stated in (B) above applies to annuities and guaranteed interest contracts with guarantee durations of 10 years or less.

(D) For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the formula for single premium immediate annuities stated in (B) applies.

(E) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change in fund basis, the formula for single premium immediate annuities stated in (B) applies.

(ii) If the calendar year statutory valuation interest rate for any life insurance policy issued in any calendar year determined without reference to this subparagraph differs from the corresponding actual rate for similar policies issued in the immediately preceding calendar year by less than .5%, the calendar year statutory valuation interest rate for such life insurance policy shall be the corresponding actual rate for the immediately preceding calendar year. For purposes of applying this subparagraph, the calendar year statutory valuation interest rate for life insurance policies issued in a calendar year shall be determined for 1980, using the reference interest rate defined for 1979, and shall be determined for each subsequent calendar year regardless of when subsection (4c) of Section 229.2 (Standard Nonforfeiture Law) becomes operative.

(c) Weighting Factors.

(i) The weighting factors referred to in the formulae stated in paragraph (b) are given in the following tables.

(A) Weighting Factors for Life Insurance.

Guarantee Duration (Years)	Weighting Factors
10 or less	.50
More than 10, but not more than 20	.45
More than 20	.35

For life insurance, the guarantee duration is the maximum number of years the

life insurance can remain in force on a basis guaranteed in the policy or under options to convert to plans of life insurance with premium rates or nonforfeiture values or both which are guaranteed in the original policy.

(B) The weighting factor for single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options is .80.

(C) The weighting factors for other annuities and for guaranteed interest contracts, except as stated in (B) of this subparagraph (i), shall be as specified in tables (1), (2), and (3) of this subpart (C), according to the rules and definitions in (4), (5) and (6) of this subpart (C).

(1) For annuities and guaranteed interest contracts valued on an issue year basis.

Guarantee Duration (Years)	Weighting Factor for Plan Type A	B	C
5 or less	.80	.60	.50
More than 5, but not more than 10	.75	.60	.50
More than 10, but not more than 20	.65	.50	.45
More than 20	.45	.35	.35

(2) For annuities and guaranteed interest contracts valued on a change in fund basis, the factors shown in (1) for Plan Types A, B and C are increased by .15, .25 and .05, respectively.

(3) For annuities and guaranteed interest contracts valued on an issue year basis, other than those with no cash settlement options, which do not guarantee interest on considerations received more than one year after issue or purchase, and for annuities and guaranteed interest contracts valued on a change in fund basis which do not guarantee interest rates on considerations received more than 12 months beyond the valuation date, the factors shown in (1), or derived in (2), for Plan Types A, B and C are increased by .05.

(4) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the guarantee duration is the number of years for which the contract guarantees interest rates in excess of the calendar year statutory valuation interest rate for life insurance policies with guarantee durations in excess of 20 years. For other annuities with no cash settlement options, and for guaranteed interest contracts with no cash settlement options, the guarantee duration is the number of years from the date of issue or date of purchase to the date annuity benefits are scheduled to commence.

(5) The plan types used in the above tables are defined as follows.

Plan Type A is a plan under which the policyholder may not withdraw funds, or may withdraw funds at any time but only (a) with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, (b) without such an adjustment but in installments over 5 years or more, or (c) as an immediate life annuity.

Plan Type B is a plan under which the policyholder may not withdraw funds before expiration of the interest rate guarantee, or may withdraw funds before such expiration but only (a) with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or (b) without such adjustment but in installments over 5 years or more. At the end of the interest rate guarantee, funds may be withdrawn without such adjustment in a single sum or installments over less than 5 years.

Plan Type C is a plan under which the policyholder may withdraw funds before expiration of the interest rate guarantee in a single sum or installments over less than 5 years either (a) without adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or (b) subject only to a fixed surrender charge stipulated in the contract as a percentage of the fund.

(6) A company may elect to value guaranteed interest contracts with cash settlement options and annuities with cash settlement options on either an issue year basis or on a change in fund basis. Guaranteed interest contracts with no cash settlement options and other annuities with no cash settlement options shall be valued on an issue year basis. As used in this Section, "issue year basis of valuation" refers to a valuation basis under which the interest rate

used to determine the minimum valuation standard for the entire duration of the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of issue or year of purchase of the annuity or guaranteed interest contract. "Change in fund basis of valuation", as used in this Section, refers to a valuation basis under which the interest rate used to determine the minimum valuation standard applicable to each change in the fund held under the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of the change in the fund.

(d) Reference Interest Rate. The reference interest rate referred to in paragraph (b) of this subsection is defined as follows.

(A) For all life insurance, the reference interest rate is the lesser of the average over a period of 36 months, and the average over a period of 12 months, with both periods ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year next preceding the year of issue, of Moody's Corporate Bond Yield Average - Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(B) For single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the reference interest rate is the average over a period of 12 months, ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year of issue or year of purchase, of Moody's Corporate Bond Yield Average - Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(C) For annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year of issue basis, except those described in (B), with guarantee durations in excess of 10 years, the reference interest rate is the lesser of the average over a period of 36 months and the average over a period of 12 months, ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year of issue or purchase, of Moody's Corporate Bond Yield Average-Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(D) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year of issue basis, except those described in (B), with guarantee durations of 10 years or less, the reference interest rate is the average over a period of 12 months, ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year of issue or purchase, of Moody's Corporate Bond Yield Average-Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(E) For annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the reference interest rate is the average over a period of 12 months, ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year of issue or purchase, of Moody's Corporate Bond Yield Average-Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(F) For annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change in fund basis, except those described in (B), the reference interest rate is the average over a period of 12 months, ending on June 30, or with prior approval of the Director ending on December 31, of the calendar year of the change in the fund, of Moody's Corporate Bond Yield Average-Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(G) For annuities valued by a formula based on Rq, the quarterly reference interest rate is, with the prior approval of the Director, the average within each of the 4 consecutive calendar year quarters ending on March 31, June 30, September 30 and December 31 of the calendar year of issue or year of purchase of Moody's Corporate Bond Yield Average-Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(e) Alternative Method for Determining Reference Interest Rates. In the event that the Moody's Corporate Bond Yield Average-Monthly Average Corporates is no longer published by Moody's Investors Services, Inc., or in the event that the NAIC ~~National Association of Insurance Commissioners~~ determines that Moody's Corporate Bond Yield Average-Monthly Average Corporates as published by Moody's Investors Service, Inc. is no longer appropriate for the determination of the reference interest rate, then an alternative method for determination of the reference interest rate, which is adopted by the NAIC ~~National Association of Insurance Commissioners~~ and approved by regulations promulgated by the Director, may be substituted.

(7) Minimum Standards for Accident and Health (Disability, Accident and Sickness) Insurance Contracts ~~Plans~~. The Director shall promulgate a regulation containing the minimum standards applicable

to the valuation of health (disability, sickness and accident) plans which are issued prior to the operative date of the Valuation Manual. For accident and health (disability, accident and sickness) insurance contracts issued on or after the operative date of the Valuation Manual, the standard prescribed in the Valuation Manual is the minimum standard of valuation required under subsection (1).

(8) Valuation Manual for Policies Issued On or After the Operative Date of the Valuation Manual.

(a) For policies issued on or after the operative date of the Valuation Manual, the standard prescribed in the Valuation Manual is the minimum standard of valuation required under subsection (1), except as provided under paragraphs (e) or (g) of this subsection (8).

(b) The operative date of the Valuation Manual is January 1 of the first calendar year following the first July 1 when all of the following have occurred:

(i) The Valuation Manual has been adopted by the NAIC by an affirmative vote of at least 42 members, or three-fourths of the members voting, whichever is greater.

(ii) The Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by states representing greater than 75% of the direct premiums written as reported in the following annual statements submitted for 2008: life, accident and health annual statements; health annual statements; or fraternal annual statements.

(iii) The Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by at least 42 of the following 55 jurisdictions: the 50 states of the United States, American Samoa, the American Virgin Islands, the District of Columbia, Guam, and Puerto Rico.

(c) Unless a change in the Valuation Manual specifies a later effective date, changes to the Valuation Manual shall be effective on January 1 following the date when the change to the Valuation Manual has been adopted by the NAIC by an affirmative vote representing:

(i) at least three-fourths of the members of the NAIC voting, but not less than a majority of the total membership; and

(ii) members of the NAIC representing jurisdictions totaling greater than 75% of the direct premiums written as reported in the following annual statements most recently available prior to the vote in subparagraph (i) of this paragraph (c): life, accident and health annual statements; health annual statements; or fraternal annual statements.

(d) The Valuation Manual must specify all of the following:

(i) Minimum valuation standards for and definitions of the policies or contracts subject to subsection (1). Such minimum valuation standards shall be:

(A) the Commissioners reserve valuation method for life insurance contracts, other than annuity contracts, subject to subsection (1);

(B) the Commissioners annuity reserve valuation method for annuity contracts subject to subsection (1); and

(C) minimum reserves for all other policies or contracts subject to subsection (1).

(ii) Which policies or contracts or types of policies or contracts are subject to the requirements of a principle-based valuation in paragraph (a) of subsection (9) and the minimum valuation standards consistent with those requirements.

(iii) For policies and contracts subject to a principle-based valuation under subsection (9):

(A) Requirements for the format of reports to the Director under subparagraph (iii) of paragraph (b) of subsection (9), and which shall include information necessary to determine if the valuation is appropriate and in compliance with this Section.

(B) Assumptions shall be prescribed for risks over which the company does not have significant control or influence.

(C) Procedures for corporate governance and oversight of the actuarial function, and a process for appropriate waiver or modification of such procedures.

(iv) For policies not subject to a principle-based valuation under subsection (9), the minimum valuation standard shall either:

(A) be consistent with the minimum standard of valuation prior to the operative date of the Valuation Manual; or

(B) develop reserves that quantify the benefits and guarantees and the funding associated with the contracts and their risks at a level of conservatism that reflects conditions that include unfavorable events that have a reasonable probability of occurring.

(v) Other requirements, including, but not limited to, those relating to reserve methods, models for measuring risk, generation of economic scenarios, assumptions, margins, use of company experience, risk measurement, disclosure, certifications, reports, actuarial opinions and memorandums, transition rules, and internal controls.

(vi) The data and form of the data required under subsection (10) of this Section, with whom the data must be submitted, and may specify other requirements, including data analyses and the reporting of analyses.

(e) In the absence of a specific valuation requirement or if a specific valuation requirement in the Valuation Manual is not, in the opinion of the Director, in compliance with this Section, then the company shall, with respect to such requirements, comply with minimum valuation standards prescribed by the Director by rule.

(f) The Director may engage a qualified actuary, at the expense of the company, to perform an actuarial examination of the company and opine on the appropriateness of any reserve assumption or method used by the company, or to review and opine on a company's compliance with any requirement set forth in this Section. The Director may rely upon the opinion regarding provisions contained within this Section of a qualified actuary engaged by the Director of another state, district, or territory of the United States. As used in this paragraph, "engage" includes employment and contracting.

(g) The Director may require a company to change any assumption or method that in the opinion of the Director is necessary in order to comply with the requirements of the Valuation Manual or this Section; and the company shall adjust the reserves as required by the Director. The Director may take other disciplinary action as permitted pursuant to law.

(9) Requirements of a Principle-Based Valuation.

(a) A company must establish reserves using a principle-based valuation that meets the following conditions for policies or contracts as specified in the Valuation Manual:

(i) Quantify the benefits and guarantees, and the funding, associated with the contracts and their risks at a level of conservatism that reflects conditions that include unfavorable events that have a reasonable probability of occurring during the lifetime of the contracts. For policies or contracts with significant tail risk, reflect conditions appropriately adverse to quantify the tail risk.

(ii) Incorporate assumptions, risk analysis methods, and financial models and management techniques that are consistent with, but not necessarily identical to, those utilized within the company's overall risk assessment process, while recognizing potential differences in financial reporting structures and any prescribed assumptions or methods.

(iii) Incorporate assumptions that are derived in one of the following manners:

(A) The assumption is prescribed in the Valuation Manual.

(B) For assumptions that are not prescribed, the assumptions shall:

(1) be established utilizing the company's available experience, to the extent it is relevant and statistically credible; or

(2) to the extent that company data is not available, relevant, or statistically credible, be established utilizing other relevant, statistically credible experience.

(iv) Provide margins for uncertainty, including adverse deviation and estimation error, such that the greater the uncertainty, the larger the margin and resulting reserve.

(b) A company using a principle-based valuation for one or more policies or contracts subject to this subsection as specified in the Valuation Manual shall:

(i) Establish procedures for corporate governance and oversight of the actuarial valuation function consistent with those described in the Valuation Manual.

(ii) Provide to the Director and the board of directors an annual certification of the effectiveness of the internal controls with respect to the principle-based valuation. Such controls shall be designed to ensure that all material risks inherent in the liabilities and associated assets subject to such valuation are included in the valuation, and that valuations are made in accordance with the Valuation Manual. The certification shall be based on the controls in place as of the end of the preceding calendar year.

(iii) Develop and file with the Director upon request a principle-based valuation report that complies with standards prescribed in the Valuation Manual.

(c) A principle-based valuation may include a prescribed formulaic reserve component.

(10) Experience Reporting for Policies In Force On or After the Operative Date of the Valuation Manual. A company shall submit mortality, morbidity, policyholder behavior, or expense experience and other data as prescribed in the Valuation Manual.

(11) Confidentiality.

(a) For the purposes of this subsection (11), "confidential information" means any of the following:

(i) A memorandum in support of an opinion submitted under subsection (1) of this Section and any other documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced or obtained by or disclosed to the Director or any other person in connection with the memorandum.

(ii) All documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the Director or any other person in the course of an examination made under paragraph (f) of subsection (8) of this Section.

(iii) Any reports, documents, materials, and other information developed by a company in support of, or in connection with, an annual certification by the company under subparagraph (ii) of paragraph (b) of subsection (9) of this Section evaluating the effectiveness of the company's internal controls with respect to a principle-based valuation and any other documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the Director or any other person in connection with such reports, documents, materials, and other information.

(iv) Any principle-based valuation report developed under subparagraph (iii) of paragraph (b) of subsection (9) of this Section and any other documents, materials and other information, including, but not limited to, all working papers, and copies thereof, created, produced or obtained by or disclosed to the Director or any other person in connection with such report.

(v) Any documents, materials, data, and other information submitted by a company under subsection (10) of this Section (collectively, "experience data") and any other documents, materials, data, and other information, including, but not limited to, all working papers, and copies thereof, created or produced in connection with such experience data, in each case that include any potentially company-identifying or personally identifiable information, that is provided to or obtained by the Director (together with any experience data, the "experience materials") and any other documents, materials, data and other information, including, but not limited to, all working papers and copies thereof, created, produced, or obtained by or disclosed to the Director or any other person in connection with such experience materials.

(b) Privilege for and Confidentiality of Confidential Information.

(i) Except as provided in this subsection (11), a company's confidential information is confidential by law and privileged, and shall not be subject to the Freedom of Information Act, subpoena, or discovery or admissible as evidence in any private civil action; however, the Director is authorized to use the confidential information in the furtherance of any regulatory or legal action brought against the company as a part of the Director's official duties.

(ii) Neither the Director nor any person who received confidential information while acting under the authority of the Director shall be permitted or required to testify in any private civil action concerning any confidential information.

(iii) In order to assist in the performance of the Director's duties, the Director may share confidential information (A) with other state, federal, and international regulatory agencies and with the NAIC and its affiliates and subsidiaries and (B) in the case of confidential information specified in subparagraphs (i) and (iv) of paragraph (a) of subsection (11) only, with the Actuarial Board for Counseling and Discipline or its successor upon request stating that the confidential information is required for the purpose of professional disciplinary proceedings and with state, federal, and international law enforcement officials; in the case of (A) and (B), provided that such recipient agrees and has the legal authority to agree, to maintain the confidentiality and privileged status of such documents, materials, data, and other information in the same manner and to the same extent as required for the Director.

(iv) The Director may receive documents, materials, data, and other information, including otherwise confidential and privileged documents, materials, data, or information, from the NAIC and its affiliates and subsidiaries, from regulatory or law enforcement officials of other foreign or domestic jurisdictions, and from the Actuarial Board for Counseling and Discipline or its successor and shall maintain as confidential or privileged any document, material, data, or other information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or other information.

(v) The Director may enter into agreements governing the sharing and use of information consistent with paragraph (b) of this subsection (11).

(vi) No waiver of any applicable privilege or claim of confidentiality in the confidential information shall occur as a result of disclosure to the Director under this subsection (11) or as a result of sharing as authorized in subparagraph (iii) of paragraph (b) of this subsection (11).

(vii) A privilege established under the law of any state or jurisdiction that is substantially similar to the privilege established under paragraph (b) of this subsection (11), shall be available and enforced in any proceeding in and in any court of this State.

(viii) In this subsection (11) "regulatory agency", "law enforcement agency", and "NAIC" include, but are not limited to, their employees, agents, consultants, and contractors.

(c) Notwithstanding paragraph (b) of this subsection (11), any confidential information specified in subparagraphs (i) and (iv) of paragraph (a) of this subsection (11):

(i) may be subject to subpoena for the purpose of defending an action seeking damages from the appointed actuary submitting the related memorandum in support of an opinion submitted under subsection (1) of this Section or principle-based valuation report developed under subparagraph (iii) of paragraph (b) of subsection (9) of this Section by reason of an action required by this Section or by regulations promulgated under this Section;

(ii) may otherwise be released by the Director with the written consent of the company; and

(iii) once any portion of a memorandum in support of an opinion submitted under subsection (1) of this Section or a principle-based valuation report developed under subparagraph (iii) of paragraph (b) of subsection (9) of this Section is cited by the company in its marketing or is publicly volunteered to or before a governmental agency other than a state insurance department or is released by the company to the news media, all portions of such memorandum or report shall no longer be confidential.

(12) Exemptions.

(a) The Director may exempt specific product forms or product lines of a domestic company that is licensed and doing business only in Illinois from the requirements of subsection (8) of this Section, provided that:

(i) the Director has issued an exemption in writing to the company and has not subsequently revoked the exemption in writing; and

(ii) the company computes reserves using assumptions and methods used prior to the operative date of the Valuation Manual in addition to any requirements established by the Director and adopted by rule.

(b) A domestic company that has less than $300,000,000 of ordinary life premiums and that is licensed and doing business in Illinois is exempt from the requirements of subsection (8), provided that:

(i) if the company is a member of a group of life insurers, the group has combined ordinary life premiums of less than $1,000,000,000;

(ii) the company has an RBC ratio of at least 450% of authorized control level RBC;

(iii) the appointed actuary has provided an unqualified opinion on the reserves in accordance with subsection (1) of this Section; and

(iv) the company has provided a certification by a qualified actuary that any universal life policy with a secondary guarantee issued by the company after the operative date of the Valuation Manual is not subject to material interest rate risk or asset return volatility risk, as defined in the Valuation Manual.

(c) For purposes of paragraph (b) of this subsection (12), ordinary life premiums are measured as direct plus reinsurance assumed from an unaffiliated company, not reduced by reinsurance ceded, from the prior calendar year annual statement.

(d) For any company granted an exemption under this subsection, subsections (1), (2), (3), (4), (5), (6), and (7) shall be applicable. With respect to any company applying this exemption, any reference to subsection (8) found in subsections (1), (2), (3), (4), (5), (6), and (7) shall not be applicable.

(13) Definitions. For the purposes of this Section, the following definitions shall apply beginning on the operative date of the Valuation Manual:

"Accident and health insurance" means contracts that incorporate morbidity risk and provide protection against economic loss resulting from accident, sickness, or medical conditions and as may be specified in the Valuation Manual.

"Appointed actuary" means a qualified actuary who is appointed in accordance with the Valuation Manual to prepare the actuarial opinion required in paragraph (b) of subsection (1) of this Section.

"Company" means an entity that (a) has written, issued, or reinsured life insurance contracts, accident and health insurance contracts, or deposit-type contracts in this State and has at least one such policy in force or on claim or (b) has written, issued, or reinsured life insurance contracts, accident and health insurance contracts, or deposit-type contracts in any state and is required to hold a certificate of authority to write life insurance, accident and health insurance, or deposit-type contracts in this State.

"Deposit-type contract" means contracts that do not incorporate mortality or morbidity risks and as may be specified in the Valuation Manual.

"Life insurance" means contracts that incorporate mortality risk, including annuity and pure endowment contracts, and as may be specified in the Valuation Manual.

"NAIC" means the National Association of Insurance Commissioners.

"Policyholder behavior" means any action a policyholder, contract holder, or any other person with the right to elect options, such as a certificate holder, may take under a policy or contract subject to this Section including, but not limited to, lapse, withdrawal, transfer, deposit, premium payment, loan, annuitization, or benefit elections prescribed by the policy or contract, but excluding events of mortality or morbidity that result in benefits prescribed in their essential aspects by the terms of the policy or contract.

"Principle-based valuation" means a reserve valuation that uses one or more methods or one or more assumptions determined by the insurer and is required to comply with subsection (9) of this Section as specified in the Valuation Manual.

"Qualified actuary" means an individual who is qualified to sign the applicable statement of actuarial opinion in accordance with the American Academy of Actuaries qualification standards for actuaries signing such statements and who meets the requirements specified in the Valuation Manual.

"Tail risk" means a risk that occurs either where the frequency of low probability events is higher than expected under a normal probability distribution or where there are observed events of very significant size or magnitude.

"Valuation Manual" means the manual of valuation instructions adopted by the NAIC as specified in this Section or as subsequently amended.

(Source: P.A. 95-86, eff. 9-25-07 (changed from 1-1-08 by P.A. 95-632); 95-876, eff. 8-21-08.)

(215 ILCS 5/229.2) (from Ch. 73, par. 841.2)

Sec. 229.2. Standard Non-forfeiture Law for Life Insurance.

(1) No policy of life insurance, except as stated in subsection (8), shall be delivered or issued for delivery in this State unless it contains in substance the following provisions or corresponding provisions which in the opinion of the Director are at least as favorable to the defaulting or surrendering policyholder and are essentially in compliance with subsection (7) of this law:

(i) That, in the event of default in any premium payment, the company will grant, upon proper request not later than 60 days after the due date of the premium in default, a paid-up nonforfeiture benefit on a plan stipulated in the policy, effective as of such due date, of such amount as may be hereinafter specified. In lieu of such stipulated paid-up nonforfeiture benefit, the company may substitute, upon proper request not later than 60 days after the due date of the premium in default, an actuarially equivalent alternative paid-up nonforfeiture benefit which provides a greater amount or longer period of death benefits or, if applicable, a greater amount or earlier payment of endowment benefits.

(ii) That, upon surrender of the policy within 60 days after the due date of any premium payment in default after premiums have been paid for at least 3 full years in the case of Ordinary insurance or 5 full years in the case of Industrial insurance, the company will pay, in lieu of any paid-up nonforfeiture benefit, a cash surrender value of such amount as may be hereinafter specified.

(iii) That a specified paid-up nonforfeiture benefit shall become effective as specified in the policy unless the person entitled to make such election elects another available option not later than 60 days after the due date of the premium in default.

(iv) That, if the policy shall have become paid-up by completion of all premium payments or if it is continued under any paid-up nonforfeiture benefit which became effective on or after the third policy anniversary in the case of Ordinary insurance or the fifth policy anniversary in the case of Industrial insurance, the company will pay, upon surrender of the policy within 30 days after any policy anniversary, a cash surrender value of such amount as may be hereinafter specified.

(v) In the case of policies which cause on a basis guaranteed in the policy unscheduled changes in benefits or premiums, or which provide an option for changes in benefits or premiums other than a change to a new policy, a statement of the mortality table, interest rate, and method used in calculating cash surrender values and the paid-up nonforfeiture benefits available under the policy. In the case of all other policies, a statement of the mortality table and interest rate used in calculating the cash surrender values and the paid-up nonforfeiture benefits available under the policy, together with a table showing the cash surrender value, if any, and paid-up nonforfeiture benefit, if any, available under the policy on each policy anniversary either during the first 20 policy years or during the term of the policy, whichever is shorter, such values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the company on the policy.

(vi) A statement that the cash surrender values and the paid-up nonforfeiture benefits available under the policy are not less than the minimum values and benefits required by or pursuant to the insurance law of the state in which the policy is delivered; an explanation of the manner in which the cash surrender values and the paid-up nonforfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the company on the policy; if a detailed statement of the method of computation of the values and benefits shown in the policy is not stated therein, a statement that such method of computation has been filed with the insurance supervisory official of the state in which the policy is delivered; and a statement of the method to be used in calculating the cash surrender value and paid-up nonforfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy.

Any of the foregoing provisions or portions thereof not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy.

The company shall reserve the right to defer the payment of any cash surrender value for a period of 6 months after demand therefor with surrender of the policy.

(2) (i) Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary, whether or not required by subsection (1), shall be an amount not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no default, over the sum of (i) the then present value of the adjusted premiums as defined in subsections 4, 4(a), 4(b) and 4(c), corresponding to premiums which would have fallen due on and after such anniversary, and (ii) the amount of any indebtedness to the company on the policy.

(ii) For any policy issued on or after the operative date of subsection 4(c), which provides supplemental life insurance or annuity benefits at the option of the insured for an identifiable additional premium by rider or supplemental policy provision, the cash surrender value shall be an amount not less than the sum of the cash surrender value as determined in paragraph (i) for an otherwise similar policy issued at the same age without such rider or supplemental policy provision and the cash surrender value as determined in such paragraph for a policy which provides only the benefits otherwise provided by such rider or supplemental policy provision.

(iii) For any family policy issued on or after the operative date of subsection 4(c), which defines a primary insured and provides term insurance on the life of the spouse of the primary insured expiring before the spouse attains age 71, the cash surrender value shall be an amount not less than the sum of the cash surrender value as determined in paragraph (i) for an otherwise similar policy issued at the same age without such term insurance on the life of the spouse and the cash surrender value as determined in such paragraph for a policy which provides only the benefits otherwise provided by such term insurance on the life of the spouse.

(iv) Any cash surrender value available within 30 days after any policy anniversary under any policy paid up by completion of all premium payments or any policy continued under any paid-up nonforfeiture benefit, whether or not required by subsection (1), shall be an amount not less than the present value, on such anniversary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additions, decreased by any indebtedness to the company on the policy.

(3) Any paid-up nonforfeiture benefit available under the policy in the event of default in a premium payment due on any policy anniversary shall be such that its present value as of such anniversary shall be at least equal to the cash surrender value then provided for by the policy, or if none is provided for, that cash surrender value which would have been required by this section in the absence of the condition that premiums shall have been paid for at least a specified period.

(4) This subsection (4) shall not apply to policies issued on or after the operative date of subsection (4c). Except as provided in the third paragraph of this subsection, the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premium specified in the policy for each policy year, excluding any extra premiums charged because of impairments or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of (i) the then present value of the future guaranteed benefits provided for by the policy; (ii) 2% of the amount of insurance, if the insurance be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy; (iii) 40% of the adjusted premium for the first policy year; (iv) 25% of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less. Provided, however, that in applying the percentages specified in (iii) and (iv) above, no adjusted premium shall be deemed to exceed 4% of the amount of insurance or uniform amount equivalent thereto. The date of issue of a policy for the purpose of this subsection shall be the date as of which the rated age of the insured is determined.

In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent uniform amount thereof for the purpose of this subsection shall be deemed to be the level amount of insurance, provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the inception of the insurance as the benefits under the policy; provided, however, that in the case of a policy providing a varying amount of insurance issued on the life of a child under age 10, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age 10 were the amount provided by such policy at age 10.

The adjusted premiums for any policy providing term insurance benefits by rider or supplemental policy provision shall be equal to (a) the adjusted premiums for an otherwise similar policy issued at the same

age without such term insurance benefits, increased, during the period for which premiums for such term insurance benefits are payable, by (b) the adjusted premiums for such term insurance, the foregoing items (a) and (b) being calculated separately and as specified in the first 2 paragraphs of this subsection except that, for the purposes of (ii), (iii) and (iv) of the first such paragraph, the amount of insurance or equivalent uniform amount of insurance used in the calculation of the adjusted premiums referred to in (b) shall be equal to the excess of the corresponding amount determined for the entire policy over the amount used in the calculation of the adjusted premiums in (a).

Except as otherwise provided in subsections (4a) and (4b), all adjusted premiums and present values referred to in this section shall for all policies of Ordinary insurance be calculated on the basis of the Commissioners 1941 Standard Ordinary Mortality Table, provided that for any category of Ordinary insurance issued on female risks adjusted premiums and present values may be calculated according to an age not more than 3 years younger than the actual age of the insured, and such calculations for all policies of Industrial insurance shall be made on the basis of the 1941 Standard Industrial Mortality Table. All calculations shall be made on the basis of the rate of interest, not exceeding 3 1/2% per annum, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than 130% of the rates of mortality according to such applicable table. Provided, further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Director.

(4a) This subsection (4a) shall not apply to Ordinary policies issued on or after the operative date of subsection (4c). In the case of Ordinary policies issued on or after the operative date of this subsection (4a) as defined herein, all adjusted premiums and present values referred to in this Section shall be calculated on the basis of the Commissioners 1958 Standard Ordinary Mortality Table and the rate of interest specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, provided that such rate of interest shall not exceed 3 1/2% per annum except that a rate of interest not exceeding 5 1/2% per annum may be used for policies issued on or after September 8, 1977, except that for any single premium whole life or endowment insurance policy a rate of interest not exceeding 6 1/2% per annum may be used and provided that for any category of Ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than 6 years younger than the actual age of the insured. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1958 Extended Term Insurance Table. Provided, however, that for insurance issued on a substandard basis, the calculation for any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Director. After the effective date of this subsection (4a), any company may file with the Director written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1966. After the filing of such notice, then upon such specified date (which shall be the operative date of this subsection for such company), this subsection shall become operative with respect to the Ordinary policies thereafter issued by such company. If a company makes no such election, the operative date of this subsection for such company shall be January 1, 1966.

(4b) This subsection (4b) shall not apply to Industrial policies issued on or after the operative date of subsection (4c). In the case of Industrial policies issued on or after the operative date of this subsection (4b) as defined herein, all adjusted premiums and present values referred to in this Section shall be calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table and the rate of interest specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, provided that such rate of interest shall not exceed 3 1/2% per annum except that a rate of interest not exceeding 5 1/2% per annum may be used for policies issued on or after September 8, 1977, except that for any single premium whole life or endowment insurance policy a rate of interest not exceeding 6 1/2% per annum may be used. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1961 Industrial Extended Term Insurance Table. Provided, further, that for insurance issued on a substandard basis, the calculations of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Director. After the effective date of this subsection (4b), any company may file with the Director a written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1968. After the filing of such notice, then upon such specified date (which shall be the operative date of this subsection for such company), this subsection shall

become operative with respect to the Industrial policies thereafter issued by such company. If a company makes no such election, the operative date of this subsection for such company shall be January 1, 1968.

(4c)(a) This subsection shall apply to all policies issued on or after its operative date. Except as provided in paragraph (g), the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments or special hazards and any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender value and paid-up nonforfeiture benefits of the policy, that the present value, at the date of issue of the policy, of all adjusted premiums shall be equal to the sum of (i) the then present value of the future guaranteed benefits provided for by the policy; (ii) 1% of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years; and (iii) 125% of the nonforfeiture net level premium as hereinafter defined. In applying the percentage specified in (iii), however, no nonforfeiture net level premium shall exceed 4% of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years. The date of issue of a policy for the purpose of this subsection is the date as of which the rated age of the insured is determined.

(b) The nonforfeiture net level premium equals the present value, at the date of issue of the policy, of the guaranteed benefits provided for by the policy divided by the present value, at the date of issue of the policy, of an annuity of one per annum payable on the date of issue of the policy and on each anniversary of such policy on which a premium falls due.

(c) In the case of a policy which causes, on a basis guaranteed in such policy, unscheduled changes in benefits or premiums, or which provides an option for changes in benefits or premiums other than a change to a new policy, adjusted premiums and present values shall initially be calculated on the assumption that future benefits and premiums do not change from those stipulated at the date of issue of such policy. At the time of any such change in the benefits or premiums, the future adjusted premiums, nonforfeiture net level premiums and present values shall be recalculated on the assumption that future benefits and premiums do not change from those stipulated by such policy immediately after the change.

(d) Except as otherwise provided in paragraph (g), the recalculated future adjusted premiums for any policy shall be such uniform percentage of the respective future premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments and special hazards and any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits, that the present value, at the time of change to the newly defined benefits or premiums, of all such future adjusted premiums shall be equal to the excess of (A) the sum of (i) the then present value of the then future guaranteed benefits provided for by the policy and (ii) the additional expense allowance, if any, over (B) the then cash surrender value, if any, or present value of any paid-up nonforfeiture benefit under the policy.

(e) The additional expense allowance at the time of the change to the newly defined benefits or premiums shall be the sum of (i) 1% of the excess, if positive, of the average amount of insurance at the beginning of each of the first 10 policy years subsequent to the change over the average amount of insurance prior to the change at the beginning of each of the first 10 policy years subsequent to the time of the most recent previous change, or, if there has been no previous change, the date of issue of the policy; and (ii) 125% of the increase, if positive, in the nonforfeiture net level premium.

(f) The recalculated nonforfeiture net level premium equals the result obtained by dividing X by Y, where

(i) X equals the sum of

(A) the nonforfeiture net level premium applicable prior to the change times the present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of the change on which a premium would have fallen due had the change not occurred, and

(B) the present value of the increase in future guaranteed benefits provided for by the policy; and

(ii) Y equals the present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of change on which a premium falls due.

(g) Notwithstanding any other provisions of this subsection to the contrary, in the case of a policy issued on a substandard basis which provides reduced graded amounts of insurance so that, in each policy year, such policy has the same tabular mortality cost as an otherwise similar policy issued on the standard basis which provides higher uniform amounts of insurance, adjusted premiums and present values for such substandard policy may be calculated as if it were issued to provide such higher uniform amounts of insurance on the standard basis.

(h) All adjusted premiums and present values referred to in this Section shall for all policies of ordinary insurance be calculated on the basis of the Commissioners 1980 Standard Ordinary Mortality Table or, at

the election of the company for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors. All adjusted premiums and present values referred to in this Section shall for all policies of Industrial insurance be calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table. All adjusted premiums and present values referred to in this Section for all policies issued in a particular calendar year shall be calculated on the basis of a rate of interest not exceeding the nonforfeiture interest rate as defined in this subsection for policies issued in that calendar year. The provisions of this paragraph are subject to the provisions set forth in subparagraphs (i) through (vii).

(i) At the option of the company, calculations for all policies issued in a particular calendar year may be made on the basis of a rate of interest not exceeding the nonforfeiture interest rate, as defined in this subsection, for policies issued in the immediately preceding calendar year.

(ii) Under any paid-up nonforfeiture benefit, including any paid-up dividend additions, any cash surrender value available, whether or not required by subsection (1), shall be calculated on the basis of the mortality table and rate of interest used in determining the amount of such paid-up nonforfeiture benefit and paid-up dividend additions, if any.

(iii) A company may calculate the amount of any guaranteed paid-up nonforfeiture benefit, including any paid-up additions under the policy, on the basis of an interest rate no lower than that specified in the policy for calculating cash surrender values.

(iv) In calculating the present value of any paid-up term insurance with an accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1980 Extended Term Insurance Table for policies of ordinary insurance and not more than the Commissioner 1961 Industrial Extended Term Insurance Table for policies of industrial insurance.

(v) For insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on appropriated modifications of the aforementioned tables.

(vi) For policies issued prior to the operative date of the Valuation Manual, any commissioner's standard ~~Any~~ ordinary mortality tables adopted after 1980 by the National Association of Insurance Commissioners and approved by regulations promulgated by the Director for use in determining the minimum nonforfeiture standard may be substituted for the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioners 1980 Extended Term Insurance Table.

For policies issued on or after the operative date of the Valuation Manual, the Valuation Manual shall provide the Commissioners Standard mortality table for use in determining the minimum nonforfeiture standard that may be substituted for the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioners 1980 Extended Term Insurance Table. If the Director approves by regulation any Commissioner's Standard ordinary mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the Valuation Manual, then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the Valuation Manual.

(vii) For policies issued prior to the operative date of the Valuation Manual, any Commissioner's Standard ~~Any~~ industrial mortality tables adopted after 1980 by the National Association of Insurance Commissioners and approved by regulations promulgated by the Director for use in determining the minimum nonforfeiture standard may be substituted for the Commissioners 1961 Standard Industrial Mortality Table or the Commissioners 1961 Industrial Extended Term Insurance Table.

For policies issued on or after the operative date of the Valuation Manual, the Valuation Manual shall provide the Commissioner's Standard mortality table for use in determining the minimum nonforfeiture standard that may be substituted for the Commissioners 1961 Standard Industrial Mortality Table or the Commissioners 1961 Industrial Extended Term Insurance Table. If the Director approves by regulation any Commissioner's Standard industrial mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the Valuation Manual, then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the Valuation Manual.

(i) The nonforfeiture interest rate is defined as follows:

(i) For policies issued prior to the operative date of the Valuation Manual, ~~The~~ nonforfeiture interest rate per annum for any policy issued in a particular calendar

year shall be equal to 125% of the calendar year statutory valuation interest rate for such policy, as defined in the Standard Valuation Law, rounded to the nearest .25%, provided, however, that the nonforfeiture interest rate shall not be less than 4.00%.

(ii) For policies issued on and after the operative date of the Valuation Manual, the nonforfeiture interest rate per annum for any policy issued in a particular calendar year shall be provided by the Valuation Manual.

(j) Notwithstanding any other provision in this Code to the contrary, any refiling of nonforfeiture values or their methods of computation for any previously approved policy form which involves only a change in the interest rate or mortality table used to compute nonforfeiture values shall not require refiling of any other provisions of that policy form.

(k) After the effective date of this subsection, any company may, with respect to any category of insurance, file with the Director a written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1989. That date shall be the operative date of this subsection for that category of insurance for such company. If a company makes no such election, the operative date of this subsection for that category of insurance issued by such company shall be January 1, 1989.

(5) In the case of any plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurance company based on then estimates of future experience, or in the case of any plan of life insurance which is of such a nature that minimum values cannot be determined by the methods described in subsections (1), (2), (3), (4), (4a), (4b) or (4c), then

(a) the Director shall satisfy himself that the benefits provided under such plan are substantially as favorable to policyholders and insured parties as the minimum benefits otherwise required by subsections (1), (2), (3), (4), (4a), (4b) or (4c);

(b) the Director shall satisfy himself that the benefits and the pattern of premiums of that plan are not such as to mislead prospective policyholders or insured parties; and

(c) the cash surrender values and paid-up nonforfeiture benefits provided by such plan shall not be less than the minimum values and benefits computed by a method consistent with the principles of this Standard Nonforfeiture law for Life Insurance, as determined by regulations promulgated by the Director.

(6) Any cash surrender value and any paid-up nonforfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional premiums beyond the last preceding policy anniversary. All values referred to in subsections (2), (3), (4), (4a), (4b) and (4c) may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the amounts used to provide such additions. Notwithstanding the provisions of subsection (2), additional benefits payable (i) in the event of death or dismemberment by accident or accidental means, (ii) in the event of total and permanent disability, (iii) as reversionary annuity or deferred reversionary annuity benefits, (iv) as term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply, (v) as term insurance on the life of a child or on the lives of children provided in a policy on the life of a parent of the child, if such term insurance expires before the child's age is 26, is uniform in amount after the child's age is one, and has not become paid-up by reason of the death of a parent of the child, and (vi) as other policy benefits additional to life insurance and endowment benefits, and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits.

(7) This subsection shall apply to all policies issued on or after January 1, 1987. Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary shall be in an amount which does not differ by more than .2% of either the amount of insurance if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years, from the sum of (a) the greater of zero and the basic cash value hereinafter specified and (b) the present value of any existing paid-up additions less the amount of any indebtedness to the company under the policy.

The basic cash value equals the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy, excluding any existing paid-up additions and before deduction of any indebtedness to the company, if there had been no default, less the then present value of the nonforfeiture factors, as hereinafter defined, corresponding to premiums which would have fallen due on and after such anniversary. The effects on the basic cash value of supplemental life insurance or annuity benefits or of family coverage, as described in subsection (2) or (4), whichever is applicable, shall, however, be the same as are the effects specified in subsection (2) or (4), whichever is applicable, on the cash surrender values defined in that subsection.

The nonforfeiture factor for each policy year equals a percentage of the adjusted premium for the policy year, as defined in subsection (4) or (4c), whichever is applicable. Except as is required by the next succeeding sentence of this paragraph, such percentage

(a) shall be the same percentage for each policy year between the second policy anniversary and the later of (i) the fifth policy anniversary and (ii) the first policy anniversary at which there is available under the policy a cash surrender value in an amount, before including any paid-up additions and before deducting any indebtedness, of at least .2% of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years; and

(b) shall be such that no percentage after the later of the 2 policy anniversaries specified in the preceding item (a) may apply to fewer than 5 consecutive policy years.

No basic cash value may be less than the value which would be obtained if the adjusted premiums for the policy, as defined in subsection (4) or (4c), whichever is applicable, were substituted for the nonforfeiture factors in the calculation of the basic cash value.

All adjusted premiums and present values referred to in this subsection shall for a particular policy be calculated on the same mortality and interest bases as those used in accordance with the other subsections of this law. The cash surrender values referred to in this subsection shall include any endowment benefits provided for by the policy.

Any cash surrender value available other than in the event of default in a premium payment due on a policy anniversary, and the amount of any paid-up nonforfeiture benefit available under the policy in the event of default in a premium payment shall be determined in manners consistent with the manners specified for determining the analogous minimum amounts in subsections 1, 2, 3, 4c, and 6. The amounts of any cash surrender values and of any paid-up nonforfeiture benefits granted in connection with additional benefits such as those listed as items (i) through (vi) in subsection (6) shall conform with the principles of this subsection (7).

(8) This Section shall not apply to any of the following:

(a) reinsurance,

(b) group insurance,

(c) a pure endowment,

(d) an annuity or reversionary annuity contract,

(e) a term policy of uniform amount, which provides no guaranteed nonforfeiture or endowment benefits, or renewal thereof, of 20 years or less expiring before age 71, for which uniform premiums are payable during the entire term of the policy,

(f) a term policy of decreasing amount, which provides no guaranteed nonforfeiture or endowment benefits, on which each adjusted premium, calculated as specified in subsections (4), (4a), (4b) and (4c), is less than the adjusted premium so calculated, on a term policy of uniform amount, or renewal thereof, which provides no guaranteed nonforfeiture or endowment benefits, issued at the same age and for the same initial amount of insurance and for a term of 20 years or less expiring before age 71, for which uniform premiums are payable during the entire term of the policy,

(g) a policy, which provides no guaranteed nonforfeiture or endowment benefits, for which no cash surrender value, if any, or present value of any paid-up nonforfeiture benefit, at the beginning of any policy year, calculated as specified in subsections (2), (3), (4), (4a), (4b) and (4c), exceeds 2.5% of the amount of insurance at the beginning of the same policy year,

(h) any policy which shall be delivered outside this State through an agent or other representative of the company issuing the policy.

For purposes of determining the applicability of this Section, the age of expiry for a joint term life insurance policy shall be the age of expiry of the oldest life.

(9) For the purposes of this Section:

"Operative date of the Valuation Manual" means the January 1 of the first calendar year that the Valuation Manual is effective.

"Valuation Manual" has the same meaning as set forth in Section 223 of this Code.

(Source: P.A. 83-1465.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments Numbered 1 and 2 were ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Harmon, **Senate Bill No. 2674** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Raoul, **Senate Bill No. 2995** having been printed, was taken up, read by title a second time.

Senator Raoul offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 2995

AMENDMENT NO. 1. Amend Senate Bill 2995 by replacing everything after the enacting clause with the following:

"Section 5. The Code of Criminal Procedure of 1963 is amended by changing Section 116-3 as follows: (725 ILCS 5/116-3)

Sec. 116-3. Motion for fingerprint, Integrated Ballistic Identification System, or forensic testing not available at trial or guilty plea regarding actual innocence.

(a) A defendant may make a motion before the trial court that entered the judgment of conviction in his or her case for the performance of fingerprint, Integrated Ballistic Identification System, or forensic DNA testing, including comparison analysis of genetic marker groupings of the evidence collected by criminal justice agencies pursuant to the alleged offense, to those of the defendant, to those of other forensic evidence, and to those maintained under subsection (f) of Section 5-4-3 of the Unified Code of Corrections, on evidence that was secured in relation to the trial or guilty plea which resulted in his or her conviction, and:

(1) was not subject to the testing which is now requested at the time of trial; or

(2) although previously subjected to testing, can be subjected to additional testing utilizing a method that was not scientifically available at the time of trial that provides a reasonable likelihood of more probative results. Reasonable notice of the motion shall be served upon the State.

(b) The defendant must present a prima facie case that:

(1) identity was the issue in the trial or guilty plea which resulted in his or her conviction; and

(2) the evidence to be tested has been subject to a chain of custody sufficient to establish that it has not been substituted, tampered with, replaced, or altered in any material aspect.

(c) The trial court shall allow the testing under reasonable conditions designed to protect the State's interests in the integrity of the evidence and the testing process upon a determination that:

(1) the result of the testing has the scientific potential to produce new, noncumulative evidence (i) materially relevant to the defendant's assertion of actual innocence when the defendant's conviction was the result of a trial, even though the results may not completely exonerate the defendant, or (ii) that would raise a reasonable probability that the defendant would have been acquitted if the results of the evidence to be tested had been available prior to the defendant's guilty plea and the petitioner had proceeded to trial instead of pleading guilty, even though the results may not completely exonerate the defendant; and

(2) the testing requested employs a scientific method generally accepted within the relevant scientific community.

(d) If evidence previously tested pursuant to this Section reveals an unknown fingerprint from the crime scene that does not match the defendant or the victim, the order of the Court shall direct the prosecuting authority to request the Illinois State Police Bureau of Forensic Science to submit the unknown fingerprint evidence into the FBI's Integrated Automated Fingerprint Identification System (AIFIS) for identification.

(e) In the court's order to allow testing, the court shall order the investigating authority to prepare an inventory of the evidence related to the case and issue a copy of the inventory to the prosecution, the petitioner, and the court.

(f) When a motion is filed to vacate based on favorable post-conviction testing results, the State may, upon request, reactivate victim services for the victim of the crime during the pendency of the proceedings, and, as determined by the court after consultation with the victim or victim advocate, or both, following final adjudication of the case.

(Source: P.A. 95-688, eff. 10-23-07.)

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 foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Harmon, **Senate Bill No. 3007** having been printed, was taken up, read by title a second time.

Senate Committee Amendment No. 1 was held in the Committee on Assignments.

Senator Harmon offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 3007

AMENDMENT NO. 2. Amend Senate Bill 3007 by replacing everything after the enacting clause with the following:

"Section 5. The Code of Criminal Procedure of 1963 is amended by changing Section 109-3.1 as follows:

(725 ILCS 5/109-3.1) (from Ch. 38, par. 109-3.1)

Sec. 109-3.1. Persons Charged with Felonies. (a) In any case involving a person charged with a felony in this State, alleged to have been committed on or after January 1, 1984, the provisions of this Section shall apply.

(b) Every person in custody in this State for the alleged commission of a felony shall receive either a preliminary examination as provided in Section 109-3 or an indictment by Grand Jury as provided in Section 111-2, within 27 ~~30~~ days from the date he or she was taken into custody. Every person on bail or recognizance for the alleged commission of a felony shall receive either a preliminary examination as provided in Section 109-3 or an indictment by Grand Jury as provided in Section 111-2, within 60 days from the date he or she was arrested.

The provisions of this paragraph shall not apply in the following situations:

(1) when delay is occasioned by the defendant; or

(2) when the defendant has been indicted by the Grand Jury on the felony offense for which he or she was initially taken into custody or on an offense arising from the same transaction or conduct of the defendant that was the basis for the felony offense or offenses initially charged; or

(3) when a competency examination is ordered by the court; or

(4) when a competency hearing is held; or

(5) when an adjudication of incompetency for trial has been made; or

(6) when the case has been continued by the court under Section 114-4 of this Code after a determination that the defendant is physically incompetent to stand trial.

(c) Delay occasioned by the defendant shall temporarily suspend, for the time of the delay, the period within which the preliminary examination must be held. On the day of expiration of the delay the period in question shall continue at the point at which it was suspended.

(Source: P.A. 83-644.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Mulroe, **Senate Bill No. 3023** having been printed, was taken up, read by title a second time.

Senate Floor Amendment Nos. 1 and 2 were postponed in the Committee on Judiciary.

Senator Mulroe offered the following amendment and moved its adoption:

AMENDMENT NO. 3 TO SENATE BILL 3023

AMENDMENT NO. 3. Amend Senate Bill 3023 on page 3, by replacing lines 13 through 21 with the following:

"(d) An agreement to waive any right to enforce or claim any lien under this Act, or an agreement to subordinate the lien, where the agreement is in anticipation of and in consideration for the awarding of a contract or subcontract, either express or implied, to perform work or supply materials for an improvement upon real property is against public policy and unenforceable. This Section does not prohibit release of lien under subsection (b) of Section 35 of this Act, nor does it prohibit an agreement to subordinate a mechanics lien to a mortgage lien that secures a construction loan if that agreement is made after more than 50% of the loan has been disbursed to fund improvements to the property ~~or prohibit subordination of the lien, except as provided in Section 21~~."; and

on page 4, by replacing lines 19 through 26 with the following:

"(b) If the legal effect of a provision in any contract between the owner and contractor or contractor and subcontractor is that no lien or claim may be filed or maintained ~~by any one and the waiver is not prohibited by this Act~~, or that such contractor's lien shall be subordinated to the interests of any other party, and the provision is not prohibited by this Act, such provision shall be binding if made as part of an agreement not prohibited by this Act. ~~such provision shall be binding; but the only admissible evidence thereof as against a subcontractor or material supplier, shall be proof of actual notice thereof to him or her before his or her contract is entered into. Such subordination provision shall not be binding on the subcontractor unless set forth in its entirety in writing in the contract between the contractor and subcontractor or material supplier.~~"; and

on page 5, by deleting lines 1 through 5; and

on page 8, by inserting immediately below line 13 the following:

"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 foregoing Amendment No. 3 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Raoul, **Senate Bill No. 3038** having been printed, was taken up, read by title a second time.

Senate Floor Amendment No. 1 was held in the Committee on Labor and Commerce.

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

On motion of Senator Noland, **Senate Bill No. 3108** having been printed, was taken up, read by title a second time.

Senate Committee Amendment No. 1 was held in the Committee on Assignments.

The following amendment was offered in the Committee on Revenue, adopted and ordered printed:

AMENDMENT NO. 2 TO SENATE BILL 3108

AMENDMENT NO. _2_. Amend Senate Bill 3108 by replacing everything after the enacting clause with the following:

"Section 5. The Local Governmental and Governmental Employees Tort Immunity Act is amended by changing Section 1-101 as follows:

(745 ILCS 10/1-101) (from Ch. 85, par. 1-101)

Sec. 1-101. This Act shall be known and ~~and~~ may be cited as the "Local Governmental and Governmental Employees Tort Immunity Act".

(Source: Laws 1965, p. 2983.)".

Senate Floor Amendment No. 3 was postponed in the Committee on Revenue.

Senator Noland offered the following amendment and moved its adoption:

AMENDMENT NO. 4 TO SENATE BILL 3108

AMENDMENT NO. _4_. Amend Senate Bill 3108, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Local Governmental and Governmental Employees Tort Immunity Act is amended by changing Section 9-107 as follows:

(745 ILCS 10/9-107) (from Ch. 85, par. 9-107)

Sec. 9-107. Policy; tax levy.

(a) The General Assembly finds that the purpose of this Section is to provide an extraordinary tax for funding expenses relating to (i) tort liability, (ii) liability relating to actions brought under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or the Environmental Protection Act, but only until December 31, 2010, (iii) insurance, and (iv) risk management programs.

Thus, the tax has been excluded from various limitations otherwise applicable to tax levies. Notwithstanding the extraordinary nature of the tax authorized by this Section, however, it has become apparent that some units of local government are using the tax revenue to fund expenses more properly paid from general operating funds. These uses of the revenue are inconsistent with the limited purpose of the tax authorization.

Therefore, the General Assembly declares, as a matter of policy, that (i) the use of the tax revenue authorized by this Section for purposes not expressly authorized under this Act is improper and (ii) the provisions of this Section shall be strictly construed consistent with this declaration and the Act's express purposes.

(b) A local public entity may annually levy or have levied on its behalf taxes upon all taxable property within its territory at a rate that will produce a sum that will be sufficient to: (i) pay the cost of insurance, individual or joint self-insurance (including reserves thereon), including all operating and administrative costs and expenses directly associated therewith, claims services and risk management directly attributable to loss prevention and loss reduction, legal services directly attributable to the insurance, self-insurance, or joint self-insurance program, and educational, inspectional, and supervisory services directly relating to loss prevention and loss reduction, participation in a reciprocal insurer as provided in Sections 72, 76, and 81 of the Illinois Insurance Code, or participation in a reciprocal insurer, all as provided in settlements or judgments under Section 9-102, including all costs and reserves directly attributable to being a member of an insurance pool, under Section 9-103; (ii) pay the costs of and principal and interest on bonds issued under Section 9-105; (iii) pay judgments and settlements under Section 9-104 of this Act; (iv) discharge obligations under Section 34-18.1 of the School Code; (v) pay judgments and settlements under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 and the Environmental Protection Act, but only until December 31, 2010; (vi) pay the costs authorized by the Metro-East Sanitary District Act of 1974 as provided in subsection (a) of Section 5-1 of that Act (70 ILCS 2905/5-1); and (vii) pay the cost of risk management programs. Provided it complies with any other applicable statutory requirements, the local public entity may self-insure and establish reserves for expected losses for any property damage or for any liability or loss for which the local public entity is authorized to levy or have levied on its behalf taxes for the purchase of insurance or the payment of judgments or settlements under this Section. The decision of the board to establish a reserve shall be based on reasonable actuarial or insurance underwriting evidence and subject to the limits and reporting provisions in Section 9-103.

If a school district was a member of a joint-self-health-insurance cooperative that had more liability in outstanding claims than revenue to pay those claims, the school board of that district may by resolution make a one-time transfer from any fund in which tort immunity moneys are maintained to the fund or funds from which payments to a joint-self-health-insurance cooperative can be or have been made of an amount not to exceed the amount of the liability claim that the school district owes to the joint-self-health-insurance cooperative or that the school district paid within the 2 years immediately preceding the effective date of this amendatory Act of the 92nd General Assembly.

Funds raised pursuant to this Section shall only be used for the purposes specified in this Act, including protection against and reduction of any liability or loss described hereinabove and under Federal or State common or statutory law, the Workers' Compensation Act, the Workers' Occupational Diseases Act, and the Unemployment Insurance Act or, in fire protection districts subject to the Property Tax Extension Limitation Law, the installation of sprinklers. Funds raised pursuant to this Section may be invested in any manner in which other funds of local public entities may be invested under Section 2 of the Public Funds Investment Act. Interest on such funds shall be used only for purposes for which the funds can be used or, if surplus, must be used for abatement of property taxes levied by the local taxing entity.

A local public entity may enter into intergovernmental contracts with a term of not to exceed 12 years for the provision of joint self-insurance which contracts may include an obligation to pay a proportional share of a general obligation or revenue bond or other debt instrument issued by a local public entity which is a party to the intergovernmental contract and is authorized by the terms of the contract to issue the bond or other debt instrument. Funds due under such contracts shall not be considered debt under any constitutional or statutory limitation and the local public entity may levy or have levied on its behalf taxes to pay for its proportional share under the contract. Funds raised pursuant to intergovernmental contracts for the provision of joint self-insurance may only be used for the payment of any cost, liability or loss against which a local public entity may protect itself or self-insure pursuant to Section 9-103 or for the payment of which such entity may levy a tax pursuant to this Section, including tort judgments or settlements, costs associated with the issuance, retirement or refinancing of the bonds or other debt instruments, the repayment of the principal or interest of the bonds or other debt instruments, the costs of the administration of the joint self-insurance fund, consultant, and risk care management programs or the

costs of insurance. Any surplus returned to the local public entity under the terms of the intergovernmental contract shall be used only for purposes set forth in subsection (a) of Section 9-103 and Section 9-107 or for abatement of property taxes levied by the local taxing entity.

Any tax levied under this Section shall be levied and collected in like manner with the general taxes of the entity and shall be exclusive of and in addition to the amount of tax that entity is now or may hereafter be authorized to levy for general purposes under any statute which may limit the amount of tax which that entity may levy for general purposes. The county clerk of the county in which any part of the territory of the local taxing entity is located, in reducing tax levies under the provisions of any Act concerning the levy and extension of taxes, shall not consider any tax provided for by this Section as a part of the general tax levy for the purposes of the entity nor include such tax within any limitation of the percent of the assessed valuation upon which taxes are required to be extended for such entity.

With respect to taxes levied under this Section, either before, on, or after the effective date of this amendatory Act of 1994:

(1) Those taxes are excepted from and shall not be included within the rate limitation imposed by law on taxes levied for general corporate purposes by the local public entity authorized to levy a tax under this Section.

(2) Those taxes that a local public entity has levied in reliance on this Section and that are excepted under paragraph (1) from the rate limitation imposed by law on taxes levied for general corporate purposes by the local public entity are not invalid because of any provision of the law authorizing the local public entity's tax levy for general corporate purposes that may be construed or may have been construed to restrict or limit those taxes levied, and those taxes are hereby validated. This validation of taxes levied applies to all cases pending on or after the effective date of this amendatory Act of 1994.

(3) Paragraphs (1) and (2) do not apply to a hospital organized under Article 170 or 175 of the Township Code, under the Town Hospital Act, or under the Township Non-Sectarian Hospital Act and do not give any authority to levy taxes on behalf of such a hospital in excess of the rate limitation imposed by law on taxes levied for general corporate purposes. A hospital organized under Article 170 or 175 of the Township Code, under the Town Hospital Act, or under the Township Non-Sectarian Hospital Act is not prohibited from levying taxes in support of tort liability bonds if the taxes do not cause the hospital's aggregate tax rate from exceeding the rate limitation imposed by law on taxes levied for general corporate purposes.

Revenues derived from such tax shall be paid to the treasurer of the local taxing entity as collected and used for the purposes of this Section and of Section 9-102, 9-103, 9-104 or 9-105, as the case may be. If payments on account of such taxes are insufficient during any year to meet such purposes, the entity may issue tax anticipation warrants against the current tax levy in the manner provided by statute.
(Source: P.A. 95-244, eff. 8-17-07; 95-723, eff. 6-23-08.)

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 foregoing Amendments Numbered 2 and 4 were ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Raoul, **Senate Bill No. 3258** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Criminal Law, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 3258

AMENDMENT NO. 1. Amend Senate Bill 3258 by replacing everything after the enacting clause with the following:

"Section 5. The Correctional Budget and Impact Note Act is amended by changing Sections 2, 3, 6, 8, and 9 and by adding Section 4.4 as follows:

(25 ILCS 70/2) (from Ch. 63, par. 42.82)

Sec. 2. Budget impact note required.

(a) Every bill which creates a new criminal offense for which a sentence to the Department of Corrections may be imposed; or which enhances any class or category of offense to a higher grade or

penalty for which a sentence to the Department of Corrections is authorized; or which requires a mandatory commitment to the Department of Corrections; or which requires that a prisoner shall receive sentence credit other than one day of sentence credit for each day of his or her sentence of imprisonment or recommitment; or which increases the length of a term of mandatory supervised release, shall have prepared for it prior to second reading in the house of introduction a brief explanatory statement or note which shall include a reliable estimate of the probable impact of such bill upon the overall resident population of the Department of Corrections and the probable impact which such bill will have upon the Department's annual budget.

(b) Every bill that (i) creates a new criminal offense for which a commitment to the Department of Juvenile Justice or to a juvenile detention facility, sentence of probation, intermediate sanctions, or community service may be imposed or (ii) enhances any class or category of offense to any grade or penalty for which adjudication, commitment, or disposition by a circuit court to the custody of a Probation and Court Services Department may result shall have prepared for it prior to second reading in the house of introduction a brief explanatory statement or note that shall include a reliable estimate of the probable impact of the bill upon the Department of Juvenile Justice, as well as the overall probation caseload Statewide and the probable impact the bill will have on staffing needs and upon the annual budgets of the Illinois Supreme Court and the counties of this State.

(Source: P.A. 89-198, eff. 7-21-95.)

(25 ILCS 70/3) (from Ch. 63, par. 42.83)

Sec. 3. Preparation of note.

(a) Upon the filing ~~request of the sponsor~~ of any bill described in subsection (a) of Section 2, the Director of ~~the Department of~~ Corrections, or any person within the Department whom the Director may designate, shall prepare a written statement setting forth the information specified in subsection (a) of Section 2. Upon the filing ~~request of the sponsor~~ of any bill described in subsection (b) of Section 2, the Director of Juvenile Justice and the Director of the Administrative Office of the Illinois Courts, or any person each ~~the~~ Director may designate, shall prepare a written statement setting forth the information specified in subsection (b) of Section 2.

The statement prepared by the Director of Corrections, Director of Juvenile Justice, or Director of Administrative Office of the Illinois Courts, as the case may be, shall be designated a Correctional Budget and Impact Note and shall be filed with the Clerk of the House or the Secretary of the Senate, as appropriate, and furnished to the sponsor within 10 calendar days thereafter, except that whenever, because of the complexity of the bill, additional time is required for the preparation of the note, the Department of Corrections, Department of Juvenile Justice, or Administrative Office of the Illinois Courts may so notify the sponsor and request an extension of time not to exceed 5 additional days within which such note is to be furnished. ~~Such extension shall not extend beyond May 15 following the date of the request.~~

(b) Upon the filing of any bill requiring the preparation of a written statement under subsection (a), the sponsor of the bill in the house of introduction shall inform the Department of Corrections, the Department of Juvenile Justice, and the Administrative Office of the Illinois Courts of the filing of the bill.

(Source: P.A. 92-16, eff. 6-28-01.)

(25 ILCS 70/4.4 new)

Sec. 4.4. Preferred funding source. Within 5 days after receiving the statement required in Section 3 of this Act, the sponsor shall file with the Clerk of the House or the Secretary of the Senate, as appropriate, a written statement identifying the sponsor's preferred means of funding the costs to be incurred by the legislation. The required identification shall be made either by specifying (i) the additional tax or other revenue source from which an amount equal to the costs identified are to be generated or (ii) the specific line item or items in the budget for the current fiscal year that would be reduced or eliminated to reach an amount equal to the costs identified.

(25 ILCS 70/6) (from Ch. 63, par. 42.86)

Sec. 6. Preparation of note. No comment or opinion shall be included in the note with regard to the merits of the measure for which the note is prepared; however technical or mechanical defects may be noted.

The work sheet shall include, insofar as practicable, a breakdown of the costs upon which the note is based. Such breakdown shall include, but need not be limited to, costs of personnel, room and board, and capital outlay. The note shall also include such other information as is required by the rules and regulations which may be promulgated by each house of the General Assembly with respect to the preparation of such notes.

The note shall be prepared in quintuplicate and the original of both the note and the work sheet shall be signed by the Director of the Department of Corrections or such person as the Director may designate, by

the Director of Juvenile Justice, or such person as the Director may designate, or by the Director of the Administrative Office of the Illinois Courts, or any person the Director may designate.
(Source: P.A. 89-198, eff. 7-21-95.)

(25 ILCS 70/8) (from Ch. 63, par. 42.88)

Sec. 8. Amendments; notes required. Whenever any measure is amended on the floor of either house in such manner as to bring it within the description of bills set forth in Section 2 above, ~~a majority of such house may propose that~~ no action shall be taken upon the amendment until the sponsor of the amendment presents to the members a statement of the budget and population impact of his or her amendment, as required by this Act.
(Source: P.A. 83-1031.)

(25 ILCS 70/9) (from Ch. 63, par. 42.89)

Sec. 9. Confidentiality before introduction. The subject matter of bills submitted to the Director of ~~the Department of~~ Corrections , the Director of Juvenile Justice, or the Director of the Administrative Office of the Illinois Courts shall be kept in strict confidence and no information relating thereto or relating to the budget or impact thereof shall be divulged by an official or employee of the Department or the Administrative Office of the Illinois Courts, except to the bill's sponsor or his designee, prior to the bill's introduction in the General Assembly.
(Source: P.A. 92-16, eff. 6-28-01.)

(25 ILCS 70/4 rep.)

Section 10. The Correctional Budget and Impact Note Act is amended by repealing Section 4.

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

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Raoul, **Senate Bill No. 3287** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bertino-Tarrant, **Senate Bill No. 3313** having been printed, was taken up, read by title a second time.

Senate Committee Amendment No. 1 was held in the Committee on Assignments.

Senator Bertino-Tarrant offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 3313

AMENDMENT NO. 2 . Amend Senate Bill 3313 by replacing everything after the enacting clause with the following:

"Section 5. The Emergency Telephone System Act is amended by adding Section 15.8 as follows:

(50 ILCS 750/15.8 new)

Sec. 15.8. 9-1-1 dialing from a business.

(a) Any entity that installs or operates a private business switch service and provides telecommunications facilities or services to businesses shall ensure that all systems installed on or after the effective date of this amendatory Act of the 98th General Assembly are connected to the public switched network in a manner such that when a user dials "9-1-1", the emergency call connects to the 9-1-1 system without first dialing any number or set of numbers.

(b) The requirements of this Section do not apply to:

(1) any entity certified by the Illinois Commerce Commission to operate a Private Emergency Answering Point as defined in 83 Ill. Adm. Code 726.105; or

(2) correctional institutions and facilities as defined in subsection (d) of Section 3-1-2 of the Unified Code of Corrections.

(c) An entity that violates this Section is guilty of a business offense and shall be fined not less than $1,000 and not more than $5,000.

Section 99. Effective date. This Act takes effect July 1, 2015.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator McGuire, **Senate Bill No. 3109** having been printed, was taken up, read by title a second time.

Senate Floor Amendment No. 1 was held in the Committee on Licensed Activities and Pensions.

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

On motion of Senator E. Jones III, **Senate Bill No. 3137** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Hutchinson, **Senate Bill No. 3397** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Revenue, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 3397

AMENDMENT NO. 1. Amend Senate Bill 3397 by replacing everything after the enacting clause with the following:

"Section 5. The Retailers' Occupation Tax Act is amended by changing Section 14 as follows:

(35 ILCS 120/14) (from Ch. 120, par. 453)

Sec. 14. This Act shall be known as the ~~the~~ "Retailers' Occupation Tax Act" and the tax herein imposed shall be in addition to all other occupation or privilege taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.

(Source: Laws 1933, p. 924.)".

Senator Hutchinson offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 3397

AMENDMENT NO. 2. Amend Senate Bill 3397, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Use Tax Act is amended by changing Section 19 as follows:

(35 ILCS 105/19) (from Ch. 120, par. 439.19)

Sec. 19. If it shall appear that an amount of tax or penalty or interest has been paid in error hereunder to the Department by a purchaser, as distinguished from the retailer, whether such amount be paid through a mistake of fact or an error of law, such purchaser may file a claim for credit or refund with the Department in accordance with Sections 6, 6a, 6b, ~~and~~ 6c , and 6d of the Retailers' Occupation Tax Act. If it shall appear that an amount of tax or penalty or interest has been paid in error to the Department hereunder by a retailer who is required or authorized to collect and remit the use tax, whether such amount be paid through a mistake of fact or an error of law, such retailer may file a claim for credit or refund with the Department in accordance with Sections 6, 6a, 6b, ~~and~~ 6c , and 6d of the Retailers' Occupation Tax Act, provided that no credit or refund shall be allowed for any amount paid by any such retailer unless it shall appear that he bore the burden of such amount and did not shift the burden thereof to anyone else (as in the case of a duplicated tax payment which the retailer made to the Department and did not collect from anyone else), or unless it shall appear that he or she or his or her legal representative has unconditionally repaid such amount to his vendee (1) who bore the burden thereof and has not shifted such burden directly or indirectly in any manner whatsoever; (2) who, if he has shifted such burden, has repaid unconditionally such amount to his or her own vendee, and (3) who is not entitled to receive any reimbursement therefor from any other source than from his vendor, nor to be relieved of such burden in any other manner whatsoever. If it shall appear that an amount of tax has been paid in error hereunder by the purchaser to a retailer, who retained such tax as reimbursement for his or her tax liability on the same sale under the Retailers' Occupation Tax Act, and who remitted the amount involved to the Department under the Retailers' Occupation Tax Act, whether such amount be paid through a mistake of fact or an error of law, the procedure for recovering such tax shall be that prescribed in Sections 6, 6a, 6b and 6c of the Retailers' Occupation Tax Act.

Any credit or refund that is allowed under this Section shall bear interest at the rate and in the manner specified in the Uniform Penalty and Interest Act.

Any claim filed hereunder shall be filed upon a form prescribed and furnished by the Department. The claim shall be signed by the claimant (or by the claimant's legal representative if the claimant shall have died or become a person under legal disability), or by a duly authorized agent of the claimant or his or her legal representative.

A claim for credit or refund shall be considered to have been filed with the Department on the date upon which it is received by the Department. Upon receipt of any claim for credit or refund filed under this Act, any officer or employee of the Department, authorized in writing by the Director of Revenue to acknowledge receipt of such claims on behalf of the Department, shall execute on behalf of the Department, and shall deliver or mail to the claimant or his duly authorized agent, a written receipt, acknowledging that the claim has been filed with the Department, describing the claim in sufficient detail to identify it and stating the date upon which the claim was received by the Department. Such written receipt shall be prima facie evidence that the Department received the claim described in such receipt and shall be prima facie evidence of the date when such claim was received by the Department. In the absence of such a written receipt, the records of the Department as to when the claim was received by the Department, or as to whether or not the claim was received at all by the Department, shall be deemed to be prima facie correct upon these questions in the event of any dispute between the claimant (or his or her legal representative) and the Department concerning these questions.

In case the Department determines that the claimant is entitled to a refund, such refund shall be made only from such appropriation as may be available for that purpose. If it appears unlikely that the amount appropriated would permit everyone having a claim allowed during the period covered by such appropriation to elect to receive a cash refund, the Department, by rule or regulation, shall provide for the payment of refunds in hardship cases and shall define what types of cases qualify as hardship cases.

If a retailer who has failed to pay use tax on gross receipts from retail sales is required by the Department to pay such tax, such retailer, without filing any formal claim with the Department, shall be allowed to take credit against such use tax liability to the extent, if any, to which such retailer has paid an amount equivalent to retailers' occupation tax or has paid use tax in error to his or her vendor or vendors of the same tangible personal property which such retailer bought for resale and did not first use before selling it, and no penalty or interest shall be charged to such retailer on the amount of such credit. However, when such credit is allowed to the retailer by the Department, the vendor is precluded from refunding any of that tax to the retailer and filing a claim for credit or refund with respect thereto with the Department. The provisions of this amendatory Act shall be applied retroactively, regardless of the date of the transaction.
(Source: P.A. 90-562, eff. 12-16-97.)

Section 10. The Service Occupation Tax Act is amended by changing Section 12 as follows:
(35 ILCS 115/12) (from Ch. 120, par. 439.112)

Sec. 12. All of the provisions of Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-54, 2a, 2b, 2c, 3 (except as to the disposition by the Department of the tax collected under this Act), 4 (except that the time limitation provisions shall run from the date when the tax is due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 6d, 7, 8, 9, 10, 11 and 12 of the "Retailers' Occupation Tax Act" which are not inconsistent with this Act, and Section 3-7 of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.
(Source: P.A. 94-781, eff. 5-19-06; 94-1021, eff. 7-12-06; 95-331, eff. 8-21-07.)

Section 15. The Retailers' Occupation Tax Act is amended by adding Section 6d as follows:
(35 ILCS 120/6d new)

Sec. 6d. Deduction for uncollectible debt.

(a) A retailer is relieved from liability for any tax that becomes due and payable if the tax is represented by amounts that are found to be worthless or uncollectible, have been charged off in accordance with generally accepted accounting principles, and will be claimed as a deduction pursuant to Section 166 of the Internal Revenue Code. A retailer that has previously paid such a tax may, under rules and regulations adopted by the Department, take as a deduction the amount charged off by the retailer. If these accounts are thereafter, in whole or in part, collected by the retailer, the amount collected shall be included in the first return filed after the collection, and the tax shall be paid with the return.

(b) With respect to the payment of taxes on purchases made through a private-label credit card:

(1) If consumer accounts or receivables are found to be worthless or uncollectible, the retailer may claim a deduction on a return in an amount equal to, or may obtain a refund of, the tax remitted by the retailer on the unpaid balance due if:

(A) the accounts or receivables have been charged off as bad debt on the lender's books and records on or after January 1, 2015; and

(B) a deduction was not previously claimed and a refund was not previously allowed on that portion of the account or receivable.

(2) If the retailer or the lender subsequently collects, in whole or in part, the accounts or receivables for which a deduction or refund has been granted under paragraph (1), the retailer must include the taxable percentage of the amount collected in the first return filed after the collection and pay the tax on the portion of that amount for which a deduction or refund was granted.

(3) The deduction or refund allowed under this Section:

(A) does not apply to credit sale transaction amounts resulting from purchases of titled property;

(B) includes only those credit sale transaction amounts that represent purchases from the retailer whose name or logo appears on the private label credit card used to make those purchases; and

(C) includes all credit sale transaction amounts eligible under paragraph (B) that are outstanding with respect to the specific private-label credit card account or receivable at the time the account or receivable is charged off, regardless of the date the credit sale transaction actually occurred.

(4) The retailer and lender shall maintain adequate books, records, or other documentation supporting the charge-off of the accounts or receivables for which a deduction was taken or a refund was claimed under this Section. A retailer is not required to produce point of sale documents to support the deduction. If appropriate, in light of the volume and character of uncollectible accounts, a retailer claiming a deduction or refund under this subsection may provide alternative forms of documentation to support the claim. A retailer may calculate the amount of the deduction or refund using an apportionment method to substantiate the amount of tax imposed under this Act that is included in the bad debt to which the deduction or refund applies. A retailer using an apportionment method must use the retailer's Illinois and non-Illinois sales, the retailer's taxable and non-taxable sales, and the amount of tax the retailer remitted to this State. For purposes of computing the deduction or refund, payments on the accounts or receivables shall be prorated against the amounts outstanding on the account.

(c) For purposes of this Section:

(1) "Retailer" means a person who holds himself or herself out as being engaged (or who habitually engages) in selling tangible personal property at retail with respect to such sales and includes a retailer's affiliates or franchisees.

(2) "Lender" means a person, or an affiliate, assignee, or transferee of that person, who owns or has owned a private-label credit card account or an interest in a private-label credit card receivable that the person:

(A) purchased directly from a retailer who remitted the tax imposed under this Act;

(B) originated pursuant to that person's contract with the retailer who remitted the tax imposed under this Act; or

(C) acquired from a third party.

(3) "Private-label credit card" means a charge card or credit card that carries, refers to, or is branded with the name or logo of a retailer.

(4) "Affiliate" means an entity affiliated under Section 1504 of the Internal Revenue Code, or an entity that would be an affiliate under that Section had the entity been a corporation.

(d) This Section is exempt from the provisions of Section 2-70 of this Act, Section 3-90 of the Use Tax Act, Section 3-55 of the Service Use Tax Act, Section 3-55 of the Service Occupation Tax Act, and any other provision of law that provides that an exemption, credit, or deduction automatically sunsets after a specified period of time after the effective date of the Public Act creating the exemption, credit, or deduction.

Section 20. The Counties Code is amended by changing Sections 5-1006, 5-1006.5, and 5-1006.7 as follows:

(55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

Sec. 5-1006. Home Rule County Retailers' Occupation Tax Law. Any county that is a home rule unit may impose a tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from such sales made in the course of their business. If imposed, this tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on the sales of food for human consumption which is to be consumed off the premises

where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. The tax imposed by a home rule county pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule county pursuant to this Section unless the county also imposes a tax at the same rate pursuant to Section 5-1007.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the home rule county retailers' occupation tax fund.

The Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named counties, the counties to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such county, and not including any amount which the Department determines is necessary to offset any amounts which were payable to a different taxing body but were erroneously paid to the county, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the counties provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in March of each year to each county that received more than $500,000 in disbursements under the preceding paragraph in the preceding calendar year. The allocation shall be in an amount equal to the average monthly distribution made to each such county under the preceding paragraph during the preceding calendar year (excluding the 2 months of highest receipts). The distribution made in March of each year subsequent to the year in which an allocation was made pursuant to this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding

calendar year. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. Beginning April 1, 1998, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

When certifying the amount of a monthly disbursement to a county under this Section, the Department shall increase or decrease such amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

This Section shall be known and may be cited as the Home Rule County Retailers' Occupation Tax Law. (Source: P.A. 96-939, eff. 6-24-10.)

(55 ILCS 5/5-1006.5)

Sec. 5-1006.5. Special County Retailers' Occupation Tax For Public Safety, Public Facilities, or Transportation.

(a) The county board of any county may impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made in the course of business to provide revenue to be used exclusively for public safety, public facility, or transportation purposes in that county, if a proposition for the tax has been submitted to the electors of that county and approved by a majority of those voting on the question. If imposed, this tax shall be imposed only in one-quarter percent increments. By resolution, the county board may order the proposition to be submitted at any election. If the tax is imposed for transportation purposes for expenditures for public highways or as authorized under the Illinois Highway Code, the county board must publish notice of the existence of its long-range highway transportation plan as required or described in Section 5-301 of the Illinois Highway Code and must make the plan publicly available prior to approval of the ordinance or resolution imposing the tax. If the tax is imposed for transportation purposes for expenditures for passenger rail transportation, the county board must publish notice of the existence of its long-range passenger rail transportation plan and must make the plan publicly available prior to approval of the ordinance or resolution imposing the tax.

If a tax is imposed for public facilities purposes, then the name of the project may be included in the proposition at the discretion of the county board as determined in the enabling resolution. For example, the "XXX Nursing Home" or the "YYY Museum".

The county clerk shall certify the question to the proper election authority, who shall submit the proposition at an election in accordance with the general election law.

(1) The proposition for public safety purposes shall be in substantially the following form:

"To pay for public safety purposes, shall (name of county) be authorized to impose an

increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public safety purposes shall be in substantially the following form:

"To pay for public safety purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For the purposes of the paragraph, "public safety purposes" means crime prevention, detention, fire fighting, police, medical, ambulance, or other emergency services.

Votes shall be recorded as "Yes" or "No".

(2) The proposition for transportation purposes shall be in substantially the following form:

"To pay for improvements to roads and other transportation purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for transportation purposes shall be in substantially the following form:

"To pay for road improvements and other transportation purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For the purposes of this paragraph, transportation purposes means construction, maintenance, operation, and improvement of public highways, any other purpose for which a county may expend funds under the Illinois Highway Code, and passenger rail transportation.

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

(3) The proposition for public facilities purposes shall be in substantially the following form:

"To pay for public facilities purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public facilities purposes shall be in substantially the following form:

"To pay for public facilities purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For purposes of this Section, "public facilities purposes" means the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the public facilities, for use by the county for the furnishing of governmental services to its citizens, including but not limited to museums and nursing homes.

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

If a majority of the electors voting on the proposition vote in favor of it, the county may impose the tax. A county may not submit more than one proposition authorized by this Section to the electors at any one time.

This additional tax may not be imposed on the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food which has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. The tax imposed by a county under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Illinois Department of Revenue and deposited into a special fund created for that purpose. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section. The Department has full power to administer and enforce this Section, to collect all taxes and penalties due under this Section, to dispose of taxes and penalties so collected in the manner provided in this Section, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this Section. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a, 2b, 2c, 3 (except provisions relating to transaction returns and quarter monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as if those provisions were set forth in this Section.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their sellers' tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracketed schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Public Safety or Transportation Retailers' Occupation Tax Fund.

(b) If a tax has been imposed under subsection (a), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the county as an incident to a sale of service. This tax may not be imposed on sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this subsection; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the

same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the county), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the county), 9 (except as to the disposition of taxes and penalties collected), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the county), Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Public Safety or Transportation Retailers' Occupation Fund.

Nothing in this subsection shall be construed to authorize the county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(c) The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the County Public Safety or Transportation Retailers' Occupation Tax Fund, which shall be an unappropriated trust fund held outside of the State treasury.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the counties from which retailers have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each county, and deposited by the county into its special fund created for the purposes of this Section, shall be the amount (not including credit memoranda) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including (i) an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county, (ii) any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county, and (iii) any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the counties provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in March of each year to each county that received more than $500,000 in disbursements under the preceding paragraph in the preceding calendar year. The allocation shall be in an amount equal to the average monthly distribution made to each such county under the preceding paragraph during the preceding calendar year (excluding the 2 months of highest receipts). The distribution made in March of each year subsequent to the year in which an allocation was made pursuant to this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

A county may direct, by ordinance, that all or a portion of the taxes and penalties collected under the Special County Retailers' Occupation Tax For Public Safety or Transportation be deposited into the Transportation Development Partnership Trust Fund.

(d) For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or another mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(e) Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(e-5) If a county imposes a tax under this Section, the county board may, by ordinance, discontinue or lower the rate of the tax. If the county board lowers the tax rate or discontinues the tax, a referendum must be held in accordance with subsection (a) of this Section in order to increase the rate of the tax or to reimpose the discontinued tax.

(f) Beginning April 1, 1998 and through December 31, 2013, the results of any election authorizing a proposition to impose a tax under this Section or effecting a change in the rate of tax, or any ordinance lowering the rate or discontinuing the tax, shall be certified by the county clerk and filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax as of the first day of January next following the filing.

Beginning January 1, 2014, the results of any election authorizing a proposition to impose a tax under this Section or effecting an increase in the rate of tax, along with the ordinance adopted to impose the tax or increase the rate of the tax, or any ordinance adopted to lower the rate or discontinue the tax, shall be certified by the county clerk and filed with the Illinois Department of Revenue either (i) on or before the first day of May, whereupon the Department shall proceed to administer and enforce the tax as of the first day of July next following the adoption and filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax as of the first day of January next following the adoption and filing.

(g) When certifying the amount of a monthly disbursement to a county under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a miscalculation is discovered.

(h) This Section may be cited as the "Special County Occupation Tax For Public Safety, Public Facilities, or Transportation Law".

(i) For purposes of this Section, "public safety" includes, but is not limited to, crime prevention, detention, fire fighting, police, medical, ambulance, or other emergency services. The county may share tax proceeds received under this Section for public safety purposes, including proceeds received before August 4, 2009 (the effective date of Public Act 96-124), with any fire protection district located in the county. For the purposes of this Section, "transportation" includes, but is not limited to, the construction, maintenance, operation, and improvement of public highways, any other purpose for which a county may expend funds under the Illinois Highway Code, and passenger rail transportation. For the purposes of this Section, "public facilities purposes" includes, but is not limited to, the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the public facilities, for use by the county for the furnishing of governmental services to its citizens, including but not limited to museums and nursing homes.

(j) The Department may promulgate rules to implement Public Act 95-1002 only to the extent necessary to apply the existing rules for the Special County Retailers' Occupation Tax for Public Safety to this new purpose for public facilities.

(Source: P.A. 98-584, eff. 8-27-13.)

(55 ILCS 5/5-1006.7)

Sec. 5-1006.7. School facility occupation taxes.

(a) In any county, a tax shall be imposed upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made in the course of business to provide revenue to be used exclusively for school facility purposes if a proposition for the tax has been submitted to the electors of that county and approved by a majority of those voting on the question as provided in subsection (c). The tax under this Section shall be imposed only in one-quarter percent increments and may not exceed 1%.

This additional tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. The Department of Revenue has full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner provided in this subsection, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this subsection. The Department shall deposit all taxes and penalties collected under this subsection into a special fund created for that purpose.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) shall employ the same modes of procedure as are set forth in Sections 1 through 1o, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a through 2h, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act as if those provisions were set forth in this subsection.

The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act permits the retailer to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this subsection.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their seller's tax liability by separately stating that tax as an additional charge, which may be stated in combination, in a single amount, with State tax that sellers are required to collect under the Use Tax Act, pursuant to any bracketed schedules set forth by the Department.

(b) If a tax has been imposed under subsection (a), then a service occupation tax must also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the county as an incident to a sale of service.

This tax may not be imposed on sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department and deposited into a special fund created for that purpose. The Department has full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner provided in this subsection, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this subsection.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection shall (i) have the same rights, remedies, privileges, immunities, powers and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties and definition of terms, and (iii) employ the same modes of procedure as are set forth in Sections 2 (except that that reference to State in the definition of supplier maintaining a place of business in this State means the county), 2a through 2d, 3 through 3-50 (in respect to all provisions contained in those Sections other than the State rate of tax), 4 (except that the reference to the State shall be to the county), 5, 7, 8 (except that the jurisdiction to which the tax is a debt to the extent indicated in that Section 8 is the county), 9 (except as to the disposition of taxes and penalties collected), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State means the county), Section 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, pursuant to any bracketed schedules set forth by the Department.

(c) The tax under this Section may not be imposed until the question of imposing the tax has been submitted to the electors of the county at a regular election and approved by a majority of the electors voting on the question. For all regular elections held prior to the effective date of this amendatory Act of the 97th General Assembly, upon a resolution by the county board or a resolution by school district boards

that represent at least 51% of the student enrollment within the county, the county board must certify the question to the proper election authority in accordance with the Election Code.

For all regular elections held prior to the effective date of this amendatory Act of the 97th General Assembly, the election authority must submit the question in substantially the following form:

Shall (name of county) be authorized to impose a retailers' occupation tax and a service occupation tax (commonly referred to as a "sales tax") at a rate of (insert rate) to be used exclusively for school facility purposes?

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, then the county may, thereafter, impose the tax.

For all regular elections held on or after the effective date of this amendatory Act of the 97th General Assembly, the regional superintendent of schools for the county must, upon receipt of a resolution or resolutions of school district boards that represent more than 50% of the student enrollment within the county, certify the question to the proper election authority for submission to the electors of the county at the next regular election at which the question lawfully may be submitted to the electors, all in accordance with the Election Code.

For all regular elections held on or after the effective date of this amendatory Act of the 97th General Assembly, the election authority must submit the question in substantially the following form:

Shall a retailers' occupation tax and a service occupation tax (commonly referred to as a "sales tax") be imposed in (name of county) at a rate of (insert rate) to be used exclusively for school facility purposes?

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, then the tax shall be imposed at the rate set forth in the question.

For the purposes of this subsection (c), "enrollment" means the head count of the students residing in the county on the last school day of September of each year, which must be reported on the Illinois State Board of Education Public School Fall Enrollment/Housing Report.

(d) The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the School Facility Occupation Tax Fund, which shall be an unappropriated trust fund held outside the State treasury.

On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the regional superintendents of schools in counties from which retailers or servicemen have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each regional superintendent of schools and disbursed to him or her in accordance with Section 3-14.31 of the School Code, is equal to the amount (not including credit memoranda) collected from the county under this Section during the second preceding calendar month by the Department, (i) less 2% of that amount, which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this Section, on behalf of the county, (ii) plus an amount that the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body; (iii) less an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; and (iv) less any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county. When certifying the amount of a monthly disbursement to a regional superintendent of schools under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements within the previous 6 months from the time a miscalculation is discovered.

Within 10 days after receipt by the Comptroller from the Department of the disbursement certification to the regional superintendents of the schools provided for in this Section, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

If the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, then the Department shall notify the Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the Treasurer out of the School Facility Occupation Tax Fund.

(e) For the purposes of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or another mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This subsection does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(f) Nothing in this Section may be construed to authorize a tax to be imposed upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(g) If a county board imposes a tax under this Section pursuant to a referendum held before the effective date of this amendatory Act of the 97th General Assembly at a rate below the rate set forth in the question approved by a majority of electors of that county voting on the question as provided in subsection (c), then the county board may, by ordinance, increase the rate of the tax up to the rate set forth in the question approved by a majority of electors of that county voting on the question as provided in subsection (c). If a county board imposes a tax under this Section pursuant to a referendum held before the effective date of this amendatory Act of the 97th General Assembly, then the board may, by ordinance, discontinue or reduce the rate of the tax. If a tax is imposed under this Section pursuant to a referendum held on or after the effective date of this amendatory Act of the 97th General Assembly, then the county board may reduce or discontinue the tax, but only in accordance with subsection (h-5) of this Section. If, however, a school board issues bonds that are secured by the proceeds of the tax under this Section, then the county board may not reduce the tax rate or discontinue the tax if that rate reduction or discontinuance would adversely affect the school board's ability to pay the principal and interest on those bonds as they become due or necessitate the extension of additional property taxes to pay the principal and interest on those bonds. If the county board reduces the tax rate or discontinues the tax, then a referendum must be held in accordance with subsection (c) of this Section in order to increase the rate of the tax or to reimpose the discontinued tax.

Until January 1, 2014, the results of any election that imposes, reduces, or discontinues a tax under this Section must be certified by the election authority, and any ordinance that increases or lowers the rate or discontinues the tax must be certified by the county clerk and, in each case, filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

Beginning January 1, 2014, the results of any election that imposes, reduces, or discontinues a tax under this Section must be certified by the election authority, and any ordinance that increases or lowers the rate or discontinues the tax must be certified by the county clerk and, in each case, filed with the Illinois Department of Revenue either (i) on or before the first day of May, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

(h) For purposes of this Section, "school facility purposes" means (i) the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the capital facilities and (ii) the payment of bonds or other obligations heretofore or hereafter issued, including bonds or other obligations heretofore or hereafter issued to refund or to continue to refund bonds or other obligations issued, for school facility purposes, provided that the taxes levied to pay those bonds are abated by the amount of the taxes imposed under this Section that are used to pay those bonds. "School-facility purposes" also includes fire prevention, safety, energy conservation, disabled accessibility, school security, and specified repair purposes set forth under Section 17-2.11 of the School Code.

(h-5) A county board in a county where a tax has been imposed under this Section pursuant to a referendum held on or after the effective date of this amendatory Act of the 97th General Assembly may, by ordinance or resolution, submit to the voters of the county the question of reducing or discontinuing the tax. In the ordinance or resolution, the county board shall certify the question to the proper election authority in accordance with the Election Code. The election authority must submit the question in substantially the following form:

> Shall the school facility retailers' occupation tax and service occupation tax (commonly referred to as the "school facility sales tax") currently imposed in (name of county) at a rate of (insert rate) be (reduced to (insert rate))(discontinued)?

If a majority of the electors voting on the question vote in the affirmative, then, subject to the provisions of subsection (g) of this Section, the tax shall be reduced or discontinued as set forth in the question.

(i) This Section does not apply to Cook County.

(j) This Section may be cited as the County School Facility Occupation Tax Law.

(Source: P.A. 97-542, eff. 8-23-11; 97-813, eff. 7-13-12; 98-584, eff. 8-27-13.)

Section 25. The Illinois Municipal Code is amended by changing Sections 8-11-1, 8-11-1.3, and 8-11-1.6 as follows:

(65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax Act. The corporate authorities of a home rule municipality may impose a tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the municipality on the gross receipts from these sales made in the course of such business. If imposed, the tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. The tax imposed by a home rule municipality under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the State Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule municipality under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-5 of this Act.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the home rule municipal retailers' occupation tax fund.

The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities

provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

In addition to the disbursement required by the preceding paragraph and in order to mitigate delays caused by distribution procedures, an allocation shall, if requested, be made within 10 days after January 14, 1991, and in November of 1991 and each year thereafter, to each municipality that received more than $500,000 during the preceding fiscal year, (July 1 through June 30) whether collected by the municipality or disbursed by the Department as required by this Section. Within 10 days after January 14, 1991, participating municipalities shall notify the Department in writing of their intent to participate. In addition, for the initial distribution, participating municipalities shall certify to the Department the amounts collected by the municipality for each month under its home rule occupation and service occupation tax during the period July 1, 1989 through June 30, 1990. The allocation within 10 days after January 14, 1991, shall be in an amount equal to the monthly average of these amounts, excluding the 2 months of highest receipts. The monthly average for the period of July 1, 1990 through June 30, 1991 will be determined as follows: the amounts collected by the municipality under its home rule occupation and service occupation tax during the period of July 1, 1990 through September 30, 1990, plus amounts collected by the Department and paid to such municipality through June 30, 1991, excluding the 2 months of highest receipts. The monthly average for each subsequent period of July 1 through June 30 shall be an amount equal to the monthly distribution made to each such municipality under the preceding paragraph during this period, excluding the 2 months of highest receipts. The distribution made in November 1991 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding period of July 1 through June 30. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following the adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing. However, a municipality located in a county with a population in excess of 3,000,000 that elected to become a home rule unit at the general primary election in 1994 may adopt an ordinance or resolution imposing the tax under this Section and file a certified copy of the ordinance or resolution with the Department on or before July 1, 1994. The Department shall then proceed to administer and enforce this Section as of October 1, 1994. Beginning April 1, 1998, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Any unobligated balance remaining in the Municipal Retailers' Occupation Tax Fund on December 31, 1989, which fund was abolished by Public Act 85-1135, and all receipts of municipal tax as a result of audits of liability periods prior to January 1, 1990, shall be paid into the Local Government Tax Fund for distribution as provided by this Section prior to the enactment of Public Act 85-1135. All receipts of municipal tax as a result of an assessment not arising from an audit, for liability periods prior to January 1, 1990, shall be paid into the Local Government Tax Fund for distribution before July 1, 1990, as provided by this Section prior to the enactment of Public Act 85-1135; and on and after July 1, 1990, all such receipts shall be distributed as provided in Section 6z-18 of the State Finance Act.

As used in this Section, "municipal" and "municipality" means a city, village or incorporated town, including an incorporated town that has superseded a civil township.

This Section shall be known and may be cited as the Home Rule Municipal Retailers' Occupation Tax Act.

(Source: P.A. 96-939, eff. 6-24-10.)

(65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

Sec. 8-11-1.3. Non-Home Rule Municipal Retailers' Occupation Tax Act. The corporate authorities of a non-home rule municipality may impose a tax upon all persons engaged in the business of selling tangible personal property, other than on an item of tangible personal property which is titled and registered by an agency of this State's Government, at retail in the municipality for expenditure on public infrastructure or for property tax relief or both as defined in Section 8-11-1.2 if approved by referendum as provided in Section 8-11-1.1, of the gross receipts from such sales made in the course of such business. If the tax is approved by referendum on or after July 14, 2010 (the effective date of Public Act 96-1057), the corporate authorities of a non-home rule municipality may, until December 31, 2020, use the proceeds of the tax for expenditure on municipal operations, in addition to or in lieu of any expenditure on public infrastructure or for property tax relief. The tax imposed may not be more than 1% and may be imposed only in 1/4% increments. The tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit such retailer to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth herein.

No municipality may impose a tax under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.4 of this Code.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the non-home rule municipal retailers' occupation tax fund.

The Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to

the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts which were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amount which the Department determines is necessary to offset any amounts which were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities, provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale, by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease such amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

The Department of Revenue shall implement this amendatory Act of the 91st General Assembly so as to collect the tax on and after January 1, 2002.

As used in this Section, "municipal" and "municipality" means a city, village or incorporated town, including an incorporated town which has superseded a civil township.

This Section shall be known and may be cited as the "Non-Home Rule Municipal Retailers' Occupation Tax Act".

(Source: P.A. 96-939, eff. 6-24-10; 96-1057, eff. 7-14-10; 97-333, eff. 8-12-11; 97-837, eff. 7-20-12.)

(65 ILCS 5/8-11-1.6)

Sec. 8-11-1.6. Non-home rule municipal retailers occupation tax; municipalities between 20,000 and 25,000. The corporate authorities of a non-home rule municipality with a population of more than 20,000 but less than 25,000 that has, prior to January 1, 1987, established a Redevelopment Project Area that has been certified as a State Sales Tax Boundary and has issued bonds or otherwise incurred indebtedness to pay for costs in excess of $5,000,000, which is secured in part by a tax increment allocation fund, in accordance with the provisions of Division 11-74.4 of this Code may, by passage of an ordinance, impose a tax upon all persons engaged in the business of selling tangible personal property, other than on an item of tangible personal property that is titled and registered by an agency of this State's Government, at retail in the municipality. This tax may not be imposed on the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics. If imposed, the tax shall only be imposed in .25% increments of the gross receipts from such sales made in the course of business. Any tax imposed by a municipality under this Sec. and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. An ordinance imposing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted under this Section without registering separately with the Department under the

ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section, to collect all taxes and penalties due hereunder, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth herein.

A tax may not be imposed by a municipality under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.7 of this Act.

Persons subject to any tax imposed under the authority granted in this Section, may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant, instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Non-Home Rule Municipal Retailers' Occupation Tax Fund, which is hereby created.

The Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

As used in this Section, "municipal" and "municipality" means a city, village, or incorporated town, including an incorporated town that has superseded a civil township.

(Source: P.A. 96-939, eff. 6-24-10.)

Section 30. The Flood Prevention District Act is amended by changing Section 25 as follows:
(70 ILCS 750/25)

Sec. 25. Flood prevention retailers' and service occupation taxes.

(a) If the Board of Commissioners of a flood prevention district determines that an emergency situation exists regarding levee repair or flood prevention, and upon an ordinance confirming the determination adopted by the affirmative vote of a majority of the members of the county board of the county in which the district is situated, the county may impose a flood prevention retailers' occupation tax upon all persons engaged in the business of selling tangible personal property at retail within the territory of the district to provide revenue to pay the costs of providing emergency levee repair and flood prevention and to secure the payment of bonds, notes, and other evidences of indebtedness issued under this Act for a period not to exceed 25 years or as required to repay the bonds, notes, and other evidences of indebtedness issued under this Act. The tax rate shall be 0.25% of the gross receipts from all taxable sales made in the course of that business. The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) shall employ the same modes of procedure as are set forth in Sections 1 through 1o, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a through 2h, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under this Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination in a single amount with State taxes that sellers are required to collect under the Use Tax Act, under any bracket schedules the Department may prescribe.

If a tax is imposed under this subsection (a), a tax shall also be imposed under subsection (b) of this Section.

(b) If a tax has been imposed under subsection (a), a flood prevention service occupation tax shall also be imposed upon all persons engaged within the territory of the district in the business of making sales of service, who, as an incident to making the sales of service, transfer tangible personal property, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service to provide revenue to pay the costs of providing emergency levee repair and flood prevention and to secure the payment of bonds, notes, and other evidences of indebtedness issued under this Act for a period not to exceed 25 years or as required to repay the bonds, notes, and other evidences of indebtedness. The tax rate shall be 0.25% of the selling price of all tangible personal property transferred.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this subsection; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) employ the same modes of procedure as are set forth in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State means the district), 2a through 2d, 3 through 3-50 (in respect to all provisions contained in those Sections other than the State rate of tax), 4 (except that the reference to the State shall be to the district), 5, 7, 8 (except that the jurisdiction to which the tax is a debt to the extent indicated in that Section 8 is the district), 9 (except as to the disposition of taxes and penalties collected), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State means the district), Section 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, that charge may be stated in combination in a single amount with State tax that servicemen are authorized to collect under the Service Use Tax Act, under any bracket schedules the Department may prescribe.

(c) The taxes imposed in subsections (a) and (b) may not be imposed on personal property titled or registered with an agency of the State; food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption); prescription and non-prescription medicines, drugs, and medical appliances; modifications to a motor vehicle for the purpose of rendering it usable by a disabled person; or insulin, urine testing materials, and syringes and needles used by diabetics.

(d) Nothing in this Section shall be construed to authorize the district to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(e) The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act or a serviceman under the Service Occupation Tax Act permits the retailer or serviceman to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section.

(f) The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the Flood Prevention Occupation Tax Fund, which shall be an unappropriated trust fund held outside the State treasury.

On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the counties from which retailers or servicemen have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each county is equal to the amount (not including credit memoranda) collected from the county under this Section during the second preceding calendar month by the Department, (i) less 2% of that amount, which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department in administering and enforcing the provisions of this Section on behalf of the county, (ii) plus an amount that the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body; (iii) less an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; and (iv) less any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county. When certifying the amount of a monthly disbursement to a county under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements within the previous 6 months from the time a miscalculation is discovered.

Within 10 days after receipt by the Comptroller from the Department of the disbursement certification to the counties provided for in this Section, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

If the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, then the Department shall notify the Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the Treasurer out of the Flood Prevention Occupation Tax Fund.

(g) If a county imposes a tax under this Section, then the county board shall, by ordinance, discontinue the tax upon the payment of all indebtedness of the flood prevention district. The tax shall not be discontinued until all indebtedness of the District has been paid.

(h) Any ordinance imposing the tax under this Section, or any ordinance that discontinues the tax, must be certified by the county clerk and filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

(j) County Flood Prevention Occupation Tax Fund. All proceeds received by a county from a tax distribution under this Section must be maintained in a special fund known as the [name of county] flood prevention occupation tax fund. The county shall, at the direction of the flood prevention district, use moneys in the fund to pay the costs of providing emergency levee repair and flood prevention and to pay bonds, notes, and other evidences of indebtedness issued under this Act.

(k) This Section may be cited as the Flood Prevention Occupation Tax Law.

(Source: P.A. 96-939, eff. 6-24-10; 97-188, eff. 7-22-11.)

Section 35. The Metro-East Park and Recreation District Act is amended by changing Section 30 as follows:

(70 ILCS 1605/30)

Sec. 30. Taxes.

(a) The board shall impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the District on the gross receipts from the sales made in the course of business. This tax shall be imposed only at the rate of one-tenth of one per cent.

This additional tax may not be imposed on the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food which has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics. The tax imposed by the Board under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section. The Department has full power to administer and enforce this Section, to collect all taxes and penalties due under this Section, to dispose of taxes and penalties so collected in the manner provided in this Section, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this Section. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions contained in those Sections other than the State rate of tax), 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions relating to transaction returns and quarter monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and the Uniform Penalty and Interest Act as if those provisions were set forth in this Section.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their sellers' tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracketed schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the State Metro-East Park and Recreation District Fund.

(b) If a tax has been imposed under subsection (a), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the District, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the District as an incident to a sale of service. This tax may not be imposed on sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics. The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this subsection; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the District), 2a, 2b, 2c, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the District), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the District), 9 (except as to the disposition of taxes and penalties collected), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13

(except that any reference to the State shall mean the District), Sections 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the State Metro-East Park and Recreation District Fund.

Nothing in this subsection shall be construed to authorize the board to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(c) The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the State Metro-East Park and Recreation District Fund, which shall be an unappropriated trust fund held outside of the State treasury.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district. The Department shall make this certification only if the Metro East Park and Recreation District imposes a tax on real property as provided in the definition of "local sales taxes" under the Innovation Development and Economy Act.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money pursuant to Section 35 of this Act to the District from which retailers have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to the District shall be the amount (not including credit memoranda) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including (i) an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the District, (ii) any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the District, and (iii) any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the District provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

(d) For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale by a producer of coal or another mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(e) Nothing in this Section shall be construed to authorize the board to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(f) An ordinance imposing a tax under this Section or an ordinance extending the imposition of a tax to an additional county or counties shall be certified by the board and filed with the Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax as of the first day of January next following the filing.

(g) When certifying the amount of a monthly disbursement to the District under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

(Source: P.A. 96-939, eff. 6-24-10.)

Section 40. The Local Mass Transit District Act is amended by changing Section 5.01 as follows:
(70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

Sec. 5.01. Metro East Mass Transit District; use and occupation taxes.

(a) The Board of Trustees of any Metro East Mass Transit District may, by ordinance adopted with the concurrence of two-thirds of the then trustees, impose throughout the District any or all of the taxes and fees provided in this Section. All taxes and fees imposed under this Section shall be used only for public mass transportation systems, and the amount used to provide mass transit service to unserved areas of the District shall be in the same proportion to the total proceeds as the number of persons residing in the unserved areas is to the total population of the District. Except as otherwise provided in this Act, taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes.

(b) The Board may impose a Metro East Mass Transit District Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the district at a rate of 1/4 of 1%, or as authorized under subsection (d-5) of this Section, of the gross receipts from the sales made in the course of such business within the district. The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Metro East Mass Transit District tax fund established under paragraph (h) of this Section.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsections (c) and (d) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale, by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this Section shall be construed to authorize the Metro East Mass Transit District to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(c) If a tax has been imposed under subsection (b), a Metro East Mass Transit District Service Occupation Tax shall also be imposed upon all persons engaged, in the district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the District, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax rate shall be 1/4%, or as authorized under subsection (d-5) of this Section, of the selling price of tangible personal property so transferred within the district. The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and

penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure as are prescribed in Sections 1a-1, 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the Authority), 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the Authority), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the District), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the District), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Metro East Mass Transit District tax fund established under paragraph (h) of this Section.

Nothing in this paragraph shall be construed to authorize the District to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(d) If a tax has been imposed under subsection (b), a Metro East Mass Transit District Use Tax shall also be imposed upon the privilege of using, in the district, any item of tangible personal property that is purchased outside the district at retail from a retailer, and that is titled or registered with an agency of this State's government, at a rate of 1/4%, or as authorized under subsection (d-5) of this Section, of the selling price of the tangible personal property within the District, as "selling price" is defined in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the District. The tax shall be collected by the Department of Revenue for the Metro East Mass Transit District. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department shall have full power to administer and enforce this paragraph; to collect all taxes, penalties and interest due hereunder; to dispose of taxes, penalties and interest so collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty or interest hereunder. In the administration of, and compliance with, this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3 through 3-80 (except provisions pertaining to the State rate of tax, and except provisions concerning collection or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions pertaining to claims by retailers and except the last paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, that are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Metro East Mass Transit District tax fund established under paragraph (h) of this Section.

(d-5) (A) The county board of any county participating in the Metro East Mass Transit District may authorize, by ordinance, a referendum on the question of whether the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax for the District should be increased from 0.25% to 0.75%. Upon adopting the ordinance, the county board shall certify the proposition to the proper election officials who shall submit the proposition to the voters of the District at the next election, in accordance with the general election law.

The proposition shall be in substantially the following form:

Shall the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax,
the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax be increased from 0.25% to 0.75%?

(B) Two thousand five hundred electors of any Metro East Mass Transit District may petition the Chief Judge of the Circuit Court, or any judge of that Circuit designated by the Chief Judge, in which that District is located to cause to be submitted to a vote of the electors the question whether the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax for the District should be increased from 0.25% to 0.75%.

Upon submission of such petition the court shall set a date not less than 10 nor more than 30 days thereafter for a hearing on the sufficiency thereof. Notice of the filing of such petition and of such date shall be given in writing to the District and the County Clerk at least 7 days before the date of such hearing.

If such petition is found sufficient, the court shall enter an order to submit that proposition at the next election, in accordance with general election law.

The form of the petition shall be in substantially the following form: To the Circuit Court of the County of (name of county):

We, the undersigned electors of the (name of transit district), respectfully petition
your honor to submit to a vote of the electors of (name of transit district) the following proposition:
Shall the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax,
the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax be increased from 0.25% to 0.75%?

Name	Address, with Street and Number.
.....	.....
.....	.....

(C) The votes shall be recorded as "YES" or "NO". If a majority of all votes cast on the proposition are for the increase in the tax rates, the Metro East Mass Transit District shall begin imposing the increased rates in the District, and the Department of Revenue shall begin collecting the increased amounts, as provided under this Section. An ordinance imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing, or on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing.

(D) If the voters have approved a referendum under this subsection, before November 1, 1994, to increase the tax rate under this subsection, the Metro East Mass Transit District Board of Trustees may adopt by a majority vote an ordinance at any time before January 1, 1995 that excludes from the rate increase tangible personal property that is titled or registered with an agency of this State's government. The ordinance excluding titled or registered tangible personal property from the rate increase must be filed with the Department at least 15 days before its effective date. At any time after adopting an ordinance excluding from the rate increase tangible personal property that is titled or registered with an agency of this State's government, the Metro East Mass Transit District Board of Trustees may adopt an ordinance applying the rate increase to that tangible personal property. The ordinance shall be adopted, and a certified copy of that ordinance shall be filed with the Department, on or before October 1, whereupon the Department shall proceed to administer and enforce the rate increase against tangible personal property titled or registered with an agency of this State's government as of the following January 1. After December 31, 1995, any reimposed rate increase in effect under this subsection shall no longer apply to tangible personal property titled or registered with an agency of this State's government. Beginning January 1, 1996, the Board of Trustees of any Metro East Mass Transit District may never reimpose a previously excluded tax rate increase on tangible personal property titled or registered with an agency of this State's government. After July 1, 2004, if the voters have approved a referendum under this subsection to increase the tax rate under this subsection, the Metro East Mass Transit District Board of Trustees may adopt by a

majority vote an ordinance that excludes from the rate increase tangible personal property that is titled or registered with an agency of this State's government. The ordinance excluding titled or registered tangible personal property from the rate increase shall be adopted, and a certified copy of that ordinance shall be filed with the Department on or before October 1, whereupon the Department shall administer and enforce this exclusion from the rate increase as of the following January 1, or on or before April 1, whereupon the Department shall administer and enforce this exclusion from the rate increase as of the following July 1. The Board of Trustees of any Metro East Mass Transit District may never reimpose a previously excluded tax rate increase on tangible personal property titled or registered with an agency of this State's government.

(d-6) If the Board of Trustees of any Metro East Mass Transit District has imposed a rate increase under subsection (d-5) and filed an ordinance with the Department of Revenue excluding titled property from the higher rate, then that Board may, by ordinance adopted with the concurrence of two-thirds of the then trustees, impose throughout the District a fee. The fee on the excluded property shall not exceed $20 per retail transaction or an amount equal to the amount of tax excluded, whichever is less, on tangible personal property that is titled or registered with an agency of this State's government. Beginning July 1, 2004, the fee shall apply only to titled property that is subject to either the Metro East Mass Transit District Retailers' Occupation Tax or the Metro East Mass Transit District Service Occupation Tax. No fee shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

(d-7) Until June 30, 2004, if a fee has been imposed under subsection (d-6), a fee shall also be imposed upon the privilege of using, in the district, any item of tangible personal property that is titled or registered with any agency of this State's government, in an amount equal to the amount of the fee imposed under subsection (d-6).

(d-7.1) Beginning July 1, 2004, any fee imposed by the Board of Trustees of any Metro East Mass Transit District under subsection (d-6) and all civil penalties that may be assessed as an incident of the fees shall be collected and enforced by the State Department of Revenue. Reference to "taxes" in this Section shall be construed to apply to the administration, payment, and remittance of all fees under this Section. For purposes of any fee imposed under subsection (d-6), 4% of the fee, penalty, and interest received by the Department in the first 12 months that the fee is collected and enforced by the Department and 2% of the fee, penalty, and interest following the first 12 months shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department. No retailers' discount shall apply to any fee imposed under subsection (d-6).

(d-8) No item of titled property shall be subject to both the higher rate approved by referendum, as authorized under subsection (d-5), and any fee imposed under subsection (d-6) or (d-7).

(d-9) (Blank).

(d-10) (Blank).

(e) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (c) or (d) of this Section and no additional registration shall be required under the tax. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(f) (Blank).

(g) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the Metro East Mass Transit District as of September 1 next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, except as provided in subsection (d-5) of this Section, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing, or, beginning January 1, 2004, on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing.

(h) Except as provided in subsection (d-7.1), the State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the District. The taxes shall be held in a trust fund outside the State Treasury.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district. The Department shall make this certification only if the local mass transit district imposes a tax on real property as provided in the definition of "local sales taxes" under the Innovation Development and Economy Act.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the District, which shall be the amount (not including credit memoranda) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including any amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the District, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the District, and less any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the District, the Comptroller shall cause an order to be drawn for payment for the amount in accordance with the direction in the certification.

(Source: P.A. 98-298, eff. 8-9-13.)

Section 45. The Regional Transportation Authority Act is amended by changing Section 4.03 as follows:

(70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

Sec. 4.03. Taxes.

(a) In order to carry out any of the powers or purposes of the Authority, the Board may by ordinance adopted with the concurrence of 12 of the then Directors, impose throughout the metropolitan region any or all of the taxes provided in this Section. Except as otherwise provided in this Act, taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes. Nothing in this amendatory Act of the 95th General Assembly is intended to invalidate any taxes currently imposed by the Authority. The increased vote requirements to impose a tax shall only apply to actions taken after the effective date of this amendatory Act of the 95th General Assembly.

(b) The Board may impose a public transportation tax upon all persons engaged in the metropolitan region in the business of selling at retail motor fuel for operation of motor vehicles upon public highways. The tax shall be at a rate not to exceed 5% of the gross receipts from the sales of motor fuel in the course of the business. As used in this Act, the term "motor fuel" shall have the same meaning as in the Motor Fuel Tax Law. The Board may provide for details of the tax. The provisions of any tax shall conform, as closely as may be practicable, to the provisions of the Municipal Retailers Occupation Tax Act, including without limitation, conformity to penalties with respect to the tax imposed and as to the powers of the State Department of Revenue to promulgate and enforce rules and regulations relating to the administration and enforcement of the provisions of the tax imposed, except that reference in the Act to any municipality shall refer to the Authority and the tax shall be imposed only with regard to receipts from sales of motor fuel in the metropolitan region, at rates as limited by this Section.

(c) In connection with the tax imposed under paragraph (b) of this Section the Board may impose a tax upon the privilege of using in the metropolitan region motor fuel for the operation of a motor vehicle upon public highways, the tax to be at a rate not in excess of the rate of tax imposed under paragraph (b) of this Section. The Board may provide for details of the tax.

(d) The Board may impose a motor vehicle parking tax upon the privilege of parking motor vehicles at off-street parking facilities in the metropolitan region at which a fee is charged, and may provide for reasonable classifications in and exemptions to the tax, for administration and enforcement thereof and for civil penalties and refunds thereunder and may provide criminal penalties thereunder, the maximum penalties not to exceed the maximum criminal penalties provided in the Retailers' Occupation Tax Act. The Authority may collect and enforce the tax itself or by contract with any unit of local government. The State Department of Revenue shall have no responsibility for the collection and enforcement unless the Department agrees with the Authority to undertake the collection and enforcement. As used in this

paragraph, the term "parking facility" means a parking area or structure having parking spaces for more than 2 vehicles at which motor vehicles are permitted to park in return for an hourly, daily, or other periodic fee, whether publicly or privately owned, but does not include parking spaces on a public street, the use of which is regulated by parking meters.

(e) The Board may impose a Regional Transportation Authority Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the metropolitan region. In Cook County the tax rate shall be 1.25% of the gross receipts from sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics, and 1% of the gross receipts from other taxable sales made in the course of that business. In DuPage, Kane, Lake, McHenry, and Will Counties, the tax rate shall be 0.75% of the gross receipts from all taxable sales made in the course of that business. The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination in a single amount with State taxes that sellers are required to collect under the Use Tax Act, under any bracket schedules the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

If a tax is imposed under this subsection (e), a tax shall also be imposed under subsections (f) and (g) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this Section shall be construed to authorize the Regional Transportation Authority to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(f) If a tax has been imposed under paragraph (e), a Regional Transportation Authority Service Occupation Tax shall also be imposed upon all persons engaged, in the metropolitan region in the business of making sales of service, who as an incident to making the sales of service, transfer tangible personal property within the metropolitan region, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. In Cook County, the tax rate shall be: (1) 1.25% of the serviceman's cost price of food prepared for immediate consumption and transferred incident to a sale of service subject to the service occupation tax by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Specialized Mental Health Rehabilitation Act of 2013, or the ID/DD Community Care Act that is located in the metropolitan region; (2) 1.25% of the selling price of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics; and (3) 1% of the selling price from other taxable sales of tangible personal

property transferred. In DuPage, Kane, Lake, McHenry and Will Counties the rate shall be 0.75% of the selling price of all tangible personal property transferred.

The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the Authority), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the Authority), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the Authority), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, that charge may be stated in combination in a single amount with State tax that servicemen are authorized to collect under the Service Use Tax Act, under any bracket schedules the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

Nothing in this paragraph shall be construed to authorize the Authority to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(g) If a tax has been imposed under paragraph (e), a tax shall also be imposed upon the privilege of using in the metropolitan region, any item of tangible personal property that is purchased outside the metropolitan region at retail from a retailer, and that is titled or registered with an agency of this State's government. In Cook County the tax rate shall be 1% of the selling price of the tangible personal property, as "selling price" is defined in the Use Tax Act. In DuPage, Kane, Lake, McHenry and Will counties the tax rate shall be 0.75% of the selling price of the tangible personal property, as "selling price" is defined in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the metropolitan region. The tax shall be collected by the Department of Revenue for the Regional Transportation Authority. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department shall have full power to administer and enforce this paragraph; to collect all taxes, penalties and interest due hereunder; to dispose of taxes, penalties and interest collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty or interest hereunder. In the administration of and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3 through 3-80 (except provisions pertaining to the State rate of tax, and except provisions concerning collection or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions pertaining to claims by retailers and except the last paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act, and are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

(h) The Authority may impose a replacement vehicle tax of $50 on any passenger car as defined in Section 1-157 of the Illinois Vehicle Code purchased within the metropolitan region by or on behalf of an insurance company to replace a passenger car of an insured person in settlement of a total loss claim. The tax imposed may not become effective before the first day of the month following the passage of the ordinance imposing the tax and receipt of a certified copy of the ordinance by the Department of Revenue. The Department of Revenue shall collect the tax for the Authority in accordance with Sections 3-2002 and 3-2003 of the Illinois Vehicle Code.

The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes collected hereunder.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the Authority. The amount to be paid to the Authority shall be the amount collected hereunder during the second preceding calendar month by the Department, less any amount determined by the Department to be necessary for the payment of refunds, and less any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the Authority provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for that amount in accordance with the directions contained in the certification.

(i) The Board may not impose any other taxes except as it may from time to time be authorized by law to impose.

(j) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (e), (f) or (g) of this Section and no additional registration shall be required under the tax. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(k) The provisions of any tax imposed under paragraph (c) of this Section shall conform as closely as may be practicable to the provisions of the Use Tax Act, including without limitation conformity as to penalties with respect to the tax imposed and as to the powers of the State Department of Revenue to promulgate and enforce rules and regulations relating to the administration and enforcement of the provisions of the tax imposed. The taxes shall be imposed only on use within the metropolitan region and at rates as provided in the paragraph.

(l) The Board in imposing any tax as provided in paragraphs (b) and (c) of this Section, shall, after seeking the advice of the State Department of Revenue, provide means for retailers, users or purchasers of motor fuel for purposes other than those with regard to which the taxes may be imposed as provided in those paragraphs to receive refunds of taxes improperly paid, which provisions may be at variance with the refund provisions as applicable under the Municipal Retailers Occupation Tax Act. The State Department of Revenue may provide for certificates of registration for users or purchasers of motor fuel for purposes other than those with regard to which taxes may be imposed as provided in paragraphs (b) and (c) of this Section to facilitate the reporting and nontaxability of the exempt sales or uses.

(m) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the Regional Transportation Authority as of September 1 next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing, increasing, decreasing, or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department, whereupon the

Department shall proceed to administer and enforce this Section as of the first day of the first month to occur not less than 60 days following such adoption and filing. Any ordinance or resolution of the Authority imposing a tax under this Section and in effect on August 1, 2007 shall remain in full force and effect and shall be administered by the Department of Revenue under the terms and conditions and rates of tax established by such ordinance or resolution until the Department begins administering and enforcing an increased tax under this Section as authorized by this amendatory Act of the 95th General Assembly. The tax rates authorized by this amendatory Act of the 95th General Assembly are effective only if imposed by ordinance of the Authority.

(n) The State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the Authority. The taxes shall be held in a trust fund outside the State Treasury. On or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois and to the Authority (i) the amount of taxes collected in each County other than Cook County in the metropolitan region, (ii) the amount of taxes collected within the City of Chicago, and (iii) the amount collected in that portion of Cook County outside of Chicago, each amount less the amount necessary for the payment of refunds to taxpayers located in those areas described in items (i), (ii), and (iii). Within 10 days after receipt by the Comptroller of the certification of the amounts, the Comptroller shall cause an order to be drawn for the payment of two-thirds of the amounts certified in item (i) of this subsection to the Authority and one-third of the amounts certified in item (i) of this subsection to the respective counties other than Cook County and the amount certified in items (ii) and (iii) of this subsection to the Authority.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in July 1991 and each year thereafter to the Regional Transportation Authority. The allocation shall be made in an amount equal to the average monthly distribution during the preceding calendar year (excluding the 2 months of lowest receipts) and the allocation shall include the amount of average monthly distribution from the Regional Transportation Authority Occupation and Use Tax Replacement Fund. The distribution made in July 1992 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department of Revenue shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

(o) Failure to adopt a budget ordinance or otherwise to comply with Section 4.01 of this Act or to adopt a Five-year Capital Program or otherwise to comply with paragraph (b) of Section 2.01 of this Act shall not affect the validity of any tax imposed by the Authority otherwise in conformity with law.

(p) At no time shall a public transportation tax or motor vehicle parking tax authorized under paragraphs (b), (c) and (d) of this Section be in effect at the same time as any retailers' occupation, use or service occupation tax authorized under paragraphs (e), (f) and (g) of this Section is in effect.

Any taxes imposed under the authority provided in paragraphs (b), (c) and (d) shall remain in effect only until the time as any tax authorized by paragraphs (e), (f) or (g) of this Section are imposed and becomes effective. Once any tax authorized by paragraphs (e), (f) or (g) is imposed the Board may not reimpose taxes as authorized in paragraphs (b), (c) and (d) of the Section unless any tax authorized by paragraphs (e), (f) or (g) of this Section becomes ineffective by means other than an ordinance of the Board.

(q) Any existing rights, remedies and obligations (including enforcement by the Regional Transportation Authority) arising under any tax imposed under paragraphs (b), (c) or (d) of this Section shall not be affected by the imposition of a tax under paragraphs (e), (f) or (g) of this Section.
(Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-813, eff. 7-13-12; 98-104, eff. 7-22-13.)

Section 50. The Water Commission Act of 1985 is amended by changing Section 4 as follows:
(70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)
Sec. 4. Taxes.

(a) The board of commissioners of any county water commission may, by ordinance, impose throughout the territory of the commission any or all of the taxes provided in this Section for its corporate purposes. However, no county water commission may impose any such tax unless the commission certifies the proposition of imposing the tax to the proper election officials, who shall submit the proposition to the voters residing in the territory at an election in accordance with the general election law, and the proposition has been approved by a majority of those voting on the proposition.

The proposition shall be in the form provided in Section 5 or shall be substantially in the following form:

Shall the (insert corporate

name of county water commission) YES
impose (state type of tax or ----------
taxes to be imposed) at the NO
rate of 1/4%?

Taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes.

(b) The board of commissioners may impose a County Water Commission Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the territory of the commission at a rate of 1/4% of the gross receipts from the sales made in the course of such business within the territory. The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax except that food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicine, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, shall not be subject to tax hereunder), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act and under subsection (e) of Section 4.03 of the Regional Transportation Authority Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of a county water commission tax fund established under paragraph (g) of this Section.

For the purpose of determining whether a tax authorized under this paragraph is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

If a tax is imposed under this subsection (b) a tax shall also be imposed under subsections (c) and (d) of this Section.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this paragraph shall be construed to authorize a county water commission to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(c) If a tax has been imposed under subsection (b), a County Water Commission Service Occupation Tax shall also be imposed upon all persons engaged, in the territory of the commission, in the business of making sales of service, who, as an incident to making the sales of service, transfer tangible personal property within the territory. The tax rate shall be 1/4% of the selling price of tangible personal property so transferred within the territory. The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or

penalty hereunder. In the administration of, and compliance with, this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the territory of the commission), 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax except that food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, shall not be subject to tax hereunder), 4 (except that the reference to the State shall be to the territory of the commission), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the commission), 9 (except as to the disposition of taxes and penalties collected and except that the returned merchandise credit for this tax may not be taken against any State tax), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the territory of the commission), the first paragraph of Section 15, 15.5, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, and any tax for which servicemen may be liable under subsection (f) of Sec. 4.03 of the Regional Transportation Authority Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of a county water commission tax fund established under paragraph (g) of this Section.

Nothing in this paragraph shall be construed to authorize a county water commission to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(d) If a tax has been imposed under subsection (b), a tax shall also imposed upon the privilege of using, in the territory of the commission, any item of tangible personal property that is purchased outside the territory at retail from a retailer, and that is titled or registered with an agency of this State's government, at a rate of 1/4% of the selling price of the tangible personal property within the territory, as "selling price" is defined in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the territory. The tax shall be collected by the Department of Revenue for a county water commission. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department shall have full power to administer and enforce this paragraph; to collect all taxes, penalties and interest due hereunder; to dispose of taxes, penalties and interest so collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty or interest hereunder. In the administration of, and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3 through 3-80 (except provisions pertaining to the State rate of tax, and except provisions concerning collection or refunding of the tax by retailers, and except that food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, shall not be subject to tax hereunder), 4, 11, 12, 12a, 14, 15, 19 (except the portions pertaining to claims by retailers and except the last paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act

and Section 3-7 of the Uniform Penalty and Interest Act that are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of a county water commission tax fund established under paragraph (g) of this Section.

(e) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (c) or (d) of this Section and no additional registration shall be required under the tax. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(f) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the county water commission as of September 1 next following the adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing.

(g) The State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the commission. The taxes shall be held in a trust fund outside the State Treasury.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the commission, which shall be the amount (not including credit memoranda) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including any amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the commission, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the commission, and less any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the commission, the Comptroller shall cause an order to be drawn for the payment for the amount in accordance with the direction in the certification.

(h) Beginning June 1, 2016, any tax imposed pursuant to this Section may no longer be imposed or collected, unless a continuation of the tax is approved by the voters at a referendum as set forth in this Section.

(Source: P.A. 97-333, eff. 8-12-11; 98-298, eff. 8-9-13.)

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 held in the Committee on Assignments.

There being no further amendments, the foregoing Amendments Numbered 1 and 2 were ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Hutchinson, **Senate Bill No. 3398** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Raoul, **Senate Bill No. 3408** having been printed, was taken up, read by title a second time.

Senator Raoul offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 3408

AMENDMENT NO. 1. Amend Senate Bill 3408 by replacing everything after the enacting clause with the following:

"Section 5. The Property Tax Code is amended by changing Sections 9-195, 15-60, and 21-95 as follows:

(35 ILCS 200/9-195)

Sec. 9-195. Leasing of exempt property.

(a) Except as provided in Sections 15-35, 15-55, 15-60, 15-100, 15-103, 15-160, and 15-185, when property which is exempt from taxation is leased to another whose property is not exempt, and the leasing of which does not make the property taxable, the leasehold estate and the appurtenances shall be listed as the property of the lessee thereof, or his or her assignee. Taxes on that property shall be collected in the same manner as on property that is not exempt, and the lessee shall be liable for those taxes. However, no tax lien shall attach to the exempt real estate. The changes made by this amendatory Act of 1997 and by this amendatory Act of the 91st General Assembly are declaratory of existing law and shall not be construed as a new enactment. The changes made by Public Acts 88-221 and 88-420 that are incorporated into this Section by this amendatory Act of 1993 are declarative of existing law and are not a new enactment.

(b) The provisions of this Section regarding taxation of leasehold interests in exempt property do not apply to any leasehold interest created pursuant to any transaction described in subsection (e) of Section 15-35, subsection (c-5) or (g) of Section 15-60, subsection (b) of Section 15-100, Section 15-103, Section 15-160, or Section 15-185.

(Source: P.A. 97-1161, eff. 6-1-13.)

(35 ILCS 200/15-60)

Sec. 15-60. Taxing district property. All property belonging to any county or municipality used exclusively for the maintenance of the poor is exempt, as is all property owned by a taxing district that is being held for future expansion or development, except if leased by the taxing district to lessees for use for other than public purposes.

Also exempt are:

(a) all swamp or overflowed lands belonging to any county;

(b) all public buildings belonging to any county, township, or municipality, with the ground on which the buildings are erected;

(c) all property owned by any municipality located within its incorporated limits. Any such property leased by a municipality shall remain exempt, and the leasehold interest of the lessee shall be assessed under Section 9-195 of this Act, (i) for a lease entered into on or after January 1, 1994, unless the lease expressly provides that this exemption shall not apply; (ii) for a lease entered into on or after the effective date of Public Act 87-1280 and before January 1, 1994, unless the lease expressly provides that this exemption shall not apply or unless evidence other than the lease itself substantiates the intent of the parties to the lease that this exemption shall not apply; and (iii) for a lease entered into before the effective date of Public Act 87-1280, if the terms of the lease do not bind the lessee to pay the taxes on the leased property or if, notwithstanding the terms of the lease, the municipality has filed or hereafter files a timely exemption petition or complaint with respect to property consisting of or including the leased property for an assessment year which includes part or all of the first 12 months of the lease period. The foregoing clause (iii) added by Public Act 87-1280 shall not operate to exempt property for any assessment year as to which no timely exemption petition or complaint has been filed by the municipality or as to which an administrative or court decision denying exemption has become final and nonappealable. For each assessment year or portion thereof that property is made exempt by operation of the foregoing clause (iii), whether such year or portion is before or after the effective date of Public Act 87-1280, the leasehold interest of the lessee shall, if necessary, be considered omitted property for purposes of this Act;

(c-5) Notwithstanding clause (i) of subsection (c), all property owned by a municipality with a population of over 500,000 that is used for toll road or toll bridge purposes and that is leased for those purposes to another entity whose property is not exempt shall remain exempt, and any leasehold interest in the property shall not be subject to taxation under Section 9-195 of this Act;

(d) all property owned by any municipality located outside its incorporated limits but within the same county when used as a tuberculosis sanitarium, farm colony in connection with a house of correction, or nursery, garden, or farm, or for the growing of shrubs, trees, flowers, vegetables, and plants for use in beautifying, maintaining, and operating playgrounds, parks, parkways, public grounds, buildings, and institutions owned or controlled by the municipality;

(e) all property owned by a township and operated as senior citizen housing under Sections 35-50 through 35-50.6 of the Township Code; ~~and~~

(f) all property owned by the Executive Board of the Mutual Aid Box Alarm System (MABAS), a unit of intergovernmental cooperation, that is used for the public purpose of disaster preparedness and response for units of local government and the State of Illinois pursuant to Section 10 of Article VII of the Illinois Constitution and the Intergovernmental Cooperation Act; and ~~.~~

(g) all property owned by a county of more than 3,000,000 inhabitants, or by one or more municipalities within such a county, for which a land bank has been created pursuant to an ordinance or intergovernmental agreement in order to promote redevelopment or reuse of vacant, abandoned, or tax-delinquent properties, to support targeted efforts to stabilize neighborhoods, and to stimulate residential, commercial, and industrial development; all property owned by a county of more than 3,000,000 inhabitants, or one or more municipalities within such a county, for which a land bank has been created pursuant to an ordinance or intergovernmental agreement, that is leased for land banking purposes to another entity whose property is not exempt shall remain exempt, and any leasehold interest in the property shall not be subject to taxation under Section 9-195 of this Act for a period of 10 years.

All property owned by any municipality outside of its corporate limits is exempt if used exclusively for municipal or public purposes.

For purposes of this Section, "municipality" means a municipality, as defined in Section 1-1-2 of the Illinois Municipal Code.

(Source: P.A. 98-206, eff. 1-1-14.)

(35 ILCS 200/21-95)

Sec. 21-95. Tax abatement after acquisition by a governmental unit. When any county, municipality, school district, or park district acquires property through the foreclosure of a lien, through a judicial deed, through the foreclosure of receivership certificate lien, or by acceptance of a deed of conveyance in lieu of foreclosing any lien against the property, or when a government unit acquires property under the Abandoned Housing Rehabilitation Act, or when any county or other taxing district acquires a deed for property under Section 21-90 or Sections 21-145 and 21-260, or when any county, municipality, school district, or park district acquires title to property that was to be transferred to that county, municipality, school district, or park district under the terms of an annexation agreement, development agreement, donation agreement, plat of subdivision, or zoning ordinance by an entity that has been dissolved or is being dissolved or has been in bankruptcy proceedings or is in bankruptcy proceedings, or when a county of more than 3,000,000 inhabitants, or one or more municipalities within a county of more than 3,000,000 inhabitants, for which a land bank has been created pursuant to an ordinance or intergovernmental agreement, acquires property for land bank purposes as described in subsection (g) of Section 15-60, all due or unpaid property taxes and existing liens for unpaid property taxes imposed or pending under any law or ordinance of this State or any of its political subdivisions shall become null and void.

(Source: P.A. 96-1142, eff. 7-21-10.)

Section 90. The State Mandates Act is amended by adding Section 8.38 as follows:

(30 ILCS 805/8.38 new)

Sec. 8.38. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 98th General Assembly.

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 foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Clayborne, **Senate Bill No. 3450** having been printed, was taken up, read by title a second time.

Senate Committee Amendment No. 1 was held in the Committee on Assignments.

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

On motion of Senator LaHood, **Senate Bill No. 3471** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Transportation, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 3471

AMENDMENT NO. 1. Amend Senate Bill 3471 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Highway Code is amended by changing Sections 6-301, 6-303, 6-305, 6-307, 6-308, 6-309, 6-311, 6-312, 6-313, 6-314, 6-315a, 6-319, and 6-327 as follows:

(605 ILCS 5/6-301) (from Ch. 121, par. 6-301)

Sec. 6-301. All township and district roads established under this Division of this Code shall be not less than 40 feet in width, except as provided in Section 6-327.

Highway commissioners in single township road districts may annually determine that certain roads in the district are vital to the general benefit of the district and designate them all or in part as arterial district roads. The designation must be approved by the county superintendent of highways, after notice and hearing, prior to the commissioners' recording the roads with the county superintendent of highways. No road or portion thereof ~~designated as arterial~~ shall be closed , ~~or~~ vacated , or permanently posted at a reduced weight limit without written approval of the county despite the road's inclusion in any annexation or incorporation proceedings provided for in the Illinois Municipal Code. This paragraph does not apply to roads in home rule units of government nor the roads included in our annexation proceeding by home rule units of governments.

This Division of this Code shall not apply to proceedings for laying out, widening, altering or vacating streets in municipalities, except as provided in this Section.

(Source: P.A. 86-1229.)

(605 ILCS 5/6-303) (from Ch. 121, par. 6-303)

Sec. 6-303. Existing township and district roads may be widened, altered, ~~or~~ vacated, or permanently posted at a reduced weight limit and new township and district roads may be laid out in the manner provided in this Division of this Code. Any number of voters not less than 5% of the legal voters, or 12 legal voters, whichever is less, residing in any road district may file a petition with the highway commissioner of such district, praying for the laying out, widening, altering or vacation of such roads. Notwithstanding the preceding sentence, in counties with a population between 125,000 and 130,000, a petition for laying out, widening, altering, or vacating roads in a subdivision established under a county subdivision ordinance, where the final plat of the subdivision was approved by the county board, shall be filed with the county board unless the plat was filed with the county recorder at least 15 years before the petition is filed.

However, where the laying out, widening, altering, ~~or~~ vacating , or permanent posting at a reduced weight limit of a township or district road is required by the construction, operation, or maintenance of a State highway, the Department, in lieu of a petition may file a certificate, signed by the Secretary of the Department, or his duly authorized agent, setting forth the necessity for the laying out, widening, altering, ~~or~~ vacating , or permanent posting at a reduced weight limit of such roads. The procedure upon the filing of such certificate shall be the same as, and conform to, the procedure followed upon the filing of a petition. Such petition or certificate shall set forth a description of the road and what part is to be widened, altered, ~~or~~ vacated , or permanently posted at a reduced weight limit, and if for a new road the names of the owners of lands, if known, and if not known it shall so state, over which the road is to pass, the points at or near which it is to terminate. When the general course of relocated roads shall render the same practicable, such relocated roads shall be laid out on section lines, or regular divisional lines subdividing a section or sections.

The highway commissioner, in lieu of a petition, may file a certificate with district clerk and county clerk to vacate or permanently post at a reduced weight limit roads. The procedure upon filing of such certificate shall be the same as, and conform to, the procedure followed upon the filing of a petition.

(Source: P.A. 87-1121.)

(605 ILCS 5/6-305) (from Ch. 121, par. 6-305)

Sec. 6-305. Whenever the highway commissioner receives a certificate from the Department as provided in Section 6-303 of this Act, or a petition praying for the laying out, widening, altering, ~~or~~ vacation , or permanent posting at a reduced weight limit of a township or district road, he shall fix a time when and a

place where he will examine the route of such township or district road and hear reasons for or against the laying out, widening, altering, ~~or~~ vacating , or permanent posting at a reduced weight limit. He shall give at least 10 days' written notice of the time and place of such examination and hearing to the county superintendent of highways and to any municipality which is affected by such action occurring within its planning area, and by publication in at least one newspaper published in the township or district or, in the absence of such published newspaper, in at least one newspaper of general circulation in the township or district or, in the absence of such generally circulated newspaper, by posting notices in 5 of the most public places in the district in the vicinity of the road to be laid out, widened, altered, ~~or~~ vacated , or permanently posted at a reduced weight limit. The commissioner may, by written notice to the county superintendent of highways and any affected municipality, and by public announcement and by the posting of a notice at the time and place named for the first hearing, adjourn such hearing from time to time, but not for a longer period than 10 days. At such meeting, or such adjourned meeting the commissioner shall decide and publicly announce whether he will grant or refuse the prayer of the petition, and shall endorse upon or annex to the petition a brief memorandum of such decision. The memorandum shall be signed by the commissioner and filed within 5 days thereafter in the office of the district clerk. The commissioner shall also send a copy of the memorandum to the county superintendent of highways and any affected municipality, and, in cases where action is initiated as the result of a Department certificate, a copy of the memorandum to the Department.

No road shall be laid out, widened, altered, ~~or~~ vacated , or permanently posted at a reduced weight limit unless the highway commissioner finds that such alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit is in the public and economic interest and further finds that any person residing or owning land within 2 miles of any portion of the road proposed to be altered, ~~or~~ vacated , or permanently posted at a reduced weight limit shall still have reasonable access (but not necessarily a direct route) by way of a motor vehicle or other portable farm machinery commonly used in the area to farm land he owns or operates and to community and trade centers after the road is altered or vacated. Such findings shall be contained in the memorandum of decision signed by the highway commissioner.

A final hearing may be held at the time of the preliminary or adjourned meeting if all damages have been released, all surveys and plats are made and there are no objectors. If there are objectors, the final hearing shall be held as provided for in Section 6-311.

(Source: P.A. 85-1421.)

(605 ILCS 5/6-307) (from Ch. 121, par. 6-307)

Sec. 6-307. If the highway commissioner, or upon appeal from his decision, the county superintendent of highways, shall enter a preliminary order for the laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of a township or district road, the highway commissioner or county superintendent of highways, as the case may be, shall cause a survey and plat of such township or district road to be made by a competent surveyor who shall report such survey and plat to the highway commissioner or county superintendent, as the case may be, giving the courses and distances and specifying the land over which such road is to pass; in which he may make such changes between the termini of the road described in the petition, as the convenience and interest of the public in his judgment may require. Upon the petition of 12 land owners residing in the district where the road is situated, it shall be the duty of the highway commissioner or county superintendent, as the case may be, within a reasonable time to employ a competent surveyor and have any road designated in such petition to be once resurveyed.

(Source: Laws 1959, p. 196.)

(605 ILCS 5/6-308) (from Ch. 121, par. 6-308)

Sec. 6-308. Whenever the highway commissioner of any road district or upon appeal from his decision, the county superintendent of highways has entered a preliminary order for the laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of a township or district road, and a survey therefor has been completed as hereinbefore provided, proceedings shall next be taken to fix the damages which will be sustained by the adjoining land owners by reason of such laying out, widening, altering, ~~or~~ vacation , or permanent posting at a reduced weight limit. In case such preliminary order was entered by the highway commissioner, he shall act for the district in all matters relating to the fixing of damages, as well as the surveying of such road. But in case such order was entered by the county superintendent of highways on appeal, as aforesaid, the county superintendent shall represent the district in such matters.

(Source: Laws 1959, p. 196.)

(605 ILCS 5/6-309) (from Ch. 121, par. 6-309)

Sec. 6-309. The damages sustained by the owner or owners of land by reason of the laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of a township or district road, may be agreed upon by the owners of such lands, if competent to contract, and the highway commissioner or

county superintendent, as the case may be. Such damages may also be released by such owners, and in such case the agreement or release shall be in writing, the same shall be filed and recorded with the copy of the order laying out, widening, altering, ~~or~~ vacating , or permanently posting at a reduced weight limit such road in the office of the district clerk, and shall be a perpetual bar against such owners, their grantees and assigns for all further claims for such damages.

In case the highway commissioner or the county superintendent, as the case may be, acting for the road district, is unable to agree with the owner or owners of the land necessary for the laying out, widening or alteration of such road on the compensation to be paid, the highway commissioner, or the county superintendent of highways, as the case may be, may in the name of the road district, enter condemnation proceedings to procure such land, in the same manner as near as may be, as provided for the exercise of the right of eminent domain under the Eminent Domain Act.

(Source: P.A. 94-1055, eff. 1-1-07.)

(605 ILCS 5/6-311) (from Ch. 121, par. 6-311)

Sec. 6-311. Within 20 days after the damages likely to be sustained by reason of the proposed laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of any township or district road have been finally ascertained, either by agreement of the parties or by condemnation proceedings, or within 20 days after such damages may have been released, the highway commissioner or the county superintendent of highways, as the case may be, shall hold a public hearing at which he shall hear and consider reasons for or against the proposed laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of such road, and at which time and place he shall publicly announce his final decision relative thereto. The highway commissioner or the county superintendent of highways, as the case may be, shall give public notice of such public hearing by publication in at least one newspaper published in the township or district or, in the absence of such published newspaper, in at least one newspaper of general circulation in the township or district or, in the absence of such generally circulated newspaper at the time prescribed for notice, by posting notices thereof in at least 5 of the most public places in the district in the vicinity of the road for at least 5 days prior thereto. A written notice shall be mailed or delivered to all owners of the property adjacent to the road which is the subject of the hearing. A written notice may be mailed or delivered to every person known to have been present at the hearings conducted pursuant to Sections 6-305 and 6-306 of this Act and to every other person who has requested such notice.

At such time and place the highway commissioner, if he is the official conducting the hearing, shall determine the advisability of such proposed laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of such road, shall make an order for the same and shall within 5 days thereafter file such order in the office of the district clerk.

At such time and place the county superintendent of highways, if he is the official conducting the hearing, shall:

(a) Be empowered to administer oaths;

(b) Permit the appearance in person or by counsel, the introduction of evidence and the cross examination of witnesses by not less than 3 of the qualified petitioners, not less than 3 other legal voters residing within 2 miles of any portion of such road, and not less than 3 other persons owning land operated as a farm and wholly or partially situated within 2 miles of any portion of such road, except that no such permission shall extend to a person other than a petitioner unless it appears that he will be directly and adversely affected by the change requested in the petition;

(c) Provide that every person offering testimony shall testify under oath or affirmation and shall be subject to cross examination, except that the technical rules of evidence governing proceedings in circuit courts are inapplicable in such hearing;

(d) Secure and retain a stenographic transcript of the proceedings, including all evidence offered or introduced at the hearing; and

(e) Determine the advisability of such proposed laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of such road, shall make an order for the same and shall within 5 days thereafter file such final order in the office of the district clerk.

Every order entered and filed pursuant to this Section in approval of the change requested in the petition shall contain an express finding that such alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of the township or district road will be in the public and economic interest and will not deprive residents or owners of proximate land of reasonable access elsewhere as specified in Section 6-305 of this Act.

(Source: P.A. 83-1362.)

(605 ILCS 5/6-312) (from Ch. 121, par. 6-312)

Sec. 6-312. In case such final order was entered by the highway commissioner as provided in Section 6-311 of this Code finally determining the advisability of such proposed laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of any township or district road, any 3 qualified petitioners who may have signed the petition for such proposed laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit, or any 3 legal voters residing within 2 miles of any portion of such road, or any 3 other persons owning land operated as a farm within 2 miles of any portion of such road, may (if either they are qualified petitioners or they both have raised objections at the hearing pursuant to Section 6-311 of this Act and will be directly and adversely affected by such proposed laying out, widening, alteration or vacation) appeal to the county superintendent of highways by filing a notice of such appeal in the office of the district clerk within 10 days of the date of filing the decision appealed from. Thereupon such clerk shall at once transmit all papers relating to such proposed laying out, widening, altering, ~~or~~ vacation , or permanent posting at a reduced weight limit of such road to the county superintendent of highways, who shall within 20 days after the receipt of the same, hold a public hearing within such district to finally determine upon the laying out, widening, altering, ~~or~~ vacation , or permanent posting at a reduced weight limit of such road. Such hearing shall be upon such notice and conducted in like manner as the hearing before the highway commissioner relative to such final decision and from which appeal has been taken, except that the powers and duties of the county superintendent of highways in conducting such hearing and in determining and filing his final order shall be identical to the powers and duties of such superintendent prescribed by Section 6-311 of this Act. Judicial review may be pursued after such final order of the county superintendent of highways relative to the alteration or vacation of such roads in the manner provided in Section 6-315a of this Division.
(Source: Laws 1963, p. 3216.)

(605 ILCS 5/6-313) (from Ch. 121, par. 6-313)

Sec. 6-313. In case the highway commissioner, or upon appeal from his decision, the county superintendent of highways, shall finally determine against the advisability of the proposed laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of such township or district road, such order shall have the effect to annul and revoke all proceedings and assessments, releases and agreements in respect to damages growing out of the proceedings upon the petition aforesaid. In case the commissioner or county superintendent affirms such prior proceedings, he shall make an order to be signed by him, declaring such road to be laid out, widened, altered, ~~or~~ vacated , or permanently posted at a reduced weight limit as a public highway and which order shall contain or have annexed thereto a definite description of the line of such road, together with the plat thereof. The highway commissioner or county superintendent, as the case may be, shall within 5 days from the date of his final order, cause the same, together with the report of the surveyor, the petition and the releases, agreements or assessments in respect to damages, to be deposited and filed in the office of the district clerk; who shall note upon such order the date of such filing. It shall be the duty of such clerk to record such order, together with the plat of the surveyor in a proper book to be kept for that purpose.
(Source: Laws 1959, p. 196.)

(605 ILCS 5/6-314) (from Ch. 121, par. 6-314)

Sec. 6-314. After it has been finally determined that a township or district road shall be laid out, widened, altered, ~~or~~ vacated , or permanently posted at a reduced weight limit, either by the highway commissioner, or upon appeal, by the county superintendent of highways, all proceedings subsequent thereto on behalf of the district shall be taken by the highway commissioner thereof as provided in this division of this Code. And such highway commissioner in such cases is hereby authorized to resort to all necessary proceedings not inconsistent with the provisions of this Code to secure the laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of any such road.
(Source: Laws 1959, p. 196.)

(605 ILCS 5/6-315a) (from Ch. 121, par. 6-315a)

Sec. 6-315a. Any 3 persons who, at a hearing conducted by the county superintendent of highways pursuant to Section 6-306, 6-311 or 6-312 of this Act, have been permitted to appear, in person or by counsel, and to introduce evidence and cross examine witnesses, may (if they are qualified petitioners, or have raised objections at a hearing pursuant to Section 6-311 or 6-312 of this Act and will be directly and adversely affected by such proposed alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit) obtain judicial review of such final administrative decision of the superintendent (meaning his final order denying the petition after a hearing pursuant to Section 6-306, or granting or denying the petition after a hearing pursuant to Section 6-311 or 6-312, to be filed in the office of the district clerk after the hearing) pursuant to the Administrative Review Law, and all amendments and modifications thereof, and any rules adopted pursuant thereto. The term "administrative decision" is defined as in Section 3-101 of

the Code of Civil Procedure. Such judicial review proceeding shall be given precedence over all other civil cases, except cases arising under the Workers' Compensation Act and the Unemployment Insurance Act.
(Source: P.A. 91-357, eff. 7-29-99.)

(605 ILCS 5/6-319) (from Ch. 121, par. 6-319)

Sec. 6-319.

Township and district roads may be laid out, widened, altered or vacated on county or district lines, or from one district to another, and in case a railroad right-of-way or stream of water joins the boundary line of such county or district line, then along the line of such railroad right-of-way or stream of water, in the same manner as other township and district roads, except that in such cases, a copy of the petition shall be posted in and presented to the highway commissioners of each district interested; such petition to be as in other cases, and signed by not less than 5% of the legal voters, or 12 legal voters, whichever is less, residing in the district or county. Whereupon the highway commissioners of the several districts shall meet and act together, in the same time and manner as in other cases, in considering the petition, viewing the premises, adjusting damages, and making all orders in reference to such proposed road, widening, alteration or vacation, and a copy of all final orders and plats and papers shall be filed and recorded in each of the counties and districts interested. In case the commissioners are unable to agree, the county superintendent of highways shall act as arbitrator between them in case the districts shall lie within the same county, and if in different counties the Department or any person designated by it, shall so act. All appeals hereinbefore provided for in this Division of this Code may likewise be taken to the county superintendent of highways, or in case the districts shall lie in 2 or more counties, to the Department.

In lieu of petitions, the highway commissioners of all road districts interested may file a certificate to vacate or permanently post at a reduced weight limit roads with the respective county clerks and with the respective township or district clerks, as the case may be. The procedure upon the filing of such certificates shall be the same as, and conform to, the procedure followed upon the filing of a petition.
(Source: P.A. 78-543.)

(605 ILCS 5/6-327) (from Ch. 121, par. 6-327)

Sec. 6-327. Township and district roads for private and public use of the widths of 50 feet or less may be laid out from one or more dwellings or plantations to any public road, or from one public road to another, or from one or more lots of land to a public road or from one or more lots of land to a public waterway, on petition to the highway commissioner by any person directly interested. Upon receiving such petition, proceedings shall be had respecting the laying out of such road as in the case of other township and district roads. In case the highway commissioner or upon appeal, the county superintendent of highways, shall enter a preliminary order for the laying out of such road, such highway officer or officers making such preliminary order shall, if possible, and the parties are competent to contract, agree upon the total amount of damages, together with the portion thereof to be paid by the district, if any, as well as by each of the land owners benefited by such road. In case such damages cannot be determined or apportioned by agreement, the same shall be fixed as in the case of other township and district roads. The amount of such damages shall be paid by the person benefited thereby, to the extent and in proportion that they are benefited as determined and declared by the court. The remainder of the amount of damages, over and above that to be paid by the parties aforesaid, if any, shall be paid by the district as in other cases. The amount of damages to be paid by individuals shall be paid to the parties entitled thereto, before the road shall be opened for use. In all other respects the provisions of this Division of this Code relative to the opening, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of other township and district roads shall be applicable also to the laying out, widening, alteration, ~~or~~ vacation , or permanent posting at a reduced weight limit of roads for private and public use: Provided that the cost of the construction of the roadway, bridges and culverts and the maintenance thereof shall be borne by the parties paying for such road.
(Source: Laws 1963, p. 2045.)

Section 10. The Illinois Vehicle Code is amended by changing Section 15-316 as follows:

(625 ILCS 5/15-316) (from Ch. 95 1/2, par. 15-316)

Sec. 15-316. When the Department or local authority may restrict right to use highways.

(a) Except as provided in subsection (g), local authorities with respect to highways under their jurisdiction may by ordinance or resolution prohibit the operation of vehicles upon any such highway or impose restrictions as to the weight of vehicles to be operated upon any such highway, for a total period of not to exceed 90 days in any one calendar year, whenever any said highway by reason of deterioration, rain, snow, or other climate conditions will be seriously damaged or destroyed unless the use of vehicles thereon is prohibited or the permissible weights thereof reduced.

(b) The local authority enacting any such ordinance or resolution shall erect or cause to be erected and maintained signs designating the provision of the ordinance or resolution at each end of that portion of any highway affected thereby, and the ordinance or resolution shall not be effective unless and until such signs are erected and maintained.

(c) Local authorities, with the exception of road districts as provided for in the Illinois Highway Code, with respect to highways under their jurisdiction may also, by ordinance or resolution, prohibit the operation of trucks or other commercial vehicles, or may impose limitations as the weight thereof, on designated highways, which prohibitions and limitations shall be designated by appropriate signs placed on such highways.

(c-1) (Blank).

(c-5) Highway commissioners, with respect to roads under their jurisdiction, shall not permanently post a road or portion thereof at a reduced weight limit except in accordance with Division 3 of Article 6 of the Illinois Highway Code.

(d) The Department shall likewise have authority as hereinbefore granted to local authorities to determine by resolution and to impose restrictions as to the weight of vehicles operated upon any highway under the jurisdiction of said department, and such restrictions shall be effective when signs giving notice thereof are erected upon the highway or portion of any highway affected by such resolution.

(d-1) (Blank).

(d-2) (Blank).

(e) When any vehicle is operated in violation of this Section, the owner or driver of the vehicle shall be deemed guilty of a violation and either the owner or the driver of the vehicle may be prosecuted for the violation. Any person, firm, or corporation convicted of violating this Section shall be fined $50 for any weight exceeding the posted limit up to the axle or gross weight limit allowed a vehicle as provided for in subsections (a) or (b) of Section 15-111 and $75 per every 500 pounds or fraction thereof for any weight exceeding that which is provided for in subsections (a) or (b) of Section 15-111.

(f) A municipality is authorized to enforce a county weight limit ordinance applying to county highways within its corporate limits and is entitled to the proceeds of any fines collected from the enforcement.

(g) An ordinance or resolution enacted by a county or township pursuant to subsection (a) of this Section shall not apply to cargo tank vehicles with two or three permanent axles when delivering propane for emergency heating purposes if the cargo tank is loaded at no more than 50 percent capacity, the gross vehicle weight of the vehicle does not exceed 32,000 pounds, and the driver of the cargo tank vehicle notifies the appropriate agency or agencies with jurisdiction over the highway before driving the vehicle on the highway pursuant to this subsection. The cargo tank vehicle must have an operating gauge on the cargo tank which indicates the amount of propane as a percent of capacity of the cargo tank. The cargo tank must have the capacity displayed on the cargo tank, or documentation of the capacity of the cargo tank must be available in the vehicle. For the purposes of this subsection, propane weighs 4.2 pounds per gallon. This subsection does not apply to municipalities. Nothing in this subsection shall allow cargo tank vehicles to cross bridges with posted weight restrictions if the vehicle exceeds the posted weight limit.
(Source: P.A. 96-1337, eff. 1-1-11.)

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

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Muñoz, **Senate Bill No. 3478** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Executive, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 3478

AMENDMENT NO. 1. Amend Senate Bill 3478 by replacing everything after the enacting clause with the following:

"Section 5. The Video Gaming Act is amended by changing Section 35 as follows:

(230 ILCS 40/35)

Sec. 35. Display of license; confiscation; violation as felony.

(a) Each video gaming terminal shall be licensed by the Board before placement or operation on the premises of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment,

or licensed veterans establishment. The license of each video gaming terminal shall be maintained at the location where the video gaming terminal is operated. Failure to do so is a petty offense with a fine not to exceed $100. Any licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 2012. Every gambling device found in a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment operating gambling games in violation of this Act shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 2012. Any license issued under the Liquor Control Act of 1934 to any owner or operator of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that operates or permits the operation of a video gaming terminal within its establishment in violation of this Act shall be immediately revoked. No person may own, operate, have in his or her possession or custody or under his or her control, or permit to be kept in any place under his or her possession or control, any device that awards credits and contains a circuit, meter, or switch capable of removing and recording the removal of credits when the award of credits is dependent upon chance.

~~Nothing in this Section shall be deemed to prohibit the use of a game device only if the game device is used in an activity that is not gambling under subsection (b) of Section 28-1 of the Criminal Code of 2012.~~

A violation of this Section is a Class 4 felony. All devices that are owned, operated, or possessed in violation of this Section are hereby declared to be public nuisances and shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 2012.

The provisions of this Section do not apply to devices or electronic video game terminals licensed pursuant to this Act. A video gaming terminal operated for amusement only and bearing a valid amusement tax sticker shall not be subject to this Section until 30 days after the Board establishes that the central communications system is functional.

(b) (1) The odds of winning each video game shall be posted on or near each video gaming terminal. The manner in which the odds are calculated and how they are posted shall be determined by the Board by rule.

(2) No video gaming terminal licensed under this Act may be played except during the legal hours of operation allowed for the consumption of alcoholic beverages at the licensed establishment, licensed fraternal establishment, or licensed veterans establishment. A licensed establishment, licensed fraternal establishment, or licensed veterans establishment that violates this subsection is subject to termination of its license by the Board.

(Source: P.A. 97-1150, eff. 1-25-13; 98-111, eff. 1-1-14.)

Section 10. The Criminal Code of 2012 is amended by changing Sections 28-1 and 28-2 as follows:

(720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

Sec. 28-1. Gambling.

(a) A person commits gambling when he or she:

(1) knowingly plays a game of chance or skill for money or other thing of value, unless excepted in subsection (b) of this Section;

(2) knowingly makes a wager upon the result of any game, contest, or any political nomination, appointment or election;

(3) knowingly operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device;

(4) contracts to have or give himself or herself or another the option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or any stock or security of any company, where it is at the time of making such contract intended by both parties thereto that the contract to buy or sell, or the option, whenever exercised, or the contract resulting therefrom, shall be settled, not by the receipt or delivery of such property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, endorsement or guarantee, by or through a person registered with the Secretary of State pursuant to Section 8 of the Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a put, call, or other option to buy or sell securities which have been registered with the Secretary of State or which are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not gambling within the meaning of this paragraph (4);

(5) knowingly owns or possesses any book, instrument or apparatus by means of which bets or wagers have been, or are, recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager;

(6) knowingly sells pools upon the result of any game or contest of skill or chance,

political nomination, appointment or election;

(7) knowingly sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery;

(8) knowingly sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar device;

(9) knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;

(10) knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state;

(11) knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests; or

(12) knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, or election by means of the Internet. This item (12) does not apply to activities referenced in items (6) and (6.1) of subsection (b) of this Section.

(b) Participants in any of the following activities shall not be convicted of gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance.

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.

(3) Pari-mutuel betting as authorized by the law of this State.

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators licensed to do so under the Video Gaming Act.

(5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act.

(6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law. This exemption includes any activity conducted by the Department of Revenue to sell lottery tickets pursuant to the provisions of the Illinois Lottery Law and its rules.

(6.1) The purchase of lottery tickets through the Internet for a lottery conducted by the State of Illinois under the program established in Section 7.12 of the Illinois Lottery Law.

(7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b)(7), an antique slot machine is one manufactured 25 years ago or earlier.

(8) Raffles when conducted in accordance with the Raffles Act.

(9) Charitable games when conducted in accordance with the Charitable Games Act.

(10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act.

(11) Gambling games conducted on riverboats when authorized by the Riverboat Gambling Act.

(12) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act.

(13) Games of skill or chance where money or other things of value can be won but no payment or purchase is required to participate, except where participation in such game of skill or chance is accomplished using a gambling device prohibited by Section 28-2(a)(iii).

(c) Sentence.

(1) Gambling is a Class A misdemeanor. A second or subsequent conviction under subsections

(a)(3) through (a)(12), is a Class 4 felony.

(2) Notwithstanding subsection (c)(1), or anything else contained in this Section to the contrary, a gambling offense involving a device described in Section 28-2(a)(iii) is a Class 4 felony.

(d) Circumstantial evidence.

In prosecutions under this Section circumstantial evidence shall have the same validity and weight as in any criminal prosecution.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-1203, eff. 7-22-10; 97-1108, eff. 1-1-13.)

(720 ILCS 5/28-2) (from Ch. 38, par. 28-2)

Sec. 28-2. Definitions.

(a) A "gambling device" is: (i) any clock, tape machine, slot machine or other machines or device for the reception of money or other thing of value on chance or skill or upon the action of which money or other thing of value is staked, hazarded, bet, won or lost; (ii) ~~or~~ any mechanism, furniture, fixture, equipment or other device designed primarily for use in a gambling place ; or (iii) any vending or other electronic machine or device, including without limitation a machine or device that awards credits and contains a circuit, meter, or switch capable of removing and recording the removal of credits that offers a person entry into any contest, competition, sweepstakes, scheme, plan, or other selection process that involves or is dependent upon an element of chance for which the person may receive a gift, award, or other item or service of value if that offer is incidental to or results from: (A) the purchase of an item or service of value; or (B) the purchase or gratuitous receipt of a coupon, voucher, certificate, or other similar credit that can be redeemed for or applied towards an item or service of value from such machine or device or elsewhere. A "gambling device" does not include:

(1) A coin-in-the-slot operated mechanical device played for amusement which rewards the player with the right to replay such mechanical device, which device is so constructed or devised as to make such result of the operation thereof depend in part upon the skill of the player and which returns to the player thereof no money, property or right to receive money or property.

(2) Except as otherwise provided in this subsection (a), a vending machine ~~Vending machines~~ by which full and adequate return is made for the money invested and in which there is no element of chance or hazard.

(3) A crane game. For the purposes of this paragraph (3), a "crane game" is an amusement device involving skill, if it rewards the player exclusively with merchandise contained within the amusement device proper and limited to toys, novelties and prizes other than currency, each having a wholesale value which is not more than $25.

(4) A redemption machine. For the purposes of this paragraph (4), a "redemption machine" is a single-player or multi-player amusement device involving a game, the object of which is throwing, rolling, bowling, shooting, placing, or propelling a ball or other object that is either physical or computer generated on a display or with lights into, upon, or against a hole or other target that is either physical or computer generated on a display or with lights, or stopping, by physical, mechanical, or electronic means, a moving object that is either physical or computer generated on a display or with lights into, upon, or against a hole or other target that is either physical or computer generated on a display or with lights, provided that all of the following conditions are met:

(A) The outcome of the game is predominantly determined by the skill of the player.

(B) The award of the prize is based solely upon the player's achieving the object of the game or otherwise upon the player's score.

(C) Only merchandise prizes are awarded.

(D) The wholesale value of prizes awarded in lieu of tickets or tokens for single play of the device does not exceed $25.

(E) The redemption value of tickets, tokens, and other representations of value, which may be accumulated by players to redeem prizes of greater value, for a single play of the device does not exceed $25.

(5) Video gaming terminals at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment licensed in accordance with the Video Gaming Act.

(a-5) "Internet" means an interactive computer service or system or an information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, and includes, but is not limited to, an information service, system, or access software provider that provides access to a network system commonly known as the Internet, or any comparable system or service and also includes, but is not limited to, a World Wide Web page, newsgroup, message board, mailing list, or chat area on any interactive computer service or system or other online service.

(a-6) "Access" and "computer" have the meanings ascribed to them in Section 16D-2 of this Code.

(b) A "lottery" is any scheme or procedure whereby one or more prizes are distributed by chance among persons who have paid or promised consideration for a chance to win such prizes, whether such scheme or procedure is called a lottery, raffle, gift, sale or some other name.

(c) A "policy game" is any scheme or procedure whereby a person promises or guarantees by any instrument, bill, certificate, writing, token or other device that any particular number, character, ticket or certificate shall in the event of any contingency in the nature of a lottery entitle the purchaser or holder to receive money, property or evidence of debt.

(d) It is the intent of Section 28-2(a)(iii) to prohibit any mechanism that seeks to avoid being considered a gambling device through the use of any subterfuge or pretense whatsoever.

(Source: P.A. 97-1126, eff. 1-1-13; 98-31, eff. 6-24-13.)".

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Holmes, **Senate Bill No. 3514** having been printed, was taken up, read by title a second time.

Senate Committee Amendment No. 1 was held in the Committee on Assignments.

The following amendment was offered in the Committee on Labor and Commerce, adopted and ordered printed:

AMENDMENT NO. 2 TO SENATE BILL 3514

AMENDMENT NO. 2. Amend Senate Bill 3514 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Public Labor Relations Act is amended by changing Sections 9 and 14 as follows:

(5 ILCS 315/9) (from Ch. 48, par. 1609)

Sec. 9. Elections; recognition.

(a) Whenever in accordance with such regulations as may be prescribed by the Board a petition has been filed:

(1) by a public employee or group of public employees or any labor organization acting in their behalf demonstrating that 30% of the public employees in an appropriate unit (A) wish to be represented for the purposes of collective bargaining by a labor organization as exclusive representative, or (B) asserting that the labor organization which has been certified or is currently recognized by the public employer as bargaining representative is no longer the representative of the majority of public employees in the unit; or

(2) by a public employer alleging that one or more labor organizations have presented to it a claim that they be recognized as the representative of a majority of the public employees in an appropriate unit,

the Board shall investigate such petition, and if it has reasonable cause to believe that a question of representation exists, shall provide for an appropriate hearing upon due notice. Such hearing shall be held at the offices of the Board or such other location as the Board deems appropriate. If it finds upon the record of the hearing that a question of representation exists, it shall direct an election in accordance with subsection (d) of this Section, which election shall be held not later than 120 days after the date the petition was filed regardless of whether that petition was filed before or after the effective date of this amendatory Act of 1987; provided, however, the Board may extend the time for holding an election by an additional 60 days if, upon motion by a person who has filed a petition under this Section or is the subject of a petition filed under this Section and is a party to such hearing, or upon the Board's own motion, the Board finds that good cause has been shown for extending the election date; provided further, that nothing in this Section shall prohibit the Board, in its discretion, from extending the time for holding an election for so long as may be necessary under the circumstances, where the purpose for such extension is to permit resolution by the Board of an unfair labor practice charge filed by one of the parties to a representational proceeding against the other based upon conduct which may either affect the existence of a question concerning representation or have a tendency to interfere with a fair and free election, where the party filing the charge has not filed a request to proceed with the election; and provided further that prior to the expiration of the total time allotted for holding an election, a person who has filed a petition under this Section or is the subject of a petition filed under this Section and is a party to such hearing or the Board, may move for and obtain the entry of an order in the circuit court of the county in which the majority of the public employees sought to be represented by such person reside, such order extending the date upon

which the election shall be held. Such order shall be issued by the circuit court only upon a judicial finding that there has been a sufficient showing that there is good cause to extend the election date beyond such period and shall require the Board to hold the election as soon as is feasible given the totality of the circumstances. Such 120 day period may be extended one or more times by the agreement of all parties to the hearing to a date certain without the necessity of obtaining a court order. Nothing in this Section prohibits the waiving of hearings by stipulation for the purpose of a consent election in conformity with the rules and regulations of the Board or an election in a unit agreed upon by the parties. Other interested employee organizations may intervene in the proceedings in the manner and within the time period specified by rules and regulations of the Board. Interested parties who are necessary to the proceedings may also intervene in the proceedings in the manner and within the time period specified by the rules and regulations of the Board.

(a-5) The Board shall designate an exclusive representative for purposes of collective bargaining when the representative demonstrates a showing of majority interest by employees in the unit. If the parties to a dispute are without agreement on the means to ascertain the choice, if any, of employee organization as their representative, the Board shall ascertain the employees' choice of employee organization, on the basis of dues deduction authorization or other evidence, or, if necessary, by conducting an election. All evidence submitted by an employee organization to the Board to ascertain an employee's choice of an employee organization is confidential and shall not be submitted to the employer for review. The Board shall ascertain the employee's choice of employee organization within 120 days after the filing of the majority interest petition; however, the Board may extend time by an additional 60 days, upon its own motion or upon the motion of a party to the proceeding. If either party provides to the Board, before the designation of a representative, clear and convincing evidence that the dues deduction authorizations, and other evidence upon which the Board would otherwise rely to ascertain the employees' choice of representative, are fraudulent or were obtained through coercion, the Board shall promptly thereafter conduct an election. The Board shall also investigate and consider a party's allegations that the dues deduction authorizations and other evidence submitted in support of a designation of representative without an election were subsequently changed, altered, withdrawn, or withheld as a result of employer fraud, coercion, or any other unfair labor practice by the employer. If the Board determines that a labor organization would have had a majority interest but for an employer's fraud, coercion, or unfair labor practice, it shall designate the labor organization as an exclusive representative without conducting an election. If a hearing is necessary to resolve any issues of representation under this Section, the Board shall conclude its hearing process and issue a certification of the entire appropriate unit not later than 120 days after the date the petition was filed. The 120-day period may be extended one or more times by the agreement of all parties to a hearing to a date certain.

(a-6) A labor organization or an employer may file a unit clarification petition seeking to clarify an existing bargaining unit. The Board shall conclude its investigation, including any hearing process deemed necessary, and issue a certification of clarified unit or dismiss the petition not later than 120 days after the date the petition was filed. The 120-day period may be extended one or more times by the agreement of all parties to a hearing to a date certain.

(b) The Board shall decide in each case, in order to assure public employees the fullest freedom in exercising the rights guaranteed by this Act, a unit appropriate for the purpose of collective bargaining, based upon but not limited to such factors as: historical pattern of recognition; community of interest including employee skills and functions; degree of functional integration; interchangeability and contact among employees; fragmentation of employee groups; common supervision, wages, hours and other working conditions of the employees involved; and the desires of the employees. For purposes of this subsection, fragmentation shall not be the sole or predominant factor used by the Board in determining an appropriate bargaining unit. Except with respect to non-State fire fighters and paramedics employed by fire departments and fire protection districts, non-State peace officers and peace officers in the State Department of State Police, a single bargaining unit determined by the Board may not include both supervisors and nonsupervisors, except for bargaining units in existence on the effective date of this Act. With respect to non-State fire fighters and paramedics employed by fire departments and fire protection districts, non-State peace officers and peace officers in the State Department of State Police, a single bargaining unit determined by the Board may not include both supervisors and nonsupervisors, except for bargaining units in existence on the effective date of this amendatory Act of 1985.

In cases involving an historical pattern of recognition, and in cases where the employer has recognized the union as the sole and exclusive bargaining agent for a specified existing unit, the Board shall find the employees in the unit then represented by the union pursuant to the recognition to be the appropriate unit.

Notwithstanding the above factors, where the majority of public employees of a craft so decide, the Board shall designate such craft as a unit appropriate for the purposes of collective bargaining.

The Board shall not decide that any unit is appropriate if such unit includes both professional and nonprofessional employees, unless a majority of each group votes for inclusion in such unit.

(c) Nothing in this Act shall interfere with or negate the current representation rights or patterns and practices of labor organizations which have historically represented public employees for the purpose of collective bargaining, including but not limited to the negotiations of wages, hours and working conditions, discussions of employees' grievances, resolution of jurisdictional disputes, or the establishment and maintenance of prevailing wage rates, unless a majority of employees so represented express a contrary desire pursuant to the procedures set forth in this Act.

(d) In instances where the employer does not voluntarily recognize a labor organization as the exclusive bargaining representative for a unit of employees, the Board shall determine the majority representative of the public employees in an appropriate collective bargaining unit by conducting a secret ballot election, except as otherwise provided in subsection (a-5). Within 7 days after the Board issues its bargaining unit determination and direction of election or the execution of a stipulation for the purpose of a consent election, the public employer shall submit to the labor organization the complete names and addresses of those employees who are determined by the Board to be eligible to participate in the election. When the Board has determined that a labor organization has been fairly and freely chosen by a majority of employees in an appropriate unit, it shall certify such organization as the exclusive representative. If the Board determines that a majority of employees in an appropriate unit has fairly and freely chosen not to be represented by a labor organization, it shall so certify. The Board may also revoke the certification of the public employee organizations as exclusive bargaining representatives which have been found by a secret ballot election to be no longer the majority representative.

(e) The Board shall not conduct an election in any bargaining unit or any subdivision thereof within which a valid election has been held in the preceding 12-month period. The Board shall determine who is eligible to vote in an election and shall establish rules governing the conduct of the election or conduct affecting the results of the election. The Board shall include on a ballot in a representation election a choice of "no representation". A labor organization currently representing the bargaining unit of employees shall be placed on the ballot in any representation election. In any election where none of the choices on the ballot receives a majority, a runoff election shall be conducted between the 2 choices receiving the largest number of valid votes cast in the election. A labor organization which receives a majority of the votes cast in an election shall be certified by the Board as exclusive representative of all public employees in the unit.

(f) A labor organization shall be designated as the exclusive representative by a public employer, provided that the labor organization represents a majority of the public employees in an appropriate unit. Any employee organization which is designated or selected by the majority of public employees, in a unit of the public employer having no other recognized or certified representative, as their representative for purposes of collective bargaining may request recognition by the public employer in writing. The public employer shall post such request for a period of at least 20 days following its receipt thereof on bulletin boards or other places used or reserved for employee notices.

(g) Within the 20-day period any other interested employee organization may petition the Board in the manner specified by rules and regulations of the Board, provided that such interested employee organization has been designated by at least 10% of the employees in an appropriate bargaining unit which includes all or some of the employees in the unit recognized by the employer. In such event, the Board shall proceed with the petition in the same manner as provided by paragraph (1) of subsection (a) of this Section.

(h) No election shall be directed by the Board in any bargaining unit where there is in force a valid collective bargaining agreement or, except in the case of fire fighter units, after an interest arbitrator has been appointed pursuant to the impasse resolution procedures in Section 14 of this Act. The Board, however, may process an election petition filed between 90 and 60 days prior to the expiration of the date of an agreement, and may further refine, by rule or decision, the implementation of this provision. Where more than 4 years have elapsed since the effective date of the agreement, the agreement shall continue to bar an election, except that the Board may process an election petition filed between 90 and 60 days prior to the end of the fifth year of such an agreement, and between 90 and 60 days prior to the end of each successive year of such agreement.

(i) An order of the Board dismissing a representation petition, determining and certifying that a labor organization has been fairly and freely chosen by a majority of employees in an appropriate bargaining unit, determining and certifying that a labor organization has not been fairly and freely chosen by a majority of employees in the bargaining unit or certifying a labor organization as the exclusive representative of employees in an appropriate bargaining unit because of a determination by the Board that the labor organization is the historical bargaining representative of employees in the bargaining unit,

is a final order. Any person aggrieved by any such order issued on or after the effective date of this amendatory Act of 1987 may apply for and obtain judicial review in accordance with provisions of the Administrative Review Law, as now or hereafter amended, except that such review shall be afforded directly in the Appellate Court for the district in which the aggrieved party resides or transacts business. Any direct appeal to the Appellate Court shall be filed within 35 days from the date that a copy of the decision sought to be reviewed was served upon the party affected by the decision.
(Source: P.A. 95-331, eff. 8-21-07; 96-813, eff. 10-30-09.)

(5 ILCS 315/14) (from Ch. 48, par. 1614)

Sec. 14. Security Employee, Peace Officer and Fire Fighter Disputes.

(a) In the case of collective bargaining agreements involving units of security employees of a public employer, Peace Officer Units, or units of fire fighters or paramedics, and in the case of disputes under Section 18, unless the parties mutually agree to some other time limit, mediation shall commence 30 days prior to the expiration date of such agreement or at such later time as the mediation services chosen under subsection (b) of Section 12 can be provided to the parties. In the case of negotiations for an initial collective bargaining agreement, mediation shall commence upon 15 days notice from either party or at such later time as the mediation services chosen pursuant to subsection (b) of Section 12 can be provided to the parties. In mediation under this Section, if either party requests the use of mediation services from the Federal Mediation and Conciliation Service, the other party shall either join in such request or bear the additional cost of mediation services from another source. The mediator shall have a duty to keep the Board informed on the progress of the mediation. If any dispute has not been resolved within 15 days after the first meeting of the parties and the mediator, or within such other time limit as may be mutually agreed upon by the parties, either the exclusive representative or employer may request of the other, in writing, arbitration, and shall submit a copy of the request to the Board.

(b) Within 10 days after such a request for arbitration has been made, the employer shall choose a delegate and the employees' exclusive representative shall choose a delegate to a panel of arbitration as provided in this Section. The employer and employees shall forthwith advise the other and the Board of their selections.

(c) Within 7 days after the request of either party, the parties shall request a panel of impartial arbitrators from which they shall select the neutral chairman according to the procedures provided in this Section. If the parties have agreed to a contract that contains a grievance resolution procedure as provided in Section 8, the chairman shall be selected using their agreed contract procedure unless they mutually agree to another procedure. If the parties fail to notify the Board of their selection of neutral chairman within 7 days after receipt of the list of impartial arbitrators, the Board shall appoint, at random, a neutral chairman from the list. In the absence of an agreed contract procedure for selecting an impartial arbitrator, either party may request a panel from the Board.

Notwithstanding the preceding paragraph in this subsection (c), for peace officer units and security employee units only, within 7 calendar days after the request by either party to proceed to arbitration, the parties shall request from the Board a panel of arbitrators from which the parties shall select the neutral chairman, unless the parties have mutually agreed upon an arbitrator or have negotiated a contract procedure for selecting an impartial interest arbitrator.

Within 7 days of the request of either party, the Board shall select from the Public Employees Labor Mediation Roster 7 persons who are on the labor arbitration panels of either the American Arbitration Association or the Federal Mediation and Conciliation Service, or who are members of the National Academy of Arbitrators, as nominees for impartial arbitrator of the arbitration panel. The parties may select an individual on the list provided by the Board or any other individual mutually agreed upon by the parties. Within 7 days following the receipt of the list, the parties shall notify the Board of the person they have selected. Unless the parties agree on an alternate selection procedure, they shall alternatively strike one name from the list provided by the Board until only one name remains. A coin toss shall determine which party shall strike the first name. If both the parties fail to notify the Board in a timely manner of their selection for neutral chairman, the Board shall appoint a neutral chairman from the Illinois Public Employees Mediation/Arbitration Roster. If, however, the failure to notify the Board of a mutual selection for the neutral chairman is due to one party's failure to timely participate in the selection process, the party who was prepared to participate in a timely selection may notify the Board of its willingness to select an arbitrator from the panel. Under such circumstances, the Board, after waiting 7 days after the receipt of the panel by the non-participating party, shall appoint as the neutral chairman the arbitrator from the panel chosen solely by the party who was prepared to participate in a timely selection.

(d) The chairman shall call a hearing to begin within 15 days and give reasonable notice of the time and place of the hearing. The hearing shall be held at the offices of the Board or at such other location as the Board deems appropriate. The chairman shall preside over the hearing and shall take testimony. Any oral

or documentary evidence and other data deemed relevant by the arbitration panel may be received in evidence. The proceedings shall be informal. Technical rules of evidence shall not apply and the competency of the evidence shall not thereby be deemed impaired. A verbatim record of the proceedings shall be made and the arbitrator shall arrange for the necessary recording service. Transcripts may be ordered at the expense of the party ordering them, but the transcripts shall not be necessary for a decision by the arbitration panel. The expense of the proceedings, including a fee for the chairman, shall be borne equally by each of the parties to the dispute. The delegates, if public officers or employees, shall continue on the payroll of the public employer without loss of pay. The hearing conducted by the arbitration panel may be adjourned from time to time, but unless otherwise agreed by the parties, shall be concluded within 30 days of the time of its commencement. Majority actions and rulings shall constitute the actions and rulings of the arbitration panel. Arbitration proceedings under this Section shall not be interrupted or terminated by reason of any unfair labor practice charge filed by either party at any time.

(e) The arbitration panel may administer oaths, require the attendance of witnesses, and the production of such books, papers, contracts, agreements and documents as may be deemed by it material to a just determination of the issues in dispute, and for such purpose may issue subpoenas. If any person refuses to obey a subpoena, or refuses to be sworn or to testify, or if any witness, party or attorney is guilty of any contempt while in attendance at any hearing, the arbitration panel may, or the attorney general if requested shall, invoke the aid of any circuit court within the jurisdiction in which the hearing is being held, which court shall issue an appropriate order. Any failure to obey the order may be punished by the court as contempt.

(f) At any time before the rendering of an award, the chairman of the arbitration panel, if he is of the opinion that it would be useful or beneficial to do so, may remand the dispute to the parties for further collective bargaining for a period not to exceed 2 weeks. If the dispute is remanded for further collective bargaining the time provisions of this Act shall be extended for a time period equal to that of the remand. The chairman of the panel of arbitration shall notify the Board of the remand.

(g) At or before the conclusion of the hearing held pursuant to subsection (d), the arbitration panel shall identify the economic issues in dispute, and direct each of the parties to submit, within such time limit as the panel shall prescribe, to the arbitration panel and to each other its last offer of settlement on each economic issue. The determination of the arbitration panel as to the issues in dispute and as to which of these issues are economic shall be conclusive. The arbitration panel, within 30 days after the conclusion of the hearing, or such further additional periods to which the parties may agree, shall make written findings of fact and promulgate a written opinion and shall mail or otherwise deliver a true copy thereof to the parties and their representatives and to the Board. As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in subsection (h). The findings, opinions and order as to all other issues shall be based upon the applicable factors prescribed in subsection (h).

(h) Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its findings, opinions and order upon the following factors, as applicable:

(1) The lawful authority of the employer.

(2) Stipulations of the parties.

(3) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.

(4) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:

(A) In public employment in comparable communities.

(B) In private employment in comparable communities.

(5) The average consumer prices for goods and services, commonly known as the cost of living.

(6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received.

(7) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

(8) Such other factors, not confined to the foregoing, which are normally or

traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

(i) In the case of peace officers, the arbitration decision shall be limited to wages, hours, and conditions of employment (which may include residency requirements in municipalities with a population under 1,000,000, but those residency requirements shall not allow residency outside of Illinois) and shall not include the following: i) residency requirements in municipalities with a population of at least 1,000,000; ii) the type of equipment, other than uniforms, issued or used; iii) manning; iv) the total number of employees employed by the department; v) mutual aid and assistance agreements to other units of government; and vi) the criterion pursuant to which force, including deadly force, can be used; provided, nothing herein shall preclude an arbitration decision regarding equipment or manning levels if such decision is based on a finding that the equipment or manning considerations in a specific work assignment involve a serious risk to the safety of a peace officer beyond that which is inherent in the normal performance of police duties. Limitation of the terms of the arbitration decision pursuant to this subsection shall not be construed to limit the factors upon which the decision may be based, as set forth in subsection (h).

In the case of fire fighter, and fire department or fire district paramedic matters, the arbitration decision shall be limited to wages, hours, and conditions of employment (which may include residency requirements in municipalities with a population under 1,000,000, but those residency requirements shall not allow residency outside of Illinois) and shall not include the following matters: i) residency requirements in municipalities with a population of at least 1,000,000; ii) the type of equipment (other than uniforms and fire fighter turnout gear) issued or used; iii) the total number of employees employed by the department; iv) mutual aid and assistance agreements to other units of government; and v) the criterion pursuant to which force, including deadly force, can be used; provided, however, nothing herein shall preclude an arbitration decision regarding equipment levels if such decision is based on a finding that the equipment considerations in a specific work assignment involve a serious risk to the safety of a fire fighter beyond that which is inherent in the normal performance of fire fighter duties. Limitation of the terms of the arbitration decision pursuant to this subsection shall not be construed to limit the facts upon which the decision may be based, as set forth in subsection (h).

The changes to this subsection (i) made by Public Act 90-385 (relating to residency requirements) do not apply to persons who are employed by a combined department that performs both police and firefighting services; these persons shall be governed by the provisions of this subsection (i) relating to peace officers, as they existed before the amendment by Public Act 90-385.

To preserve historical bargaining rights, this subsection shall not apply to any provision of a fire fighter collective bargaining agreement in effect and applicable on the effective date of this Act; provided, however, nothing herein shall preclude arbitration with respect to any such provision.

(j) Arbitration procedures shall be deemed to be initiated by the filing of a letter requesting mediation as required under subsection (a) of this Section. The commencement of a new municipal fiscal year after the initiation of arbitration procedures under this Act, but before the arbitration decision, or its enforcement, shall not be deemed to render a dispute moot, or to otherwise impair the jurisdiction or authority of the arbitration panel or its decision. Increases in rates of compensation awarded by the arbitration panel may be effective only at the start of the fiscal year next commencing after the date of the arbitration award. If a new fiscal year has commenced either since the initiation of arbitration procedures under this Act or since any mutually agreed extension of the statutorily required period of mediation under this Act by the parties to the labor dispute causing a delay in the initiation of arbitration, the foregoing limitations shall be inapplicable, and such awarded increases may be retroactive to the commencement of the fiscal year, any other statute or charter provisions to the contrary, notwithstanding. At any time the parties, by stipulation, may amend or modify an award of arbitration.

(k) Orders of the arbitration panel shall be reviewable, upon appropriate petition by either the public employer or the exclusive bargaining representative, by the circuit court for the county in which the dispute arose or in which a majority of the affected employees reside, but only for reasons that the arbitration panel was without or exceeded its statutory authority; the order is arbitrary, or capricious; or the order was procured by fraud, collusion or other similar and unlawful means. Such petitions for review must be filed with the appropriate circuit court within 90 days following the issuance of the arbitration order. The pendency of such proceeding for review shall not automatically stay the order of the arbitration panel. The party against whom the final decision of any such court shall be adverse, if such court finds such appeal or petition to be frivolous, shall pay reasonable attorneys' fees and costs to the successful party as determined by said court in its discretion. If said court's decision affirms the award of money, such award, if retroactive, shall bear interest at the rate of 12 percent per annum from the effective retroactive date.

(l) During the pendency of proceedings before the arbitration panel, existing wages, hours, and other conditions of employment shall not be changed by action of either party without the consent of the other but a party may so consent without prejudice to his rights or position under this Act. The proceedings are deemed to be pending before the arbitration panel upon the initiation of arbitration procedures under this Act.

(m) Security officers of public employers, and Peace Officers, Fire Fighters and fire department and fire protection district paramedics, covered by this Section may not withhold services, nor may public employers lock out or prevent such employees from performing services at any time.

(n) All of the terms decided upon by the arbitration panel shall be included in an agreement to be submitted to the public employer's governing body for ratification and adoption by law, ordinance or the equivalent appropriate means.

The governing body shall review each term decided by the arbitration panel. If the governing body fails to reject one or more terms of the arbitration panel's decision by a 3/5 vote of those duly elected and qualified members of the governing body, within 20 days of issuance, or in the case of firefighters employed by a state university, at the next regularly scheduled meeting of the governing body after issuance, such term or terms shall become a part of the collective bargaining agreement of the parties. If the governing body affirmatively rejects one or more terms of the arbitration panel's decision, it must provide reasons for such rejection with respect to each term so rejected, within 20 days of such rejection and the parties shall return to the arbitration panel for further proceedings and issuance of a supplemental decision with respect to the rejected terms. Any supplemental decision by an arbitration panel or other decision maker agreed to by the parties shall be submitted to the governing body for ratification and adoption in accordance with the procedures and voting requirements set forth in this Section. The voting requirements of this subsection shall apply to all disputes submitted to arbitration pursuant to this Section notwithstanding any contrary voting requirements contained in any existing collective bargaining agreement between the parties.

(o) If the governing body of the employer votes to reject the panel's decision, the parties shall return to the panel within 30 days from the issuance of the reasons for rejection for further proceedings and issuance of a supplemental decision. All reasonable costs of such supplemental proceeding including the exclusive representative's reasonable attorney's fees, as established by the Board, shall be paid by the employer.

(p) Notwithstanding the provisions of this Section the employer and exclusive representative may agree to submit unresolved disputes concerning wages, hours, terms and conditions of employment to an alternative form of impasse resolution.

(Source: P.A. 98-535, eff. 1-1-14.)

Section 10. The Minimum Wage Law is amended by changing Section 4a as follows:

(820 ILCS 105/4a) (from Ch. 48, par. 1004a)

Sec. 4a. (1) Except as otherwise provided in this Section, no employer shall employ any of his employees for a workweek of more than 40 hours unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than 1 1/2 times the regular rate at which he is employed.

(2) The provisions of subsection (1) of this Section are not applicable to:

A. Any salesman or mechanic primarily engaged in selling or servicing automobiles, trucks or farm implements, if he is employed by a nonmanufacturing establishment primarily engaged in the business of selling such vehicles or implements to ultimate purchasers.

B. Any salesman primarily engaged in selling trailers, boats, or aircraft, if he is employed by a nonmanufacturing establishment primarily engaged in the business of selling trailers, boats, or aircraft to ultimate purchasers.

C. Any employer of agricultural labor, with respect to such agricultural employment.

D. Any employee of a governmental body excluded from the definition of "employee" under paragraph (e)(2)(C) of Section 3 of the Federal Fair Labor Standards Act of 1938.

E. Any employee employed in a bona fide executive, administrative or professional capacity, including any radio or television announcer, news editor, or chief engineer, as defined by or covered by the Federal Fair Labor Standards Act of 1938 and the rules adopted under that Act, as both exist on March 30, 2003, but compensated at the amount of salary specified in subsections (a) and (b) of Section 541.600 of Title 29 of the Code of Federal Regulations as proposed in the Federal Register on March 31, 2003 or a greater amount of salary as may be adopted by the United States Department of Labor. For bona fide executive, administrative, and professional employees of not-for-profit corporations, the Director may, by regulation, adopt a weekly wage rate standard lower than that

provided for executive, administrative, and professional employees covered under the Fair Labor Standards Act of 1938, as now or hereafter amended.

F. Any commissioned employee as described in paragraph (i) of Section 7 of the Federal Fair Labor Standards Act of 1938 and rules and regulations promulgated thereunder, as now or hereafter amended.

G. Any employment of an employee in the stead of another employee of the same employer pursuant to a worktime exchange agreement between employees.

H. Any employee of a not-for-profit educational or residential child care institution who (a) on a daily basis is directly involved in educating or caring for children who (1) are orphans, foster children, abused, neglected or abandoned children, or are otherwise homeless children and (2) reside in residential facilities of the institution and (b) is compensated at an annual rate of not less than $13,000 or, if the employee resides in such facilities and receives without cost board and lodging from such institution, not less than $10,000.

I. Any employee employed as a crew member of any uninspected towing vessel, as defined by Section 2101(40) of Title 46 of the United States Code, operating in any navigable waters in or along the boundaries of the State of Illinois.

J. Any employee who is a member of a bargaining unit recognized by the Illinois Labor Relations Board and whose union has contractually agreed to an alternate shift schedule as allowed by subsection (b) of Section 7 of the Fair Labor Standards Act of 1938.

(3) Any employer may employ any employee for a period or periods of not more than 10 hours in the aggregate in any workweek in excess of the maximum hours specified in subsection (1) of this Section without paying the compensation for overtime employment prescribed in subsection (1) if during that period or periods the employee is receiving remedial education that:

(a) is provided to employees who lack a high school diploma or educational attainment at the eighth grade level;

(b) is designed to provide reading and other basic skills at an eighth grade level or below; and

(c) does not include job specific training.

(4) A governmental body is not in violation of subsection (1) if the governmental body provides compensatory time pursuant to paragraph (o) of Section 7 of the Federal Fair Labor Standards Act of 1938, as now or hereafter amended, or is engaged in fire protection or law enforcement activities and meets the requirements of paragraph (k) of Section 7 or paragraph (b)(20) of Section 13 of the Federal Fair Labor Standards Act of 1938, as now or hereafter amended.

(Source: P.A. 92-623, eff. 7-11-02; 93-672, eff. 4-2-04.)".

Senate Floor Amendment No. 2 was held in the Committee on Labor and Commerce.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Stadelman, **Senate Bill No. 3530** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Labor and Commerce, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 3530

AMENDMENT NO. 1. Amend Senate Bill 3530 by replacing everything after the enacting clause with the following:

"Section 5. The Unemployment Insurance Act is amended by changing Section 201 as follows:

(820 ILCS 405/201) (from Ch. 48, par. 311)

Sec. 201. "Director" means the ~~the~~ Director of the Department of Employment Security, and "Department" means the Department of Employment Security.

(Source: P.A. 83-1503.)".

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Harmon, **Senate Bill No. 3548** having been printed, was taken up, read by title a second time.

Senator Harmon offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 3548

AMENDMENT NO. 1. Amend Senate Bill 3548 by replacing everything after the enacting clause with the following:

"Section 5. The Elmwood Park Grade Separation Authority Act is amended by changing Sections 5, 15, 20, 35, 50, and 100 as follows:

(70 ILCS 1935/5)

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

"Authority" means the Elmwood Park Grade Separation Authority.

"Person" includes an individual, partnership, firm, public or private corporation, and government or unit of government.

"Railroad" or "Railroads" means the Northeast Illinois Regional Commuter Railroad Corporation, created under subsection (a) of Section 2.20 of the Regional Transportation Authority Act, ~~Canadian Pacific Railway~~ and other railroads operating or owning trackage or right-of-way within the area of the Authority.

"Village" means the Village of Elmwood Park.

(Source: P.A. 98-564, eff. 8-27-13.)

(70 ILCS 1935/15)

Sec. 15. Creation; duration; termination of the Authority. There is created a body politic and corporate, a unit of local government, named the Elmwood Park Grade Separation Authority that embraces that portion of Leyden Township within the Village of Elmwood Park, Cook County, Illinois. The Authority shall continue in existence until the accomplishment of its objectives or until the Authority officials resolve that it is impossible or economically unfeasible to fulfill its objectives. Objectives of the Authority include the grade separation of railroad tracks from the right-of-way of Grand Avenue in the Village of Elmwood Park, the relocation of railroad tracks and roadway to facilitate the grade separation, and other necessary, related improvements to the right-of-way and at-grade crossing closure within the Village of Elmwood Park. The Authority shall be dissolved upon its voluntary termination ~~or 6 months after the first use of the railway on the grade separation structure by a Railroad~~. Upon termination or dissolution of the Authority after the construction of the grade separation project, the Department of Transportation shall own and maintain the grade separation structure and the Northeast Illinois Regional Commuter Railroad Corporation ~~Canadian Pacific Railway Company~~ shall own and maintain the railway along the grade separation structure.

(Source: P.A. 98-564, eff. 8-27-13.)

(70 ILCS 1935/20)

Sec. 20. Procedural capacity; seal; office. The Authority may sue and be sued in its corporate name, but execution shall not in any case issue against any property of the Authority. The grade separation project ~~Authority~~ shall be subject to the jurisdiction of the Illinois Commerce Commission. It may adopt a common seal and change the seal at pleasure. The principal office of the Authority shall be in the Village of Elmwood Park, Illinois.

The Authority may enter into contracts for the performance of its objectives, including agreements with other State entities and departments, as well as provide for the letting of construction contracts, consultant service agreements, professional and trade services, and other agreements consistent with the purposes and objectives of the Authority established by this Act. The Authority may accept jurisdictional transfer of public right-of-way for purposes of eliminating at-grade street and railroad crossings.

(Source: P.A. 98-564, eff. 8-27-13.)

(70 ILCS 1935/35)

Sec. 35. Acceptance of grants, loans, and appropriations. The Authority has the power to apply for and accept grants, loans, advances, and appropriations from the federal government and from the State of Illinois, or any agency or instrumentality thereof, to be used for the purposes of the Authority, and to enter into any agreement in relation to such grants, loans, advances, and appropriations. The Authority may also accept from the State, or any State agency, department, or commission, any county or other political subdivision, any municipal corporation, any Railroads, school authorities, or jointly therefrom, grants of funds or services for any of the purposes of this Act. The Authority shall be treated as a rail carrier, with only the grade separation project being subject to the Illinois Commerce Commission's jurisdiction, and eligible to receive money from the Grade Crossing Protection Fund, any fund of the State, or other source available for purposes of promoting safety and separation of at-grade railroad crossings or highway improvements.

~~The Illinois Commerce Commission Crossing Safety Improvement Program FY 2014-2018 Plan shall be revised to include this Authority's grade separation project as one of the bridge projects contemplated for FY 2015 through FY 2018, and funds from the Grade Crossing Protection Fund shall be allocated in the FY 2015 through FY 2018 Plan for said grade separation project. No Order of the Illinois Commerce Commission shall be effective or binding on the Authority to construct the grade separation project unless the federal government, the State of Illinois, or any agency or instrumentality thereof has granted or appropriated sufficient funds for the construction of the grade separation project and the Authority is in receipt of those funds. Notwithstanding, the Illinois Commerce Commission shall not withhold approval of the construction of the Authority's grade separation project or the issuance of any Orders that authorize the construction of the Authority's grade separation project.~~

Notwithstanding any provision of law to the contrary, the Illinois Commerce Commission's jurisdiction under this Act includes the authority to use funds from the Grade Crossing Protection Fund to reimburse the Elmwood Park Grade Separation Authority, in an amount not to exceed $12,000,000, for the construction of a grade separation to replace the existing Grand Avenue highway-rail grade crossing of tracks owned by the Northeast Illinois Regional Commuter Railroad Corporation, without regard to whether all or part of the crossing is within the jurisdiction of the Department of Transportation, the Regional Transportation Authority or any subdivision or unit thereof, or any other State agency or unit of local government.

The Elmwood Park Grade Separation Authority shall conduct a preliminary engineering study for the construction of a grade separation to replace the existing Grand Avenue highway-rail grade crossing, which shall result in the preparation of preliminary engineering plans and an estimate of cost. The Elmwood Park Grade Separation Authority shall also prepare a funding plan for the grade separation project. The Elmwood Park Grade Separation Authority shall submit a copy of the preliminary engineering study, estimate of cost, and funding plan for the construction of a grade separation to replace the existing Grand Avenue highway-rail grade crossing to the Illinois Commerce Commission for its review.

Following receipt of the preliminary engineering study, estimate of cost, and funding plan for the Grand Avenue grade separation project, the Illinois Commerce Commission shall consider that project as one of the bridge projects included in the Illinois Commerce Commission's Crossing Safety Improvement Program during the earliest 5-year programming cycle, and funds from the Grade Crossing Protection Fund shall be programmed for that grade separation project.

No funds from the Grade Crossing Protection Fund programmed for the Grand Avenue grade separation project shall be provided unless authorized by the Illinois Commerce Commission. Funds from the Grade Crossing Protection Fund programmed for the Grand Avenue grade separation project may not exceed $12,000,000, and shall only be provided to the Elmwood Park Grade Separation Authority as reimbursement for expenses already incurred.

(Source: P.A. 98-564, eff. 8-27-13.)

(70 ILCS 1935/50)

Sec. 50. Board; composition; qualification; compensation and expenses. The Authority shall be governed by a 7 ~~9~~-member board consisting of members appointed by the Governor with the advice and consent of the Senate. Five members shall be voting members and 2 ~~4~~ members shall be non-voting members. The voting members shall consist of the following:

(1) two former public officials who served within the Township of Leyden or the Village of Elmwood Park and are recommended to the Governor by the Village President of the Village of Elmwood Park;

(2) one current employee ~~two prior employees~~ of the Northeast Illinois Regional Commuter Railroad Corporation ~~Canadian Pacific Railway~~ with management experience; ~~and~~

(3) one current employee of Canadian Pacific Railway; and

(4) ~~(3)~~ one resident of the Township of Leyden or the Village of Elmwood Park.

The non-voting members shall consist of the following:

(1) the Village President of the Village of Elmwood Park; and

~~(2) one current employee of Canadian Pacific Railway with management experience;~~

~~(3) one current employee of Northeast Illinois Regional Commuter Railroad Corporation with management experience; and~~

(2) ~~(4)~~ one current employee of the Department of Transportation with management experience.

The members of the board shall serve without compensation, but may be reimbursed for actual expenses incurred by them in the performance of their duties prescribed by the Authority. However, any member of the board who serves as secretary or treasurer may receive compensation for services as that officer.

(Source: P.A. 98-564, eff. 8-27-13; revised 10-17-13.)

(70 ILCS 1935/100)

Sec. 100. Construction. Nothing in this Act shall be construed to confer upon the Authority the right, power, or duty to order or enforce the abandonment of any present property of the railroads or the use in substitution therefor of any property acquired for the railroads in the absence of a contract duly executed by the railroads and the Authority setting forth the terms and conditions upon which relocation of the right-of-way and physical facilities of the railroads is to be accomplished. No such contract shall be or become enforceable until the provisions of the contract have been approved or authorized by the Illinois Commerce Commission.

Any construction improvements to signaling or any other aspect of the grade separation project dictated by the ~~Railroad or the~~ Northeast Illinois Regional Commuter Railroad Corporation shall be paid for ~~respectively~~ by the ~~Railroad or the~~ Northeast Illinois Regional Commuter Railroad Corporation.

The ~~Railroad or the~~ Northeast Illinois Regional Commuter Railroad Corporation~~, or both,~~ shall specifically pay any and all costs associated with any upgrades to the railway.
(Source: P.A. 98-564, eff. 8-27-13.)

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 foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Harmon, **Senate Bill No. 3566** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Financial Institutions, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 3566

AMENDMENT NO. 1. Amend Senate Bill 3566 by replacing everything after the enacting clause with the following:

"Section 5. The Currency Exchange Act is amended by changing Section 0.1 as follows:
(205 ILCS 405/0.1)
Sec. 0.1. Short Title. This Act shall be known and may be cited as the ~~the~~ Currency Exchange Act.
(Source: P.A. 91-533, eff. 8-13-99.)".

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

MESSAGE FROM THE HOUSE

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

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a House Joint Resolution Constitutional Amendment of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE JOINT RESOLUTION
CONSTITUTIONAL AMENDMENT 52

HC0052 Engrossed

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that there shall be submitted to the electors of the State for adoption or rejection at the general election next occurring at least 6 months after the adoption of this resolution a proposition to amend Article III of the Constitution by adding Section 8 as follows:

ARTICLE III
SUFFRAGE AND ELECTIONS

SECTION 8. VOTER DISCRIMINATION

No person shall be denied the right to register to vote or to cast a ballot in an election based on race, color, ethnicity, status as a member of a language minority, national origin, religion, sex, sexual orientation, or income.

SCHEDULE

This Constitutional Amendment takes effect upon being declared adopted in accordance with Section 7 of the Illinois Constitutional Amendment Act.

Passed the House, April 8, 2014.

TIMOTHY D. MAPES, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution Constitutional Amendment No. 52 was referred to the Committee on Assignments.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 671, sponsored by Senator J. Cullerton, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 2513, sponsored by Senator Koehler, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 2544, sponsored by Senator Althoff, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 3924, sponsored by Senator Rezin, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4056, sponsored by Senator Manar, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4266, sponsored by Senator Haine, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4418, sponsored by Senator Raoul, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4482, sponsored by Senator Connelly, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4593, sponsored by Senator Martinez, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4598, sponsored by Senator E. Jones III, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4616, sponsored by Senator Manar, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4679, sponsored by Senator Hastings, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4769, sponsored by Senator Haine, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4781, sponsored by Senator Hunter, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4782, sponsored by Senator Steans, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4783, sponsored by Senator Steans, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4784, sponsored by Senator Steans, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5278, sponsored by Senator Raoul, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5325, sponsored by Senator Martinez, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5326, sponsored by Senator Cunningham, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5401, sponsored by Senator Bush, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5454, sponsored by Senator Manar, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5592, sponsored by Senator Martinez, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5613, sponsored by Senator Manar, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5684, sponsored by Senator Harmon, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5824, sponsored by Senator Syverson, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5869, sponsored by Senator Bush, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 5967, sponsored by Senator E. Jones III, was taken up, read by title a first time and referred to the Committee on Assignments.

At the hour of 1:58 o'clock p.m., Senator Silverstein, presiding.

READING BILL OF THE SENATE A SECOND TIME

On motion of Senator Martinez, **Senate Bill No. 3486** having been printed, was taken up, read by title a second time and ordered to a third reading.

At the hour of 2:00 o'clock p.m., Senator Link, presiding.

SENATE BILL RECALLED

On motion of Senator Holmes, **Senate Bill No. 347** was recalled from the order of third reading to the order of second reading.

Senator Holmes offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 347

AMENDMENT NO. 1. Amend Senate Bill 347 by replacing everything after the enacting clause with the following:

"Section 5. The Property Tax Code is amended by changing Section 18-140 as follows:

(35 ILCS 200/18-140)

Sec. 18-140. Extension upon equalized assessment of current levy year. All taxes shall be extended by each county clerk upon the valuation produced by the equalization and assessment of property by the Department for the levy year. In the computation of rates, a fraction of a mill shall be extended as the next higher mill. Rates may be calculated beyond 3 decimal points to allow the extension to be as close to the levy requested as possible. Each installment of taxes shall be extended in a separate column. Installments shall be equal and as to each installment a fraction of a cent shall be extended as one cent.

(Source: P.A. 87-17; 88-455.)

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 foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Holmes, **Senate Bill No. 347** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Frerichs	Luechtefeld	Raoul
Bertino-Tarrant	Haine	Manar	Rezin
Biss	Harris	Martinez	Rose
Brady	Hastings	McCann	Sandoval
Bush	Holmes	McConnaughay	Silverstein
Clayborne	Hunter	McGuire	Stadelman
Collins	Hutchinson	Morrison	Steans
Connelly	Jones, E.	Mulroe	Sullivan
Cullerton, T.	Kotowski	Muñoz	Syverson
Cunningham	LaHood	Murphy	Trotter
Delgado	Landek	Noland	Van Pelt
Duffy	Lightford	Oberweis	Mr. President
Forby	Link	Radogno	

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 therein.

SENATE BILL RECALLED

On motion of Senator Delgado, **Senate Bill No. 506** was recalled from the order of third reading to the order of second reading.

Senator Delgado offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 506

AMENDMENT NO. 1. Amend Senate Bill 506 by replacing everything after the enacting clause with the following:

"Section 5. The Counties Code is amended by changing Section 3-3009 as follows:

(55 ILCS 5/3-3009) (from Ch. 34, par. 3-3009)

Sec. 3-3009. Deputy coroner's, sheriff's or police officer's performance of coroner's duties. If there is no coroner, or it shall appear in like manner that he or she is also a party to or interested in the suit, or of kin, or partial to or prejudiced against either party, or the coroner has an economic or personal interest that conflicts with his or her official duties as coroner, the coroner shall disqualify himself or herself from acting at an investigation or inquest and process shall ~~may~~ in like manner issue to the deputy coroner if designated by the coroner to fill the vacancy, or, if no designation is made, to any sheriff, sheriff's deputy or police officer, in the county, who shall perform like duties as required of the coroner. The designation shall be in writing and filed with the county clerk.

(Source: P.A. 91-633, eff. 12-1-99.)

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 foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Delgado, **Senate Bill No. 506** having been transcribed and typed and all amendments adopted thereto having been printed, 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 52; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Rezin
Bertino-Tarrant	Frerichs	Luechtefeld	Rose
Biss	Haine	Manar	Sandoval
Bivins	Harmon	Martinez	Silverstein
Brady	Harris	McCann	Stadelman
Bush	Hastings	McConnaughay	Steans
Clayborne	Holmes	McGuire	Sullivan
Collins	Hunter	Morrison	Trotter
Connelly	Hutchinson	Mulroe	Van Pelt
Cullerton, T.	Jones, E.	Muñoz	Mr. President
Cunningham	Kotowski	Murphy	
Delgado	LaHood	Noland	
Dillard	Landek	Oberweis	
Duffy	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 and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator Haine, **Senate Bill No. 644** was recalled from the order of third reading to the order of second reading.

Senator Haine offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 644

AMENDMENT NO. 1. Amend Senate Bill 644 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Insurance Code is amended by changing Section 143.24d as follows:

(215 ILCS 5/143.24d)

Sec. 143.24d. Arbitration of physical damage subrogation claims between insurers in certain cases.

(a) With respect to physical damage subrogation claims arising from auto damages incurred on or after January 1, 2012, insurers shall arbitrate and settle such claims where the amount in controversy, exclusive of the costs of the arbitration, is less than $2,500. Such arbitration shall be in accordance with the terms of and rules adopted pursuant to the Nationwide Inter-Company Arbitration Agreement, or any successor thereto, as adopted and from time to time amended by its members, unless the parties on a case-by-case basis mutually agree to use another forum; the alternate forum may include a court of competent jurisdiction, in which case the claim shall be arbitrated or tried in that alternate forum. Mandatory arbitration of disputed claims shall be limited solely to the issues of liability and damages. Nothing in this Section shall preclude a party from seeking resolution in a court of competent jurisdiction after a decision has been rendered in an arbitration.

(b) Nothing in this Section shall be interpreted to require an insurer to become a member of any organization or to sign the Nationwide Inter-Company Arbitration Agreement.

(Source: P.A. 97-513, eff. 1-1-12.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Haine, **Senate Bill No. 644** having been transcribed and typed and all amendments adopted thereto having been printed, 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 52; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Rezin
Bertino-Tarrant	Frerichs	Luechtefeld	Rose
Biss	Haine	Manar	Sandoval
Bivins	Harmon	Martinez	Silverstein
Brady	Harris	McCann	Stadelman
Bush	Hastings	McConnaughay	Steans
Clayborne	Holmes	McGuire	Sullivan
Collins	Hunter	Morrison	Syverson
Connelly	Hutchinson	Mulroe	Trotter
Cullerton, T.	Jones, E.	Muñoz	Mr. President
Cunningham	Kotowski	Noland	
Delgado	LaHood	Oberweis	
Dillard	Landek	Radogno	

Duffy 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 and ask their concurrence therein.

At the hour of 2:10 o'clock p.m., the Chair announced that the Senate stand at ease.

AT EASE

At the hour of 2:21 o'clock p.m., the Senate resumed consideration of business.
Senator Link, presiding.

REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its April 8, 2014 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Executive: **Senate Floor Amendment No. 3 to Senate Bill 3318**.

Labor and Commerce: **Senate Floor Amendment No. 2 to Senate Bill 1103**.

Licensed Activities and Pensions: **Senate Floor Amendment No. 1 to Senate Bill 452; Senate Floor Amendment No. 2 to Senate Bill 452**.

State Government and Veterans Affairs: **Senate Floor Amendment No. 3 to Senate Bill 218; Senate Floor Amendment No. 2 to Senate Bill 503; Senate Floor Amendment No. 3 to Senate Bill 503; Senate Committee Amendment No. 1 to Senate Resolution 1002**.

Transportation: **Senate Committee Amendment No. 1 to Senate Joint Resolution 62; Senate Floor Amendment No. 1 to Senate Bill 2620**.

Senator Clayborne, Chairperson of the Committee on Assignments, during its April 8, 2014 meeting, reported that the following Legislative Measures have been approved for consideration:

Senate Floor Amendment No. 1 to Senate Bill 647
Senate Floor Amendment No. 2 to Senate Bill 2922

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

Motion to Concur in House Amendments 2 and 6 to Senate Bill 1922

The foregoing concurrence was placed on the Secretary's Desk.

House Joint Resolution Constitutional Amendment 1 and House Joint Resolution Constitutional Amendment 52

The foregoing resolutions were placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its April 8, 2014 meeting, reported that pursuant to Senate Rule 3-8(b-1), the following amendments will remain in the Committee on Assignments:

Senate Floor Amendment No. 1 to Senate Bill 228, Senate Floor Amendment No. 1 to Senate Bill 588, Senate Floor Amendment No. 1 to Senate Bill 589, Senate Floor Amendment No. 2 to Senate Bill 728, Senate Floor Amendment No. 1 to Senate Bill 1050, Senate Floor Amendment No. 4 to Senate Bill 2004, Senate Floor Amendment No. 1 to Senate Bill 2015, Senate Floor Amendment No. 3 to Senate Bill 2583, Senate Floor Amendment No. 2 to Senate Bill 3414.

COMMITTEE MEETING ANNOUNCEMENTS

The Chair announced the following committees to meet at 3:30 o'clock p.m.:

Licensed Activities and Pensions in Room 400
Executive in Room 212
State Government and Veterans Affairs in Room 409

The Chair announced the following committees to meet at 4:45 o'clock p.m.:

Labor and Commerce in Room 212
Financial Institutions in Room 400

COMMITTEE MEETING ANNOUNCEMENTS FOR APRIL 9, 2014

The Chair announced the following committee to meet at 9:15 o'clock a.m.:

Energy in Room 212

The Chair announced the following committee to meet at 9:30 o'clock a.m.:

Transportation in Room 212

SENATE BILL RECALLED

On motion of Senator Mulroe, **Senate Bill No. 927** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 1 was held in the Committee on Transportation.

Senate Floor Amendment No. 2 was postponed in the Committee on Transportation.

Senator Mulroe offered the following amendment and moved its adoption:

AMENDMENT NO. 3 TO SENATE BILL 927

AMENDMENT NO. 3. Amend Senate Bill 927 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by changing Sections 1-105 and 12-215 as follows:

(625 ILCS 5/1-105) (from Ch. 95 1/2, par. 1-105)

Sec. 1-105. Authorized emergency vehicle. Emergency vehicles of municipal departments or public service corporations as are designated or authorized by proper local authorities; police vehicles; vehicles of the fire department; vehicles of a HazMat or technical rescue team authorized by a county board under Section 5-1127 of the Counties Code; ambulances; vehicles of the Illinois Department of Corrections; vehicles of the Illinois Department of Juvenile Justice; vehicles of the Illinois Emergency Management Agency; vehicles of the Office of the Illinois State Fire Marshal; mine rescue and explosives emergency response vehicles of the Department of Natural Resources; vehicles of the Illinois Department of Public Health; vehicles of the Illinois State Toll Highway Authority identified as Highway Emergency Lane patrol; vehicles of the Illinois Department of Transportation identified as Emergency Traffic Patrol; and vehicles of a municipal or county emergency services and disaster agency, as defined by the Illinois Emergency Management Agency Act.

(Source: P.A. 97-149, eff. 7-14-11; 97-333, eff. 7-12-11; 98-123, eff. 1-1-14; 98-468, eff. 8-16-13; revised 9-19-13.)

(625 ILCS 5/12-215) (from Ch. 95 1/2, par. 12-215)

Sec. 12-215. Oscillating, rotating or flashing lights on motor vehicles. Except as otherwise provided in this Code:

(a) The use of red or white oscillating, rotating or flashing lights, whether lighted or unlighted, is prohibited except on:

1. Law enforcement vehicles of State, Federal or local authorities;

2. A vehicle operated by a police officer or county coroner and designated or authorized by local authorities, in writing, as a law enforcement vehicle; however, such designation or authorization must be carried in the vehicle;

2.1. A vehicle operated by a fire chief who has completed an emergency vehicle operation training course approved by the Office of the State Fire Marshal and designated or authorized by local authorities, in writing, as a fire department, fire protection district, or township fire department vehicle; however, the designation or authorization must be carried in the vehicle, and the lights may be visible or activated only when responding to a bona fide emergency;

3. Vehicles of local fire departments and State or federal firefighting vehicles;

4. Vehicles which are designed and used exclusively as ambulances or rescue vehicles; furthermore, such lights shall not be lighted except when responding to an emergency call for and while actually conveying the sick or injured;

5. Tow trucks licensed in a state that requires such lights; furthermore, such lights shall not be lighted on any such tow truck while the tow truck is operating in the State of Illinois;

6. Vehicles of the Illinois Emergency Management Agency, vehicles of the Office of the Illinois State Fire Marshal, vehicles of the Illinois Department of Public Health, vehicles of the Illinois Department of Corrections, and vehicles of the Illinois Department of Juvenile Justice;

7. Vehicles operated by a local or county emergency management services agency as defined in the Illinois Emergency Management Agency Act;

8. School buses operating alternately flashing head lamps as permitted under Section 12-805 of this Code;

9. Vehicles that are equipped and used exclusively as organ transplant vehicles when used in combination with blue oscillating, rotating, or flashing lights; furthermore, these lights shall be lighted only when the transportation is declared an emergency by a member of the transplant team or a representative of the organ procurement organization; ~~and~~

10. Vehicles of the Illinois Department of Natural Resources that are used for mine rescue and explosives emergency response; ~~.~~

11. Vehicles of the Illinois Department of Transportation identified as Emergency Traffic Patrol; the ~~. The~~ lights shall not be lighted except when responding to an emergency call or when parked or stationary while engaged in motor vehicle assistance or at the scene of the emergency ; and ~~.~~

12. Vehicles of the Illinois State Toll Highway Authority identified as Highway Emergency Lane Patrol; the lights shall not be lighted except when responding to an emergency call or when parked or stationary while engaged in motor vehicle assistance or at the scene of the emergency.

(b) The use of amber oscillating, rotating or flashing lights, whether lighted or unlighted, is prohibited except on:

1. Second division vehicles designed and used for towing or hoisting vehicles; furthermore, such lights shall not be lighted except as required in this paragraph 1; such lights shall be lighted when such vehicles are actually being used at the scene of an accident or disablement; if the towing vehicle is equipped with a flat bed that supports all wheels of the vehicle being transported, the lights shall not be lighted while the vehicle is engaged in towing on a highway; if the towing vehicle is not equipped with a flat bed that supports all wheels of a vehicle being transported, the lights shall be lighted while the towing vehicle is engaged in towing on a highway during all times when the use of headlights is required under Section 12-201 of this Code; in addition, these vehicles may use white oscillating, rotating, or flashing lights in combination with amber oscillating, rotating, or flashing lights as provided in this paragraph;

2. Motor vehicles or equipment of the State of Illinois, the Illinois State Toll Highway Authority, local authorities and contractors; furthermore, such lights shall not be lighted except while such vehicles are engaged in maintenance or construction operations within the limits of construction projects;

3. Vehicles or equipment used by engineering or survey crews; furthermore, such lights shall not be lighted except while such vehicles are actually engaged in work on a highway;

4. Vehicles of public utilities, municipalities, or other construction, maintenance or

automotive service vehicles except that such lights shall be lighted only as a means for indicating the presence of a vehicular traffic hazard requiring unusual care in approaching, overtaking or passing while such vehicles are engaged in maintenance, service or construction on a highway;

5. Oversized vehicle or load; however, such lights shall only be lighted when moving under permit issued by the Department under Section 15-301 of this Code;

6. The front and rear of motorized equipment owned and operated by the State of Illinois or any political subdivision thereof, which is designed and used for removal of snow and ice from highways;

6.1. ~~(6.1)~~ The front and rear of motorized equipment or vehicles that (i) are not owned by the State of Illinois or any political subdivision of the State, (ii) are designed and used for removal of snow and ice from highways and parking lots, and (iii) are equipped with a snow plow that is 12 feet in width; these lights may not be lighted except when the motorized equipment or vehicle is actually being used for those purposes on behalf of a unit of government;

7. Fleet safety vehicles registered in another state, furthermore, such lights shall not be lighted except as provided for in Section 12-212 of this Code;

8. Such other vehicles as may be authorized by local authorities;

9. Law enforcement vehicles of State or local authorities when used in combination with red oscillating, rotating or flashing lights;

9.5. Propane delivery trucks;

10. Vehicles used for collecting or delivering mail for the United States Postal Service provided that such lights shall not be lighted except when such vehicles are actually being used for such purposes;

10.5. Vehicles of the Office of the Illinois State Fire Marshal, provided that such lights shall not be lighted except for when such vehicles are engaged in work for the Office of the Illinois State Fire Marshal;

11. Any vehicle displaying a slow-moving vehicle emblem as provided in Section 12-205.1;

12. All trucks equipped with self-compactors or roll-off hoists and roll-on containers for garbage or refuse hauling. Such lights shall not be lighted except when such vehicles are actually being used for such purposes;

13. Vehicles used by a security company, alarm responder, control agency, or the Illinois Department of Corrections;

14. Security vehicles of the Department of Human Services; however, the lights shall not be lighted except when being used for security related purposes under the direction of the superintendent of the facility where the vehicle is located; and

15. Vehicles of union representatives, except that the lights shall be lighted only while the vehicle is within the limits of a construction project.

(c) The use of blue oscillating, rotating or flashing lights, whether lighted or unlighted, is prohibited except on:

1. Rescue squad vehicles not owned by a fire department and vehicles owned or operated by a:

voluntary firefighter;
paid firefighter;
part-paid firefighter;
call firefighter;
member of the board of trustees of a fire protection district;
paid or unpaid member of a rescue squad;
paid or unpaid member of a voluntary ambulance unit; or
paid or unpaid members of a local or county emergency management services agency as defined in the Illinois Emergency Management Agency Act, designated or authorized by local authorities, in writing, and carrying that designation or authorization in the vehicle.

However, such lights are not to be lighted except when responding to a bona fide emergency or when parked or stationary at the scene of a fire, rescue call, ambulance call, or motor vehicle accident.

Any person using these lights in accordance with this subdivision (c)1 must carry on his or her person an identification card or letter identifying the bona fide member of a fire department, fire protection district, rescue squad, ambulance unit, or emergency management services agency that owns or operates that vehicle. The card or letter must include:

(A) the name of the fire department, fire protection district, rescue squad, ambulance unit, or emergency management services agency;

(B) the member's position within the fire department, fire protection district, rescue squad, ambulance unit, or emergency management services agency;

(C) the member's term of service; and

(D) the name of a person within the fire department, fire protection district, rescue squad, ambulance unit, or emergency management services agency to contact to verify the information provided.

2. Police department vehicles in cities having a population of 500,000 or more inhabitants.

3. Law enforcement vehicles of State or local authorities when used in combination with red oscillating, rotating or flashing lights.

4. Vehicles of local fire departments and State or federal firefighting vehicles when used in combination with red oscillating, rotating or flashing lights.

5. Vehicles which are designed and used exclusively as ambulances or rescue vehicles when used in combination with red oscillating, rotating or flashing lights; furthermore, such lights shall not be lighted except when responding to an emergency call.

6. Vehicles that are equipped and used exclusively as organ transport vehicles when used in combination with red oscillating, rotating, or flashing lights; furthermore, these lights shall only be lighted when the transportation is declared an emergency by a member of the transplant team or a representative of the organ procurement organization.

7. Vehicles of the Illinois Emergency Management Agency, vehicles of the Office of the Illinois State Fire Marshal, vehicles of the Illinois Department of Public Health, vehicles of the Illinois Department of Corrections, and vehicles of the Illinois Department of Juvenile Justice, when used in combination with red oscillating, rotating, or flashing lights.

8. Vehicles operated by a local or county emergency management services agency as defined in the Illinois Emergency Management Agency Act, when used in combination with red oscillating, rotating, or flashing lights.

9. Vehicles of the Illinois Department of Natural Resources that are used for mine rescue and explosives emergency response, when used in combination with red oscillating, rotating, or flashing lights.

(c-1) In addition to the blue oscillating, rotating, or flashing lights permitted under subsection (c), and notwithstanding subsection (a), a vehicle operated by a voluntary firefighter, a voluntary member of a rescue squad, or a member of a voluntary ambulance unit may be equipped with flashing white headlights and blue grill lights, which may be used only in responding to an emergency call or when parked or stationary at the scene of a fire, rescue call, ambulance call, or motor vehicle accident.

(c-2) In addition to the blue oscillating, rotating, or flashing lights permitted under subsection (c), and notwithstanding subsection (a), a vehicle operated by a paid or unpaid member of a local or county emergency management services agency as defined in the Illinois Emergency Management Agency Act, may be equipped with white oscillating, rotating, or flashing lights to be used in combination with blue oscillating, rotating, or flashing lights, if authorization by local authorities is in writing and carried in the vehicle.

(d) The use of a combination of amber and white oscillating, rotating or flashing lights, whether lighted or unlighted, is prohibited except on second division vehicles designed and used for towing or hoisting vehicles or motor vehicles or equipment of the State of Illinois, local authorities, contractors, and union representatives; furthermore, such lights shall not be lighted on second division vehicles designed and used for towing or hoisting vehicles or vehicles of the State of Illinois, local authorities, and contractors except while such vehicles are engaged in a tow operation, highway maintenance, or construction operations within the limits of highway construction projects, and shall not be lighted on the vehicles of union representatives except when those vehicles are within the limits of a construction project.

(e) All oscillating, rotating or flashing lights referred to in this Section shall be of sufficient intensity, when illuminated, to be visible at 500 feet in normal sunlight.

(f) Nothing in this Section shall prohibit a manufacturer of oscillating, rotating or flashing lights or his representative or authorized vendor from temporarily mounting such lights on a vehicle for demonstration purposes only. If the lights are not covered while the vehicle is operated upon a highway, the vehicle shall display signage indicating that the vehicle is out of service or not an emergency vehicle. The signage shall be displayed on all sides of the vehicle in letters at least 2 inches tall and one-half inch wide. A vehicle authorized to have oscillating, rotating, or flashing lights mounted for demonstration purposes may not activate the lights while the vehicle is operated upon a highway.

(g) Any person violating the provisions of subsections (a), (b), (c) or (d) of this Section who without lawful authority stops or detains or attempts to stop or detain another person shall be guilty of a Class 2 felony.

(h) Except as provided in subsection (g) above, any person violating the provisions of subsections (a) or (c) of this Section shall be guilty of a Class A misdemeanor.

(Source: P.A. 97-39, eff. 1-1-12; 97-149, eff. 7-14-11; 97-813, eff. 7-13-12; 97-1173, eff. 1-1-14; 98-80, eff. 7-15-13; 98-123, eff. 1-1-14; 98-468, eff. 8-16-13; revised 10-17-13.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

Senate Floor Amendment No. 2 was postponed in the Committee on Transportation.

There being no further amendments, the foregoing Amendment No. 3 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Mulroe, **Senate Bill No. 927** having been transcribed and typed and all amendments adopted thereto having been printed, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Luechtefeld	Rezin
Barickman	Frerichs	Manar	Rose
Bertino-Tarrant	Haine	Martinez	Sandoval
Biss	Harmon	McCann	Silverstein
Bivins	Harris	McCarter	Stadelman
Brady	Hastings	McConnaughay	Steans
Bush	Holmes	McGuire	Sullivan
Clayborne	Hunter	Morrison	Syverson
Collins	Hutchinson	Mulroe	Trotter
Connelly	Jones, E.	Muñoz	Van Pelt
Cullerton, T.	Kotowski	Murphy	Mr. President
Cunningham	LaHood	Noland	
Delgado	Landek	Oberweis	
Dillard	Lightford	Radogno	
Duffy	Link	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 and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator Raoul, **Senate Bill No. 978** was recalled from the order of third reading to the order of second reading.

Senator Raoul offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 978

AMENDMENT NO. 1. Amend Senate Bill 978 by replacing everything after the enacting clause with the following:

"Section 5. The Juvenile Court Act of 1987 is amended by changing Section 5-915 as follows:

(705 ILCS 405/5-915)

Sec. 5-915. Expungement of juvenile law enforcement and court records.

(0.05) For purposes of this Section and Section 5-622:

"Expunge" means to physically destroy the records and to obliterate the minor's name from any official index or public record, or both. Nothing in this Act shall require the physical destruction of the internal office records, files, or databases maintained by a State's Attorney's Office or other prosecutor.

"Law enforcement record" includes but is not limited to records of arrest, station adjustments, fingerprints, probation adjustments, the issuance of a notice to appear, or any other records maintained by a law enforcement agency relating to a minor suspected of committing an offense.

(1) Whenever any person has attained the age of 18 or whenever all juvenile court proceedings relating to that person have been terminated, whichever is later, the person may petition the court to expunge law enforcement records relating to incidents occurring before his or her 18th birthday or his or her juvenile court records, or both, but only in the following circumstances:

(a) the minor was arrested and no petition for delinquency was filed with the clerk of the circuit court; or

(b) the minor was charged with an offense and was found not delinquent of that offense; or

(c) the minor was placed under supervision pursuant to Section 5-615, and the order of supervision has since been successfully terminated; or

(d) the minor was adjudicated for an offense which would be a Class B misdemeanor, Class C misdemeanor, or a petty or business offense if committed by an adult.

(1.5) The Department of State Police shall automatically expunge, on an annual basis, law enforcement records pertaining to a minor who has been arrested if:

(a) the minor has been arrested and no petition for delinquency was filed with the clerk of the circuit court;

(b) the minor has attained the age of 18 years; and

(c) since the date of the minor's most recent arrest, at least 6 months have elapsed without an additional arrest.

The Department of State Police shall establish a process for an individual to confirm that all law enforcement records described in this subsection (1.5) have been expunged on an annual basis.

(2) Any person may petition the court to expunge all law enforcement records relating to any incidents occurring before his or her 18th birthday which did not result in proceedings in criminal court and all juvenile court records with respect to any adjudications except those based upon first degree murder and sex offenses which would be felonies if committed by an adult, if the person for whom expungement is sought has had no convictions for any crime since his or her 18th birthday and:

(a) has attained the age of 21 years; or

(b) 5 years have elapsed since all juvenile court proceedings relating to him or her have been terminated or his or her commitment to the Department of Juvenile Justice pursuant to this Act has been terminated;

whichever is later of (a) or (b). Nothing in this Section 5-915 precludes a minor from obtaining expungement under Section 5-622.

(2.5) If a minor is arrested and no petition for delinquency is filed with the clerk of the circuit court as provided in paragraph (a) of subsection (1) at the time the minor is released from custody, the youth officer, if applicable, or other designated person from the arresting agency, shall notify verbally and in writing to the minor or the minor's parents or guardians that if the State's Attorney does not file a petition for delinquency, the minor has a right to petition to have his or her arrest record expunged when the minor attains the age of 18 or when all juvenile court proceedings relating to that minor have been terminated and that unless a petition to expunge is filed, the minor shall have an arrest record and shall provide the minor and the minor's parents or guardians with an expungement information packet, including a petition to expunge juvenile records obtained from the clerk of the circuit court.

(2.6) If a minor is charged with an offense and is found not delinquent of that offense; or if a minor is placed under supervision under Section 5-615, and the order of supervision is successfully terminated; or if a minor is adjudicated for an offense that would be a Class B misdemeanor, a Class C misdemeanor, or a business or petty offense if committed by an adult; or if a minor has incidents occurring before his or her 18th birthday that have not resulted in proceedings in criminal court, or resulted in proceedings in juvenile court, and the adjudications were not based upon first degree murder or sex offenses that would be felonies if committed by an adult; then at the time of sentencing or dismissal of the case, the judge shall inform the delinquent minor of his or her right to petition for expungement as provided by law, and the clerk of the

circuit court shall provide an expungement information packet to the delinquent minor, written in plain language, including a petition for expungement, a sample of a completed petition, expungement instructions that shall include information informing the minor that (i) once the case is expunged, it shall be treated as if it never occurred, (ii) he or she may apply to have petition fees waived, (iii) once he or she obtains an expungement, he or she may not be required to disclose that he or she had a juvenile record, and (iv) he or she may file the petition on his or her own or with the assistance of an attorney. The failure of the judge to inform the delinquent minor of his or her right to petition for expungement as provided by law does not create a substantive right, nor is that failure grounds for: (i) a reversal of an adjudication of delinquency, (ii) a new trial; or (iii) an appeal.

(2.7) For counties with a population over 3,000,000, the clerk of the circuit court shall send a "Notification of a Possible Right to Expungement" post card to the minor at the address last received by the clerk of the circuit court on the date that the minor attains the age of 18 based on the birthdate provided to the court by the minor or his or her guardian in cases under paragraphs (b), (c), and (d) of subsection (1); and when the minor attains the age of 21 based on the birthdate provided to the court by the minor or his or her guardian in cases under subsection (2).

(2.8) The petition for expungement for subsection (1) may include multiple offenses on the same petition and shall be substantially in the following form:

IN THE CIRCUIT COURT OF ....., ILLINOIS
..... JUDICIAL CIRCUIT

IN THE INTEREST OF) NO.
)
)
.....)
(Name of Petitioner)

PETITION TO EXPUNGE JUVENILE RECORDS
(705 ILCS 405/5-915 (SUBSECTION 1))
~~(Please prepare a separate petition for each offense)~~

Now comes ....., petitioner, and respectfully requests that this Honorable Court enter an order expunging all juvenile law enforcement and court records of petitioner and in support thereof states that: Petitioner has attained the age of 18, his/her birth date being ....., or all Juvenile Court proceedings terminated as of ....., whichever occurred later. Petitioner was arrested on ..... by the ..... Police Department for the offense or offenses of ....., and:

(Check All That Apply ~~One~~:)

( ) a. no petition or petitions were ~~was~~ filed with the Clerk of the Circuit Court.

( ) b. was charged with ..... and was found not delinquent of the offense or offenses.

( ) c. a petition or petitions were ~~was~~ filed and the petition or petitions were ~~was~~ dismissed without a finding of delinquency on .....

( ) d. on ..... placed under supervision pursuant to Section 5-615 of the Juvenile Court Act of 1987 and such order of supervision successfully terminated on .....

( ) e. was adjudicated for the offense or offenses, which would have been a Class B misdemeanor, a Class C misdemeanor, or a petty offense or business offense if committed by an adult.

Petitioner .... has .... has not been arrested on charges in this or any county other than the charges listed above. If petitioner has been arrested on additional charges, please list the charges below:

Charge(s): .....

Arresting Agency or Agencies: .....

Disposition/Result: (choose from a. through e., above): .....

WHEREFORE, the petitioner respectfully requests this Honorable Court to (1) order all law enforcement agencies to expunge all records of petitioner to this incident or incidents, and (2) to order the Clerk of the Court to expunge all records concerning the petitioner regarding this incident or incidents.

.....
Petitioner (Signature)

.....
Petitioner's Street Address

.....
City, State, Zip Code

.....
Petitioner's Telephone Number

Pursuant to the penalties of perjury under the Code of Civil Procedure, 735 ILCS 5/1-109, I hereby certify that the statements in this petition are true and correct, or on information and belief I believe the same to be true.

.....
Petitioner (Signature)

The Petition for Expungement for subsection (2) shall be substantially in the following form:

IN THE CIRCUIT COURT OF ....., ILLINOIS
..... JUDICIAL CIRCUIT

IN THE INTEREST OF) NO.
)
)
.....)
(Name of Petitioner)

PETITION TO EXPUNGE JUVENILE RECORDS
(705 ILCS 405/5-915 (SUBSECTION 2))
(Please prepare a separate petition for each offense)

Now comes ....., petitioner, and respectfully requests that this Honorable Court enter an order expunging all Juvenile Law Enforcement and Court records of petitioner and in support thereof states that:
The incident for which the Petitioner seeks expungement occurred before the Petitioner's 18th birthday and did not result in proceedings in criminal court and the Petitioner has not had any convictions for any crime since his/her 18th birthday; and
The incident for which the Petitioner seeks expungement occurred before the Petitioner's 18th birthday and the adjudication was not based upon first-degree murder or sex offenses which would be felonies if committed by an adult, and the Petitioner has not had any convictions for any crime since his/her 18th birthday.
Petitioner was arrested on ..... by the ..... Police Department for the offense of ....., and:
(Check whichever one occurred the latest:)
( ) a. The Petitioner has attained the age of 21 years, his/her birthday being .....; or
( ) b. 5 years have elapsed since all juvenile court proceedings relating to the Petitioner have been terminated; or the Petitioner's commitment to the Department of Juvenile Justice pursuant to the expungement of juvenile law enforcement and court records provisions of the Juvenile Court Act of 1987 has been terminated. Petitioner ...has ...has not been arrested on charges in this or any other county other than the charge listed above. If petitioner has been arrested on additional charges, please list the charges below:
Charge(s): .....
Arresting Agency or Agencies: .....
Disposition/Result: (choose from a or b, above): .....
WHEREFORE, the petitioner respectfully requests this Honorable Court to (1) order all law enforcement agencies to expunge all records of petitioner related to this incident, and (2) to order the Clerk of the Court to expunge all records concerning the petitioner regarding this incident.

.....
Petitioner (Signature)

.....
Petitioner's Street Address

.....
City, State, Zip Code
.....
Petitioner's Telephone Number

Pursuant to the penalties of perjury under the Code of Civil Procedure, 735 ILCS 5/1-109, I hereby certify that the statements in this petition are true and correct, or on information and belief I believe the same to be true.

.....
Petitioner (Signature)

(3) The chief judge of the circuit in which an arrest was made or a charge was brought or any judge of that circuit designated by the chief judge may, upon verified petition of a person who is the subject of an arrest or a juvenile court proceeding under subsection (1) or (2) of this Section, order the law enforcement records or official court file, or both, to be expunged from the official records of the arresting authority, the clerk of the circuit court and the Department of State Police. The person whose records are to be expunged shall petition the court using the appropriate form containing his or her current address and shall promptly notify the clerk of the circuit court of any change of address. Notice of the petition shall be served upon the State's Attorney or prosecutor charged with the duty of prosecuting the offense, the Department of State Police, and the arresting agency or agencies by the clerk of the circuit court. If an objection is filed within 45 days of the notice of the petition, the clerk of the circuit court shall set a date for hearing after the 45 day objection period. At the hearing the court shall hear evidence on whether the expungement should or should not be granted. Unless the State's Attorney or prosecutor, the Department of State Police, or an arresting agency objects to the expungement within 45 days of the notice, the court may enter an order granting expungement. The person whose records are to be expunged shall pay the clerk of the circuit court a fee equivalent to the cost associated with expungement of records by the clerk and the Department of State Police. The clerk shall forward a certified copy of the order to the Department of State Police, the appropriate portion of the fee to the Department of State Police for processing, and deliver a certified copy of the order to the arresting agency.

(3.1) The Notice of Expungement shall be in substantially the following form:

IN THE CIRCUIT COURT OF ....., ILLINOIS
.... JUDICIAL CIRCUIT

IN THE INTEREST OF) NO.
)
)
.....)
(Name of Petitioner)

NOTICE

TO: State's Attorney
TO: Arresting Agency
.....
.....
.....
.....
TO: Illinois State Police
.....
.....
ATTENTION: Expungement
You are hereby notified that on ....., at ....., in courtroom ..., located at ..., before the Honorable ..., Judge, or any judge sitting in his/her stead, I shall then and there present a Petition to Expunge Juvenile records in the above-entitled matter, at which time and place you may appear.

.....
Petitioner's Signature
.....
Petitioner's Street Address
.....
City, State, Zip Code
.....
Petitioner's Telephone Number

PROOF OF SERVICE

On the ..... day of ....., 20..., I on oath state that I served this notice and true and correct copies of the above-checked documents by:
(Check One:)
delivering copies personally to each entity to whom they are directed;

or
by mailing copies to each entity to whom they are directed by depositing the same in the U.S. Mail, proper postage fully prepaid, before the hour of 5:00 p.m., at the United States Postal Depository located at .....

.....
Signature

Clerk of the Circuit Court or Deputy Clerk

Printed Name of Delinquent Minor/Petitioner: ....
Address: .....
Telephone Number: .....

(3.2) The Order of Expungement shall be in substantially the following form:

IN THE CIRCUIT COURT OF ....., ILLINOIS
.... JUDICIAL CIRCUIT

IN THE INTEREST OF) NO.
)
)
.....)
(Name of Petitioner)

DOB .....
Arresting Agency/Agencies .....

ORDER OF EXPUNGEMENT
(705 ILCS 405/5-915 (SUBSECTION 3))

This matter having been heard on the petitioner's motion and the court being fully advised in the premises does find that the petitioner is indigent or has presented reasonable cause to waive all costs in this matter, IT IS HEREBY ORDERED that:

( ) 1. Clerk of Court and Department of State Police costs are hereby waived in this matter.

( ) 2. The Illinois State Police Bureau of Identification and the following law enforcement agencies expunge all records of petitioner relating to an arrest dated ..... for the offense of .....

Law Enforcement Agencies:
.....
.....

( ) 3. IT IS FURTHER ORDERED that the Clerk of the Circuit Court expunge all records regarding the above-captioned case.

ENTER: .....
JUDGE
DATED: .....
Name:
Attorney for:
Address: City/State/Zip:
Attorney Number:

(3.3) The Notice of Objection shall be in substantially the following form:

IN THE CIRCUIT COURT OF ....., ILLINOIS
..... JUDICIAL CIRCUIT

IN THE INTEREST OF) NO.
)
)
.....)
(Name of Petitioner)

NOTICE OF OBJECTION

TO:(Attorney, Public Defender, Minor)
.....
.....
TO:(Illinois State Police)
.....
.....
TO:(Clerk of the Court)
.....

.....
TO:(Judge)
.....
.....
TO:(Arresting Agency/Agencies)
.....
.....
ATTENTION: You are hereby notified that an objection has been filed by the following entity regarding the above-named minor's petition for expungement of juvenile records:
( ) State's Attorney's Office;
( ) Prosecutor (other than State's Attorney's Office) charged with the duty of prosecuting the offense sought to be expunged;
( ) Department of Illinois State Police; or
( ) Arresting Agency or Agencies.
The agency checked above respectfully requests that this case be continued and set for hearing on whether the expungement should or should not be granted.
DATED: .....
Name:
Attorney For:
Address:
City/State/Zip:
Telephone:
Attorney No.:

FOR USE BY CLERK OF THE COURT PERSONNEL ONLY

This matter has been set for hearing on the foregoing objection, on ..... in room ...., located at ....., before the Honorable ....., Judge, or any judge sitting in his/her stead. (Only one hearing shall be set, regardless of the number of Notices of Objection received on the same case).
A copy of this completed Notice of Objection containing the court date, time, and location, has been sent via regular U.S. Mail to the following entities. (If more than one Notice of Objection is received on the same case, each one must be completed with the court date, time and location and mailed to the following entities):
( ) Attorney, Public Defender or Minor;
( ) State's Attorney's Office;
( ) Prosecutor (other than State's Attorney's Office) charged with the duty of prosecuting the offense sought to be expunged;
( ) Department of Illinois State Police; and
( ) Arresting agency or agencies.
Date: .....
Initials of Clerk completing this section: .....

(4) Upon entry of an order expunging records or files, the offense, which the records or files concern shall be treated as if it never occurred. Law enforcement officers and other public offices and agencies shall properly reply on inquiry that no record or file exists with respect to the person.

(5) Records which have not been expunged are sealed, and may be obtained only under the provisions of Sections 5-901, 5-905 and 5-915.

(6) Nothing in this Section shall be construed to prohibit the maintenance of information relating to an offense after records or files concerning the offense have been expunged if the information is kept in a manner that does not enable identification of the offender. This information may only be used for statistical and bona fide research purposes.

(7)(a) The State Appellate Defender shall establish, maintain, and carry out, by December 31, 2004, a juvenile expungement program to provide information and assistance to minors eligible to have their juvenile records expunged.

(b) The State Appellate Defender shall develop brochures, pamphlets, and other materials in printed form and through the agency's World Wide Web site. The pamphlets and other materials shall include at a minimum the following information:

(i) An explanation of the State's juvenile expungement process;

(ii) The circumstances under which juvenile expungement may occur;

(iii) The juvenile offenses that may be expunged;

(iv) The steps necessary to initiate and complete the juvenile expungement process; and

(v) Directions on how to contact the State Appellate Defender.

(c) The State Appellate Defender shall establish and maintain a statewide toll-free telephone number that a person may use to receive information or assistance concerning the expungement of juvenile records. The State Appellate Defender shall advertise the toll-free telephone number statewide. The State Appellate Defender shall develop an expungement information packet that may be sent to eligible persons seeking expungement of their juvenile records, which may include, but is not limited to, a pre-printed expungement petition with instructions on how to complete the petition and a pamphlet containing information that would assist individuals through the juvenile expungement process.

(d) The State Appellate Defender shall compile a statewide list of volunteer attorneys willing to assist eligible individuals through the juvenile expungement process.

(e) This Section shall be implemented from funds appropriated by the General Assembly to the State Appellate Defender for this purpose. The State Appellate Defender shall employ the necessary staff and adopt the necessary rules for implementation of this Section.

(8)(a) Except with respect to law enforcement agencies, the Department of Corrections, State's Attorneys, or other prosecutors, an expunged juvenile record may not be considered by any private or public entity in employment matters, certification, licensing, revocation of certification or licensure, or registration. Applications for employment must contain specific language that states that the applicant is not obligated to disclose expunged juvenile records of conviction or arrest. Employers may not ask if an applicant has had a juvenile record expunged. Effective January 1, 2005, the Department of Labor shall develop a link on the Department's website to inform employers that employers may not ask if an applicant had a juvenile record expunged and that application for employment must contain specific language that states that the applicant is not obligated to disclose expunged juvenile records of arrest or conviction.

(b) A person whose juvenile records have been expunged is not entitled to remission of any fines, costs, or other money paid as a consequence of expungement. This amendatory Act of the 93rd General Assembly does not affect the right of the victim of a crime to prosecute or defend a civil action for damages.

(c) The expungement of juvenile records under Section 5-622 shall be funded by the additional fine imposed under Section 5-9-1.17 of the Unified Code of Corrections and additional appropriations made by the General Assembly for such purpose.

(9) The changes made to this Section by Public Act 98-61 ~~this amendatory Act of the 98th General Assembly~~ apply to law enforcement records of a minor who has been arrested or taken into custody on or after January 1, 2014 (the effective date of Public Act 98-61) ~~this amendatory Act~~.
(Source: P.A. 98-61, eff. 1-1-14; revised 11-22-13.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Raoul, **Senate Bill No. 978** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Harmon	Manar	Silverstein
Bertino-Tarrant	Harris	Martinez	Stadelman
Biss	Hastings	McConnaughay	Steans
Bush	Holmes	McGuire	Sullivan
Clayborne	Hunter	Morrison	Syverson
Collins	Hutchinson	Mulroe	Trotter
Cullerton, T.	Jones, E.	Muñoz	Van Pelt
Cunningham	Kotowski	Noland	Mr. President
Delgado	Landek	Raoul	

Forby	Lightford	Rezin	
Haine	Link	Sandoval	

The following voted in the negative:

Barickman	Duffy	McCarter	Rose
Bivins	LaHood	Murphy	
Brady	Luechtefeld	Oberweis	
Connelly	McCann	Radogno	

The following voted present:

Dillard

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 therein.

POSTING NOTICE WAIVED

Senator Harmon moved to waive the six-day posting requirement on **Senate Resolution No. 1052** so that the measure may be heard in the Committee on Executive that is scheduled to meet this afternoon.

The motion prevailed.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Clayborne, **Senate Bill No. 902** having been transcribed and typed and all amendments adopted thereto having been printed, 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 3.

The following voted in the affirmative:

Barickman	Haine	Luechtefeld	Rezin
Bertino-Tarrant	Harmon	Manar	Sandoval
Biss	Harris	Martinez	Silverstein
Brady	Hastings	McCann	Stadelman
Bush	Holmes	McCarter	Steans
Clayborne	Hunter	McGuire	Sullivan
Collins	Hutchinson	Morrison	Syverson
Cullerton, T.	Jones, E.	Mulroe	Trotter
Cunningham	Kotowski	Muñoz	Van Pelt
Delgado	LaHood	Murphy	Mr. President
Dillard	Landek	Noland	
Forby	Lightford	Radogno	
Frerichs	Link	Raoul	

The following voted in the negative:

Duffy
McConnaughay
Oberweis

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 therein.

SENATE BILLS RECALLED

On motion of Senator Harmon, **Senate Bill No. 1098** was recalled from the order of third reading to the order of second reading.

Senator Harmon offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 1098

AMENDMENT NO. 1. Amend Senate Bill 1098 by replacing everything after the enacting clause with the following:

"Section 5. The Business Corporation Act of 1983 is amended by changing Section 12.80 as follows:

(805 ILCS 5/12.80) (from Ch. 32, par. 12.80)

Sec. 12.80. Survival of remedy after dissolution. The dissolution of a corporation either (1) by filing articles of dissolution in accordance with Section 12.20 of this Act, (2) by the issuance of a certificate of dissolution in accordance with Section 12.40 of this Act, (3) by a judgment of dissolution by a circuit court of this State, or (4) by expiration of its period of duration, shall not take away nor impair any civil remedy available to or against such corporation, its directors, or shareholders, for any right or claim existing, or any liability accrued or incurred, either prior to, at the time of, or after such dissolution if action or other proceeding thereon is commenced within five years after the date of such dissolution. Any such action or proceeding by or against the corporation may be prosecuted or defended by the corporation in its corporate name. This provision does not extend any applicable statute of limitations.

(Source: P.A. 92-33, eff. 7-1-01.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Harmon, **Senate Bill No. 1099** was recalled from the order of third reading to the order of second reading.

Senator Harmon offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 1099

AMENDMENT NO. 1. Amend Senate Bill 1099 by replacing everything after the enacting clause with the following:

"Section 5. The Business Corporation Act of 1983 is amended by changing Sections 8.65, 12.40, and 12.45 as follows:

(805 ILCS 5/8.65) (from Ch. 32, par. 8.65)

Sec. 8.65. Liability of directors in certain cases.

(a) In addition to any other liabilities imposed by law upon directors of a corporation, they are liable as follows:

(1) The directors of a corporation who vote for or assent to any distribution prohibited by Section 9.10 of this Act shall be jointly and severally liable to the corporation for the amount of such distribution.

(2) If a dissolved corporation shall proceed to bar any known claims against it under Section 12.75, the directors of such corporation who fail to take reasonable steps to cause the notice required by Section 12.75 of this Act to be given to any known creditor of such corporation shall be jointly and severally liable to such creditor for all loss and damage occasioned thereby.

(3) Unless dissolution is subsequently revoked pursuant to Section 12.25 of this Act, the ~~The~~ directors of a corporation that carries on its business after the filing by the

Secretary of State of articles of dissolution with respect to a voluntary dissolution authorized as provided by this Act, otherwise than ~~so far~~ as ~~may be~~ necessary or appropriate to wind up and liquidate its business and affairs ~~for the winding up thereof~~, shall be jointly and severally liable to the creditors of such corporation for all debts and liabilities of the corporation incurred in so carrying on its business. Directors of a corporation that carries on its business during a period of administrative dissolution shall not be liable under this paragraph (a)(3) if the Secretary of State subsequently files an application for reinstatement under subsection (c) of Section 12.45, which reinstatement shall have the effect described in subsection (d) of Section 12.45.

(b) A director of a corporation who is present at a meeting of its board of directors at which action on any corporate matter is taken is conclusively presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless he or she files his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent by registered or certified mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent does not apply to a director who voted in favor of such action.

(c) A director shall not be liable for a distribution of assets to the shareholders of a corporation in excess of the amount authorized by Section 9.10 of this Act if he or she relied and acted in good faith upon a balance sheet and profit and loss statement of the corporation represented to him or her to be correct by the president or the officer of such corporation having charge of its books of account, or certified by an independent public or certified public accountant or firm of such accountants to fairly reflect the financial condition of such corporation, nor shall he or she be so liable if in good faith in determining the amount available for any such dividend or distribution he or she considered the assets to be of their book value.

(d) Any director against whom a claim is asserted under this Section and who is held liable thereon, is entitled to contribution from the other directors who are likewise liable thereon.

Any director against whom a claim is asserted for the improper distribution of assets of a corporation and who is held liable thereon, is entitled to contribution from the shareholders who knowingly accepted or received any such distribution in proportion to the amounts received by them respectively.

(Source: P.A. 84-924.)

(805 ILCS 5/12.40) (from Ch. 32, par. 12.40)

Sec. 12.40. Procedure for administrative dissolution.

(a) After the Secretary of State determines that one or more grounds exist under Section 12.35 for the administrative dissolution of a corporation, he or she shall send by regular mail to each delinquent corporation a Notice of Delinquency to its registered office, or, if the corporation has failed to maintain a registered office, then to the president or other principal officer at the last known office of said officer.

(b) If the corporation does not correct the default described in paragraphs (a) through (e) of Section 12.35 within 90 days following such notice, the Secretary of State shall thereupon dissolve the corporation by issuing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. If the corporation does not correct the default described in paragraphs (f) through (h) of Section 12.35, within 30 days following such notice, the Secretary of State shall thereupon dissolve the corporation by issuing a certificate of dissolution as herein prescribed. The Secretary of State shall file the original of the certificate in his or her office and mail one copy to the corporation at its registered office or, if the corporation has failed to maintain a registered office, then to the president or other principal officer at the last known office of said officer.

(c) The administrative dissolution of a corporation terminates its corporate existence and such a dissolved corporation shall not thereafter carry on any business, provided however, that such a dissolved corporation may take all action authorized under Section 12.75 or as otherwise necessary or appropriate to wind up and liquidate its business and affairs under Section 12.30.

(Source: P.A. 96-1121, eff. 1-1-11.)

(805 ILCS 5/12.45) (from Ch. 32, par. 12.45)

Sec. 12.45. Reinstatement following administrative dissolution.

(a) A domestic corporation administratively dissolved under Section 12.40 may be reinstated by the Secretary of State following the date of issuance of the certificate of dissolution upon:

(1) The filing of an application for reinstatement.

(2) The filing with the Secretary of State by the corporation of all reports then due and theretofore becoming due.

(3) The payment to the Secretary of State by the corporation of all fees, franchise taxes, and penalties then due and theretofore becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 1.10 of this Act and shall set forth:

(1) The name of the corporation at the time of the issuance of the certificate of dissolution.

(2) If such name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the corporation as changed, provided however, and any change of name is properly effected pursuant to Section 10.05 and Section 10.30 of this Act.

(3) The date of the issuance of the certificate of dissolution.

(4) The address, including street and number, or rural route number of the registered office of the corporation upon reinstatement thereof, and the name of its registered agent at such address upon the reinstatement of the corporation, provided however, that any change from either the registered office or the registered agent at the time of dissolution is properly reported pursuant to Section 5.10 of this Act.

(c) When a dissolved corporation has complied with the provisions of this Section the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement, the corporate existence for all purposes shall be deemed to have continued without interruption from the date of the issuance of the certificate of dissolution, and the corporation shall stand revived with such powers, duties and obligations as if it had not been dissolved; and all acts and proceedings of its ~~officers, directors and~~ shareholders, directors, officers, employees, and agents, acting or purporting to act in that capacity ~~as such~~, and which would have been legal and valid but for such dissolution, shall stand ratified and confirmed.

(e) Without limiting the generality of subsection (d), upon the filing of the application for reinstatement, no shareholder, director, or officer shall be personally liable, under Section 8.65 of this Act or otherwise, for the debts and liabilities of the corporation incurred during the period of administrative dissolution by reason of the fact that the corporation was administratively dissolved at the time the debts or liabilities were incurred.

(Source: P.A. 96-328, eff. 8-11-09.)

Section 10. The General Not For Profit Corporation Act of 1986 is amended by changing Sections 108.65, 112.40, and 112.45 as follows:

(805 ILCS 105/108.65) (from Ch. 32, par. 108.65)

Sec. 108.65. Liability of directors in certain cases.

(a) In addition to any other liabilities imposed by law upon directors of a corporation, they are liable as follows:

(1) The directors of a corporation who vote for or assent to any distribution not authorized by Section 109.10 or Article 12 of this Act shall be jointly and severally liable to the corporation for the amount of such distribution.

(2) If a dissolved corporation shall proceed to bar any known claims against it under Section 112.75 of this Act, the directors of such corporation who fail to take reasonable steps to cause the notice required by Section 112.75 of this Act to be given to any known creditor of such corporation shall be jointly and severally liable to such creditor for all loss and damage occasioned thereby.

(3) Unless dissolution is subsequently revoked pursuant to Section 112.25 of this Act, the ~~The~~ directors of a corporation that conducts its affairs after the filing by the Secretary of State of articles of dissolution with respect to a voluntary dissolution authorized as provided by this Act, otherwise than ~~so far~~ as ~~may be~~ necessary or appropriate to wind up and liquidate its affairs ~~for the winding up thereof~~, shall be jointly and severally liable to the creditors of such corporation for all debts and liabilities of the corporation incurred in so conducting its affairs. Directors of a corporation that conducts its affairs during a period of administrative dissolution shall not be liable under this paragraph (a)(3) if the Secretary of State subsequently files an application for reinstatement under subsection (c) of Section 112.45, which reinstatement shall have the effect described in subsection (d) of Section 112.45.

(b) A director of a corporation who is present at a meeting of its board of directors at which action on any corporate matter is taken is conclusively presumed to have assented to the action taken unless his or her dissent or abstention is entered in the minutes of the meeting or unless he or she files his or her written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent or abstention by registered or certified mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent or abstain does not apply to a director who voted in favor of such action.

(c) A director shall not be liable for a distribution of assets to any person in excess of the amount authorized by Section 109.10 or Article 12 of this Act if he or she relied and acted in good faith upon a

balance sheet and profit and loss statement of the corporation represented to him or her to be correct by the president or the officer of such corporation having charge of its books of account, or certified by an independent public or certified public accountant or firm of such accountants to fairly reflect the financial condition of such corporation, nor shall he or she be so liable if in good faith in determining the amount available for any such distribution he or she considered the assets to be of their book value.

(d) Any director against whom a claim is asserted under this Section and who is held liable thereon, is entitled to contribution from the other directors who are likewise liable thereon. Any director against whom a claim is asserted for the improper distribution of assets of a corporation, and who is held liable thereon, is entitled to contribution from the persons who knowingly accepted or received any such distribution in proportion to the amounts received by them respectively.

(Source: P.A. 84-1423.)

(805 ILCS 105/112.40) (from Ch. 32, par. 112.40)

Sec. 112.40. Procedure for administrative dissolution.

(a) After the Secretary of State determines that one or more grounds exist under Section 112.35 of this Act for the administrative dissolution of a corporation, he or she shall send by regular mail to each delinquent corporation a Notice of Delinquency to its registered office, or, if the corporation has failed to maintain a registered office, then to the president or other principal officer at the last known office of said officer.

(b) If the corporation does not correct the default within 90 days following such notice, the Secretary of State shall thereupon dissolve the corporation by issuing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. The Secretary of State shall file the original of the certificate in his or her office and mail one copy to the corporation at its registered office or, if the corporation has failed to maintain a registered office, then to the president or other principal officer at the last known office of said officer.

(c) The administrative dissolution of a corporation terminates its corporate existence and such a dissolved corporation shall not thereafter carry on any affairs, provided however, that such a dissolved corporation may take all action authorized under Section 112.75 of this Act or as otherwise necessary or appropriate to wind up and liquidate its affairs under Section 112.30 of this Act.

(Source: P.A. 96-1121, eff. 1-1-11.)

(805 ILCS 105/112.45) (from Ch. 32, par. 112.45)

Sec. 112.45. Reinstatement following administrative dissolution.

(a) A domestic corporation administratively dissolved under Section 112.40 of this Act may be reinstated by the Secretary of State following the date of issuance of the certificate of dissolution upon:

(1) The filing of an application for reinstatement;

(2) The filing with the Secretary of State by the corporation of all reports then due and theretofore becoming due;

(3) The payment to the Secretary of State by the corporation of all fees and penalties then due and theretofore becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 101.10 of this Act and shall set forth:

(1) The name of the corporation at the time of the issuance of the certificate of dissolution;

(2) If such name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the corporation as changed; provided, however, that any change of name is properly effected pursuant to Section 110.05 and Section 110.30 of this Act;

(3) The date of the issuance of the certificate of dissolution;

(4) The address, including street and number, or rural route number, of the registered office of the corporation upon reinstatement thereof, and the name of its registered agent at such address upon the reinstatement of the corporation, provided however, that any change from either the registered office or the registered agent at the time of dissolution is properly reported pursuant to Section 105.10 of this Act.

(c) When a dissolved corporation has complied with the provisions of this Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement, the corporate existence for all purposes shall be deemed to have continued without interruption from the date of the issuance of the certificate of dissolution, and the corporation shall stand revived with such powers, duties and obligations as if it had not been dissolved; and all acts and proceedings of its shareholders, members, officers, employees, and

agents ~~officers, directors and members~~, acting or purporting to act in that capacity ~~as such~~, and which would have been legal and valid but for such dissolution, shall stand ratified and confirmed.

(e) Without limiting the generality of subsection (d), upon filing of the application for reinstatement, no shareholder, director, or officer shall be personally liable, under Section 108.65 of this Act or otherwise, for the debts and liabilities of the corporation incurred during the period of administrative dissolution by reason of the fact that the corporation was administratively dissolved at the time the debts or liabilities were incurred.

(Source: P.A. 94-605, eff. 1-1-06.)

Section 15. The Limited Liability Company Act is amended by changing Sections 35-30 and 35-40 as follows:

(805 ILCS 180/35-30)

Sec. 35-30. Procedure for administrative dissolution.

(a) After the Secretary of State determines that one or more grounds exist under Section 35-25 for the administrative dissolution of a limited liability company, the Secretary of State shall send a notice of delinquency by regular mail to each delinquent limited liability company at its registered office or, if the limited liability company has failed to maintain a registered office, then to the last known address shown on the records of the Secretary of State for the principal place of business of the limited liability company.

(b) If the limited liability company does not correct the default described in paragraphs (1) or (2) of Section 35-25 within 120 days following the date of the notice of delinquency, the Secretary of State shall thereupon dissolve the limited liability company by issuing a certificate of dissolution that recites the grounds for dissolution and its effective date. If the limited liability company does not correct the default described in paragraphs (2.5), (3), (4), or (5) of Section 35-25 within 60 days following the notice, the Secretary of State shall dissolve the limited liability company by issuing a certificate of dissolution that recites the grounds for dissolution and its effective date. The Secretary of State shall file the original of the certificate in his or her office and mail one copy to the limited liability company at its registered office or, if the limited liability company has failed to maintain a registered office, then to the last known address shown on the records of the Secretary of State for the principal place of business of the limited liability company.

(c) Upon the administrative dissolution of a limited liability company, a dissolved limited liability company shall continue for only the purpose of winding up its business. A dissolved limited liability company may take all action authorized under Section 1-30 or otherwise necessary or appropriate to wind up its business and affairs and terminate.

(Source: P.A. 98-171, eff. 8-5-13.)

(805 ILCS 180/35-40)

Sec. 35-40. Reinstatement following administrative dissolution.

(a) A limited liability company administratively dissolved under Section 35-25 may be reinstated by the Secretary of State following the date of issuance of the notice of dissolution upon:

(1) The filing of an application for reinstatement.

(2) The filing with the Secretary of State by the limited liability company of all reports then due and theretofore becoming due.

(3) The payment to the Secretary of State by the limited liability company of all fees and penalties then due and theretofore becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 5-45 of this Act and shall set forth all of the following:

(1) The name of the limited liability company at the time of the issuance of the notice of dissolution.

(2) If the name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the limited liability company as changed, provided that any change of name is properly effected under Section 1-10 and Section 5.25 of this Act.

(3) The date of issuance of the notice of dissolution.

(4) The address, including street and number or rural route number of the registered office of the limited liability company upon reinstatement thereof and the name of its registered agent at that address upon the reinstatement of the limited liability company, provided that any change from either the registered office or the registered agent at the time of dissolution is properly reported under Section 1-35 of this Act.

(c) When a dissolved limited liability company has complied with the provisions of the Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement, the limited liability company existence shall be deemed to have continued without interruption from the date of the issuance of the notice of dissolution, and the limited liability company shall stand revived with the powers, duties, and obligations as if it had not been dissolved; and all acts and proceedings of its members, ~~or~~ managers, officers, employees, and agents, acting or purporting to act in that capacity, and which ~~that~~ would have been legal and valid but for the dissolution, shall stand ratified and confirmed.

(e) Without limiting the generality of subsection (d), upon the filing of the application for reinstatement, no member, manager, or officer shall be personally liable for the debts and liabilities of the limited liability company incurred during the period of administrative dissolution by reason of the fact that the limited liability company was administratively dissolved at the time the debts or liabilities were incurred.
(Source: P.A. 94-605, eff. 1-1-06.)

Section 20. The Uniform Limited Partnership Act (2001) is amended by changing Sections 809 and 810 as follows:

(805 ILCS 215/809)

Sec. 809. Administrative dissolution.

(a) The Secretary of State may dissolve a limited partnership administratively if the limited partnership does not, within 60 days after the due date:

(1) pay any fee, tax, or penalty due to the Secretary of State under this Act or other law;

(2) file its annual report with the Secretary of State; or

(3) appoint and maintain an agent for service of process in Illinois after a registered agent's notice of resignation under Section 116.

(b) If the Secretary of State determines that a ground exists for administratively dissolving a limited partnership, the Secretary of State shall file a record of the determination and send a copy of the filed record to the limited partnership's agent for service of process in this State, or if the limited partnership does not appoint and maintain a proper agent, to the limited partnership's designated office.

(c) If within 60 days after service of the copy of the record of determination the limited partnership does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the Secretary of State that each ground determined by the Secretary of State does not exist, the Secretary of State shall administratively dissolve the limited partnership by preparing, signing, and filing a declaration of dissolution that states the grounds for dissolution. The Secretary of State shall send a copy to the limited partnership's agent for service of process in this State, or if the limited partnership does not appoint and maintain a proper agent, to the limited partnership's designated office.

(d) A limited partnership administratively dissolved continues its existence but may carry on only activities necessary or appropriate to wind up its activities ~~and liquidate its assets~~ under Sections 803 and 812 and to notify claimants under Sections 806 and 807.

(e) The administrative dissolution of a limited partnership does not terminate the authority of its agent for service of process.
(Source: P.A. 97-839, eff. 7-20-12.)

(805 ILCS 215/810)

Sec. 810. Reinstatement following administrative dissolution.

(a) A limited partnership that has been administratively dissolved under Section 809 may be reinstated by the Secretary of State following the date of dissolution upon:

(1) the filing of an application for reinstatement;

(2) the filing with the Secretary of State of all reports then due and becoming due; and

(3) the payment to the Secretary of State of all fees and penalties then due and becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 204 and shall set forth all of the following:

(1) the name of the limited partnership at the time of dissolution;

(2) the date of dissolution;

(3) the agent for service of process and the address of the agent for service of process; provided that any change to either the agent for service of process or the address of the agent for service of process is properly reported under Section 115.

(c) When a limited partnership that has been administratively dissolved has complied with the provisions of this Section, the Secretary of State shall file the application for reinstatement.

(d) Upon filing of the application for reinstatement, ~~: (i)~~ the limited partnership existence shall be deemed to have continued without interruption from the date of dissolution and shall stand revived with

such ~~the~~ powers, duties, and obligations, as if it had not been dissolved . ~~, and (ii)~~ All ~~all~~ acts and proceedings of its partners, officers, employees, and agents, acting or purporting to act in that capacity, and which ~~that~~ would have been legal and valid but for the dissolution shall stand ratified and confirmed.

(e) Without limiting the generality of subsection (d), upon the filing of the application for reinstatement, no limited partner or officer of the partnership shall be personally liable for the debts and liabilities of the limited partnership incurred during the period of administrative dissolution by reason of the fact that the limited partnership was administratively dissolved at the time the debts or liabilities were incurred.
(Source: P.A. 97-839, eff. 7-20-12.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILLS OF THE SENATE A THIRD TIME

On motion of Senator Harmon, **Senate Bill No. 1099** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Forby	Link	Radogno
Barickman	Frerichs	Luechtefeld	Rezin
Bertino-Tarrant	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Harris	McCann	Silverstein
Brady	Hastings	McCarter	Stadelman
Bush	Holmes	McConnaughay	Steans
Clayborne	Hunter	McGuire	Sullivan
Collins	Hutchinson	Morrison	Syverson
Connelly	Jones, E.	Mulroe	Trotter
Cullerton, T.	Kotowski	Muñoz	Van Pelt
Cunningham	LaHood	Murphy	Mr. President
Delgado	Landek	Noland	
Duffy	Lightford	Oberweis	

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 therein.

On motion of Senator Trotter, **Senate Bill No. 1740** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Forby	Luechtefeld	Raoul
Barickman	Frerichs	Manar	Rezin
Bertino-Tarrant	Haine	Martinez	Sandoval

Biss	Harris	McCann	Silverstein
Bivins	Hastings	McCarter	Stadelman
Brady	Holmes	McConnaughay	Steans
Bush	Hunter	McGuire	Sullivan
Clayborne	Hutchinson	Morrison	Syverson
Collins	Jones, E.	Mulroe	Trotter
Connelly	Kotowski	Muñoz	Van Pelt
Cullerton, T.	LaHood	Murphy	Mr. President
Cunningham	Landek	Noland	
Delgado	Lightford	Oberweis	
Duffy	Link	Radogno	

The following voted in the negative:

Rose

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 therein.

SENATE BILL RECALLED

On motion of Senator McConnaughay, **Senate Bill No. 1996** was recalled from the order of third reading to the order of second reading.

Senator McConnaughay offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 1996

AMENDMENT NO. 1. Amend Senate Bill 1996 by replacing everything after the enacting clause with the following:

"Section 5. The State's Attorneys Appellate Prosecutor's Act is amended by adding Section 4.12 as follows:

(725 ILCS 210/4.12 new)

Sec. 4.12. Best Practices Protocol Committee. The Board shall establish a Best Practices Protocol Committee which shall evaluate and recommend a Best Practices Protocol on specific issues related to the investigation and prosecution of serious criminal offenses. The Best Practices Committee shall review the causes of wrongful convictions and make recommendations to improve and enhance public safety, with due consideration for the rights of the accused. The Best Practices Protocol Committee shall:

(1) Propose enhanced procedures relevant to the investigation and prosecution of criminal offenses.

(2) Collaborate with law enforcement partners in the development of enhanced procedures.

(3) Review public and private sector reports dealing with reduction of wrongful convictions.

(4) Identify and assess innovations to the criminal justice system.

(5) Examine scientific studies concerning new procedures.

(6) Create training programs for prosecutors and police on the best practice protocols developed by the Committee in collaboration with law enforcement.

(7) Review specific proposals submitted by the General Assembly by way of resolution and report back its findings and recommendations in a timely manner.

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 foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator McConnaughay, **Senate Bill No. 1996** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Forby	Link	Radogno
Barickman	Frerichs	Luechtefeld	Raoul
Bertino-Tarrant	Haine	Manar	Rezin
Biss	Harmon	Martinez	Rose
Bivins	Harris	McCann	Sandoval
Brady	Hastings	McCarter	Silverstein
Bush	Holmes	McConnaughay	Stadelman
Clayborne	Hunter	McGuire	Steans
Collins	Hutchinson	Morrison	Sullivan
Connelly	Jones, E.	Mulroe	Syverson
Cullerton, T.	Kotowski	Muñoz	Trotter
Cunningham	LaHood	Murphy	Van Pelt
Delgado	Landek	Noland	Mr. President
Duffy	Lightford	Oberweis	

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 therein.

SENATE BILL RECALLED

On motion of Senator Steans, **Senate Bill No. 2586** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 3 was postponed in the Committee on Human Services.

Senator Steans offered the following amendment and moved its adoption:

AMENDMENT NO. 4 TO SENATE BILL 2586

AMENDMENT NO. 4. Amend Senate Bill 2586, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Specialized Mental Health Rehabilitation Act of 2013 is amended by changing Section 1-101.6 as follows:

(210 ILCS 49/1-101.6)

Sec. 1-101.6. Mental health system planning. The General Assembly finds the services contained in this Act are necessary for the effective delivery of mental health services for the citizens of the State of Illinois.

The General Assembly also finds that the mental health and substance use system in the State requires further review to develop additional needed services.

To ensure the adequacy of community-based services and to offer choice to all individuals with serious mental illness and substance use disorders or conditions who choose to live in the community, and for whom the community is the appropriate setting, but are at risk of institutional care, the Governor's Office of Health Innovation and Transformation shall oversee a process for (i) identifying needed services in the different geographic regions in the State and (ii) identifying the financing strategies for developing those needed services. ~~Governor shall convene a working group to develop the process and procedure for identifying needed services in the different geographic regions of the State.~~

The process shall address or examine the need and financing strategies for the following:

(1) Network adequacy in all 102 counties of the State for: (i) health homes authorized under Section 2703 of the federal Patient Protection and Affordable Care Act; (ii) systems of care for children; (iii) care

coordination; and (iv) access to a full continuum of quality care, treatment, services, and supports for persons with serious emotional disturbance, serious mental illness, or substance use disorder.

(2) Workforce development for the workforce of community providers of care, treatment, services, and supports for persons with mental health and substance use disorders and conditions.

(3) Information technology to manage the delivery of integrated services for persons with mental health and substance use disorders and medical conditions.

(4) The needed continuum of statewide community health care, treatment, services, and supports for persons with mental health and substance use disorders and conditions.

(5) Reducing health care disparities in access to a continuum of care, care coordination, and engagement in networks.

The Governor's Office of Health Innovation and Transformation shall include the Division of Alcoholism and Substance Abuse and the Division of Mental Health in the Department of Human Services, the Department of Healthcare and Family Services, the Department of Public Health ~~The Governor shall include the Division of Mental Health of the Department of Human Services, the Department of Healthcare and Family Services, the Department of Public Health~~, community mental health and substance use providers, statewide associations of mental health and substance use providers, mental health and substance use advocacy groups, and any other entity as deemed appropriate for participation in the process of identifying needed services and financing strategies as described in this Section ~~working group~~.

The Office of Health Innovation and Transformation shall report its findings and recommendations to the General Assembly by July 1, 2015.

This Section is repealed on July 1, 2016.

~~The Department of Human Services shall provide staff and support to this working group.~~

(Source: P.A. 98-104, eff. 7-22-13.)

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 foregoing Amendment No. 4 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Steans, **Senate Bill No. 2586** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Duffy	Lightford	Oberweis
Barickman	Forby	Link	Radogno
Bertino-Tarrant	Frerichs	Luechtefeld	Raoul
Biss	Haine	Manar	Rezin
Bivins	Harmon	Martinez	Rose
Brady	Harris	McCann	Sandoval
Bush	Hastings	McCarter	Silverstein
Clayborne	Holmes	McConnaughay	Stadelman
Collins	Hunter	McGuire	Steans
Connelly	Hutchinson	Morrison	Sullivan
Cullerton, T.	Jones, E.	Mulroe	Syverson
Cunningham	Kotowski	Muñoz	Van Pelt
Delgado	LaHood	Murphy	Mr. President
Dillard	Landek	Noland	

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 therein.

SENATE BILL RECALLED

On motion of Senator Silverstein, **Senate Bill No. 2650** was recalled from the order of third reading to the order of second reading.

Senator Silverstein offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 2650

AMENDMENT NO. 1. Amend Senate Bill 2650 on page 1, line 10, by deleting "on final appeal or".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILLS OF THE SENATE A THIRD TIME

On motion of Senator Silverstein, **Senate Bill No. 2650** having been transcribed and typed and all amendments adopted thereto having been printed, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Luechtefeld	Rezin
Barickman	Frerichs	Manar	Rose
Bertino-Tarrant	Haine	Martinez	Sandoval
Biss	Harmon	McCann	Silverstein
Bivins	Harris	McCarter	Stadelman
Brady	Hastings	McConnaughay	Steans
Bush	Holmes	McGuire	Sullivan
Clayborne	Hunter	Morrison	Syverson
Collins	Hutchinson	Mulroe	Trotter
Connelly	Jones, E.	Muñoz	Van Pelt
Cullerton, T.	Kotowski	Murphy	Mr. President
Cunningham	LaHood	Noland	
Delgado	Landek	Oberweis	
Dillard	Lightford	Radogno	
Duffy	Link	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 and ask their concurrence therein.

On motion of Senator Silverstein, **Senate Bill No. 2651** having been transcribed and typed and all amendments adopted thereto having been printed, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Luechtefeld	Rezin
Barickman	Frerichs	Manar	Rose
Bertino-Tarrant	Haine	Martinez	Sandoval
Biss	Harmon	McCann	Silverstein
Bivins	Harris	McCarter	Stadelman
Brady	Hastings	McConnaughay	Steans
Bush	Holmes	McGuire	Sullivan
Clayborne	Hunter	Morrison	Syverson
Collins	Hutchinson	Mulroe	Trotter
Connelly	Jones, E.	Muñoz	Van Pelt
Cullerton, T.	Kotowski	Murphy	Mr. President
Cunningham	LaHood	Noland	
Delgado	Landek	Oberweis	
Dillard	Lightford	Radogno	
Duffy	Link	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 and ask their concurrence therein.

On motion of Senator Hastings, **Senate Bill No. 2664** having been transcribed and typed and all amendments adopted thereto having been printed, 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; NAY 1.

The following voted in the affirmative:

Althoff	Duffy	Link	Radogno
Barickman	Forby	Luechtefeld	Raoul
Bertino-Tarrant	Frerichs	Manar	Rezin
Biss	Haine	Martinez	Rose
Bivins	Harmon	McCann	Sandoval
Brady	Harris	McCarter	Silverstein
Bush	Hastings	McConnaughay	Stadelman
Clayborne	Holmes	McGuire	Steans
Collins	Hunter	Morrison	Sullivan
Connelly	Hutchinson	Mulroe	Syverson
Cullerton, T.	Jones, E.	Muñoz	Trotter
Cunningham	Kotowski	Murphy	Van Pelt
Delgado	LaHood	Noland	Mr. President
Dillard	Lightford	Oberweis	

The following voted in the negative:

Landek

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 therein.

SENATE BILL RECALLED

On motion of Senator Steans, **Senate Bill No. 2727** was recalled from the order of third reading to the order of second reading.

Senator Steans offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 2727

AMENDMENT NO. 2. Amend Senate Bill 2727, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Environmental Protection Act is amended by changing Section 42 and by adding Section 52.5 as follows:

(415 ILCS 5/42) (from Ch. 111 1/2, par. 1042)

Sec. 42. Civil penalties.

(a) Except as provided in this Section, any person that violates any provision of this Act or any regulation adopted by the Board, or any permit or term or condition thereof, or that violates any order of the Board pursuant to this Act, shall be liable for a civil penalty of not to exceed $50,000 for the violation and an additional civil penalty of not to exceed $10,000 for each day during which the violation continues; such penalties may, upon order of the Board or a court of competent jurisdiction, be made payable to the Environmental Protection Trust Fund, to be used in accordance with the provisions of the Environmental Protection Trust Fund Act.

(b) Notwithstanding the provisions of subsection (a) of this Section:

(1) Any person that violates Section 12(f) of this Act or any NPDES permit or term or condition thereof, or any filing requirement, regulation or order relating to the NPDES permit program, shall be liable to a civil penalty of not to exceed $10,000 per day of violation.

(2) Any person that violates Section 12(g) of this Act or any UIC permit or term or condition thereof, or any filing requirement, regulation or order relating to the State UIC program for all wells, except Class II wells as defined by the Board under this Act, shall be liable to a civil penalty not to exceed $2,500 per day of violation; provided, however, that any person who commits such violations relating to the State UIC program for Class II wells, as defined by the Board under this Act, shall be liable to a civil penalty of not to exceed $10,000 for the violation and an additional civil penalty of not to exceed $1,000 for each day during which the violation continues.

(3) Any person that violates Sections 21(f), 21(g), 21(h) or 21(i) of this Act, or any RCRA permit or term or condition thereof, or any filing requirement, regulation or order relating to the State RCRA program, shall be liable to a civil penalty of not to exceed $25,000 per day of violation.

(4) In an administrative citation action under Section 31.1 of this Act, any person found to have violated any provision of subsection (o) of Section 21 of this Act shall pay a civil penalty of $500 for each violation of each such provision, plus any hearing costs incurred by the Board and the Agency. Such penalties shall be made payable to the Environmental Protection Trust Fund, to be used in accordance with the provisions of the Environmental Protection Trust Fund Act; except that if a unit of local government issued the administrative citation, 50% of the civil penalty shall be payable to the unit of local government.

(4-5) In an administrative citation action under Section 31.1 of this Act, any person found to have violated any provision of subsection (p) of Section 21, Section 22.51, Section 22.51a, or subsection (k) of Section 55 of this Act shall pay a civil penalty of $1,500 for each violation of each such provision, plus any hearing costs incurred by the Board and the Agency, except that the civil penalty amount shall be $3,000 for each violation of any provision of subsection (p) of Section 21, Section 22.51, Section 22.51a, or subsection (k) of Section 55 that is the person's second or subsequent adjudication violation of that provision. The penalties shall be deposited into the Environmental Protection Trust Fund, to be used in accordance with the provisions of the Environmental Protection Trust Fund Act; except that if a unit of local government issued the administrative citation, 50% of the civil penalty shall be payable to the unit of local government.

(5) Any person who violates subsection 6 of Section 39.5 of this Act or any CAAPP permit, or term or condition thereof, or any fee or filing requirement, or any duty to allow or carry out inspection, entry or monitoring activities, or any regulation or order relating to the CAAPP shall be liable for a civil penalty not to exceed $10,000 per day of violation.

(6) Any owner or operator of a community water system that violates subsection (b) of

Section 18.1 or subsection (a) of Section 25d-3 of this Act shall, for each day of violation, be liable for a civil penalty not to exceed $5 for each of the premises connected to the affected community water system.

(7) Any person who violates Section 52.5 of this Act shall be liable for a civil penalty of up to $1,000 for the first violation of that Section and a civil penalty of up to $2,500 for a second or subsequent violation of that Section.

(b.5) In lieu of the penalties set forth in subsections (a) and (b) of this Section, any person who fails to file, in a timely manner, toxic chemical release forms with the Agency pursuant to Section 25b-2 of this Act shall be liable for a civil penalty of $100 per day for each day the forms are late, not to exceed a maximum total penalty of $6,000. This daily penalty shall begin accruing on the thirty-first day after the date that the person receives the warning notice issued by the Agency pursuant to Section 25b-6 of this Act; and the penalty shall be paid to the Agency. The daily accrual of penalties shall cease as of January 1 of the following year. All penalties collected by the Agency pursuant to this subsection shall be deposited into the Environmental Protection Permit and Inspection Fund.

(c) Any person that violates this Act, any rule or regulation adopted under this Act, any permit or term or condition of a permit, or any Board order and causes the death of fish or aquatic life shall, in addition to the other penalties provided by this Act, be liable to pay to the State an additional sum for the reasonable value of the fish or aquatic life destroyed. Any money so recovered shall be placed in the Wildlife and Fish Fund in the State Treasury.

(d) The penalties provided for in this Section may be recovered in a civil action.

(e) The State's Attorney of the county in which the violation occurred, or the Attorney General, may, at the request of the Agency or on his own motion, institute a civil action for an injunction, prohibitory or mandatory, to restrain violations of this Act, any rule or regulation adopted under this Act, any permit or term or condition of a permit, or any Board order, or to require such other actions as may be necessary to address violations of this Act, any rule or regulation adopted under this Act, any permit or term or condition of a permit, or any Board order.

(f) The State's Attorney of the county in which the violation occurred, or the Attorney General, shall bring such actions in the name of the people of the State of Illinois. Without limiting any other authority which may exist for the awarding of attorney's fees and costs, the Board or a court of competent jurisdiction may award costs and reasonable attorney's fees, including the reasonable costs of expert witnesses and consultants, to the State's Attorney or the Attorney General in a case where he has prevailed against a person who has committed a wilful, knowing or repeated violation of this Act, any rule or regulation adopted under this Act, any permit or term or condition of a permit, or any Board order.

Any funds collected under this subsection (f) in which the Attorney General has prevailed shall be deposited in the Hazardous Waste Fund created in Section 22.2 of this Act. Any funds collected under this subsection (f) in which a State's Attorney has prevailed shall be retained by the county in which he serves.

(g) All final orders imposing civil penalties pursuant to this Section shall prescribe the time for payment of such penalties. If any such penalty is not paid within the time prescribed, interest on such penalty at the rate set forth in subsection (a) of Section 1003 of the Illinois Income Tax Act, shall be paid for the period from the date payment is due until the date payment is received. However, if the time for payment is stayed during the pendency of an appeal, interest shall not accrue during such stay.

(h) In determining the appropriate civil penalty to be imposed under subdivisions (a), (b)(1), (b)(2), (b)(3), or (b)(5) of this Section, the Board is authorized to consider any matters of record in mitigation or aggravation of penalty, including but not limited to the following factors:

(1) the duration and gravity of the violation;

(2) the presence or absence of due diligence on the part of the respondent in attempting to comply with requirements of this Act and regulations thereunder or to secure relief therefrom as provided by this Act;

(3) any economic benefits accrued by the respondent because of delay in compliance with requirements, in which case the economic benefits shall be determined by the lowest cost alternative for achieving compliance;

(4) the amount of monetary penalty which will serve to deter further violations by the respondent and to otherwise aid in enhancing voluntary compliance with this Act by the respondent and other persons similarly subject to the Act;

(5) the number, proximity in time, and gravity of previously adjudicated violations of this Act by the respondent;

(6) whether the respondent voluntarily self-disclosed, in accordance with subsection (i) of this Section, the non-compliance to the Agency;

(7) whether the respondent has agreed to undertake a "supplemental environmental

project," which means an environmentally beneficial project that a respondent agrees to undertake in settlement of an enforcement action brought under this Act, but which the respondent is not otherwise legally required to perform; and

(8) whether the respondent has successfully completed a Compliance Commitment Agreement under subsection (a) of Section 31 of this Act to remedy the violations that are the subject of the complaint.

In determining the appropriate civil penalty to be imposed under subsection (a) or paragraph (1), (2), (3), or (5) of subsection (b) of this Section, the Board shall ensure, in all cases, that the penalty is at least as great as the economic benefits, if any, accrued by the respondent as a result of the violation, unless the Board finds that imposition of such penalty would result in an arbitrary or unreasonable financial hardship. However, such civil penalty may be off-set in whole or in part pursuant to a supplemental environmental project agreed to by the complainant and the respondent.

(i) A person who voluntarily self-discloses non-compliance to the Agency, of which the Agency had been unaware, is entitled to a 100% reduction in the portion of the penalty that is not based on the economic benefit of non-compliance if the person can establish the following:

(1) that the non-compliance was discovered through an environmental audit or a compliance management system documented by the regulated entity as reflecting the regulated entity's due diligence in preventing, detecting, and correcting violations;

(2) that the non-compliance was disclosed in writing within 30 days of the date on which the person discovered it;

(3) that the non-compliance was discovered and disclosed prior to:

(i) the commencement of an Agency inspection, investigation, or request for information;

(ii) notice of a citizen suit;

(iii) the filing of a complaint by a citizen, the Illinois Attorney General, or the State's Attorney of the county in which the violation occurred;

(iv) the reporting of the non-compliance by an employee of the person without that person's knowledge; or

(v) imminent discovery of the non-compliance by the Agency;

(4) that the non-compliance is being corrected and any environmental harm is being remediated in a timely fashion;

(5) that the person agrees to prevent a recurrence of the non-compliance;

(6) that no related non-compliance events have occurred in the past 3 years at the same facility or in the past 5 years as part of a pattern at multiple facilities owned or operated by the person;

(7) that the non-compliance did not result in serious actual harm or present an imminent and substantial endangerment to human health or the environment or violate the specific terms of any judicial or administrative order or consent agreement;

(8) that the person cooperates as reasonably requested by the Agency after the disclosure; and

(9) that the non-compliance was identified voluntarily and not through a monitoring, sampling, or auditing procedure that is required by statute, rule, permit, judicial or administrative order, or consent agreement.

If a person can establish all of the elements under this subsection except the element set forth in paragraph (1) of this subsection, the person is entitled to a 75% reduction in the portion of the penalty that is not based upon the economic benefit of non-compliance.

(j) In addition to any other remedy or penalty that may apply, whether civil or criminal, any person who violates Section 22.52 of this Act shall be liable for an additional civil penalty of up to 3 times the gross amount of any pecuniary gain resulting from the violation.

(k) In addition to any other remedy or penalty that may apply, whether civil or criminal, any person who violates subdivision (a)(7.6) of Section 31 of this Act shall be liable for an additional civil penalty of $2,000.

(Source: P.A. 96-603, eff. 8-24-09; 96-737, eff. 8-25-09; 96-1000, eff. 7-2-10; 96-1416, eff. 7-30-10; 97-519, eff. 8-23-11.)

(415 ILCS 5/52.5 new)

Sec. 52.5. Microbead-free waters.

(a) As used in this Section:

"Personal care product" means any article intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying,

promoting attractiveness, or altering the appearance, and any article intended for use as a component of any such article. "Personal care product" does not include any prescription or over the counter drugs.

"Plastic" means a synthetic material made from linking monomers through a chemical reaction to create an organic polymer chain that can be molded or extruded at high heat into various solid forms retaining their defined shapes during life cycle and after disposal.

"Synthetic plastic microbead" means any intentionally added non-biodegradable solid plastic particle measured less than 5 millimeters in size and is used to exfoliate or cleanse in a rinse-off product.

(b) The General Assembly hereby finds that microbeads, a synthetic alternative ingredient to such natural materials as ground almonds, oatmeal, and pumice, found in over 100 personal care products, including facial cleansers, shampoos, and toothpastes, pose a serious threat to the State's environment. Microbeads have been documented to collect harmful pollutants already present in the environment and harm fish and other aquatic organisms that form the base of the aquatic food chain. Recently, microbeads have been recorded in Illinois water bodies, and in particular, the waters of Lake Michigan.

Although synthetic plastic microbeads are a safe and effective mild abrasive ingredient effectively used for gently removing dead skin, there are recent concerns about the potential environmental impact of these materials. More research is needed on any adverse consequences, but a number of cosmetic manufacturers have already begun a voluntary process for identifying alternatives that allay those concerns. Those alternatives will be carefully evaluated to assure safety and implemented in a timely manner.

Without significant and costly improvements to the majority of the State's sewage treatment facilities, microbeads contained in products will continue to pollute Illinois' waters and hinder the recent substantial economic investments in redeveloping Illinois waterfronts and the ongoing efforts to restore the State's lakes and rivers and recreational and commercial fisheries.

(c) Effective December 31, 2017, no person shall manufacture for sale a personal care product that contains synthetic plastic microbeads as defined in this Section.

(d) Effective December 31, 2018, no person shall accept for sale a personal care product that contains synthetic plastic microbeads as defined in this Section.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILLS OF THE SENATE A THIRD TIME

On motion of Senator Steans, **Senate Bill No. 2727** having been transcribed and typed and all amendments adopted thereto having been printed, 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:

Barickman	Forby	Link	Raoul
Bertino-Tarrant	Frerichs	Luechtefeld	Rezin
Biss	Haine	Manar	Rose
Bivins	Harmon	Martinez	Sandoval
Brady	Harris	McCarter	Silverstein
Bush	Hastings	McConnaughay	Stadelman
Clayborne	Holmes	McGuire	Steans
Collins	Hunter	Morrison	Sullivan
Connelly	Hutchinson	Mulroe	Syverson
Cullerton, T.	Jones, E.	Muñoz	Trotter
Cunningham	Kotowski	Murphy	Van Pelt
Delgado	LaHood	Noland	Mr. President
Dillard	Landek	Oberweis	
Duffy	Lightford	Radogno	

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 therein.

On motion of Senator Hutchinson, **Senate Bill No. 2793** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Duffy	Lightford	Radogno
Barickman	Forby	Link	Raoul
Bertino-Tarrant	Frerichs	Manar	Rezin
Biss	Haine	Martinez	Rose
Bivins	Harmon	McCann	Sandoval
Brady	Harris	McCarter	Silverstein
Bush	Hastings	McConnaughay	Stadelman
Clayborne	Holmes	McGuire	Steans
Collins	Hunter	Morrison	Sullivan
Connelly	Hutchinson	Mulroe	Syverson
Cullerton, T.	Jones, E.	Muñoz	Trotter
Cunningham	Kotowski	Murphy	Van Pelt
Delgado	LaHood	Noland	Mr. President
Dillard	Landek	Oberweis	

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 therein.

SENATE BILL RECALLED

On motion of Senator Biss, **Senate Bill No. 2808** was recalled from the order of third reading to the order of second reading.

Senator Biss offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 2808

AMENDMENT NO. 1. Amend Senate Bill 2808 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Freedom From Location Surveillance Act.

Section 5. Definitions. For the purpose of this Act:

"Basic subscriber information" means name, address, local and long distance telephone connection records or records of session time and durations; length of services, including start dates, and types of services utilized; telephone or instrument number or other subscriber number or identity, including any temporarily assigned network address; and the means and source of payment for the service, including the credit card or bank account number.

"Electronic device" means any device that enables access to, or use of:

(1) an electronic communication service that provides the ability to send or receive wire or electronic communications;

(2) a remote computing service that provides computer storage or processing services by means of an electronic communications system; or

(3) a location information service such as a global positioning service or other mapping, locational, or directional information service.

"Electronic device" does not mean devices used by a governmental agency or by a company operating under a contract with a governmental agency for toll collection, traffic enforcement, or license plate reading.

"Law enforcement agency" means any agency of this State or a political subdivision of this State which is vested by law with the duty to maintain public order or enforce criminal laws.

"Location information" means any information concerning the location of an electronic device that, in whole or in part, is generated by or derived from the operation of that device.

"Social networking website" has the same meaning ascribed to the term in paragraph (4) of subsection (b) of Section 10 of the Right to Privacy in the Workplace Act.

Section 10. Court authorization. Except as provided in Section 15, a law enforcement agency shall not obtain current or future location information pertaining to a person or his or her effects without first obtaining a court order based on probable cause to believe that the person whose location information is sought has committed, is committing, or is about to commit a crime or the effect is evidence of a crime, or if the location information is authorized under an arrest warrant issued under Section 107-9 of the Code of Criminal Procedure of 1963 to aid in the apprehension or the arrest of the person named in the arrest warrant. An order issued under a finding of probable cause under this Section must be limited to a period of 60 days, renewable by the judge upon a showing of good cause for subsequent periods of 60 days.

Section 15. Exceptions. This Act does not prohibit a law enforcement agency from seeking to obtain current or future location information:

(1) to respond to a call for emergency services concerning the user or possessor of an electronic device;

(2) with the lawful consent of the person in actual or constructive possession of the item being tracked by the electronic device;

(3) to lawfully obtain location information broadly available to the general public without a court order when the location information is posted on a social networking website, or is metadata attached to images and video, or to determine the location of an Internet Protocol (IP) address through a publicly available service;

(4) to obtain location information generated by an electronic device used as a condition of release from a penal institution, as a condition of pre-trial release, probation, conditional discharge, parole, mandatory supervised release, or other sentencing order, or to monitor an individual released under the Sexually Violent Persons Commitment Act or the Sexually Dangerous Persons Act;

(5) to aid in the location of a missing person;

(6) in emergencies as follows:

(A) Notwithstanding any other provisions of this Act, any investigative or law enforcement officer may seek to obtain location information in an emergency situation as defined in this paragraph (6). This paragraph (6) applies only when there was no previous notice of the emergency to the investigative or law enforcement officer sufficient to obtain prior judicial approval, and the officer reasonably believes that an order permitting the obtaining of location information would issue were there prior judicial review. An emergency situation exists when:

(i) the use of the electronic device is necessary for the protection of the investigative or law enforcement officer or a person acting at the direction of law enforcement; or

(ii) the situation involves:

(I) a clear and present danger of imminent death or great bodily harm to persons resulting from a kidnapping or the holding of a hostage by force or the threat of the imminent use of force, or the occupation by force or the threat of the imminent use of force of any premises, place, vehicle, vessel, or aircraft;

(II) an abduction investigation;

(III) conspiratorial activities characteristic of organized crime;

(IV) an immediate threat to national security interest; or

(V) an ongoing attack on a computer comprising a felony.

(B) In all emergency cases, an application for an order approving the previous or continuing obtaining of location information must be made within 72 hours of its commencement. In the absence of the order, or upon its denial, any continuing obtaining of location information gathering shall immediately terminate. In order to approve obtaining location information, the judge must make a determination (i) that he or she would have granted an order had the information been before the court

prior to the obtaining of the location information and (ii) there was an emergency situation as defined in this paragraph (6).

(C) In the event that an application for approval under this paragraph (6) is denied the location information obtained under this exception shall be inadmissible in accordance with Section 20 of this Act; or

(7) to obtain location information relating to an electronic device used to track a vehicle or an effect which is owned or leased by that law enforcement agency.

Section 20. Admissibility. If the court finds by a preponderance of the evidence that a law enforcement agency obtained current or future location information pertaining to a person or his or her effects in violation of Section 10 or 15 of this Act, then the information shall be presumed to be inadmissible in any judicial or administrative proceeding. The State may overcome this presumption by proving the applicability of a judicially recognized exception to the exclusionary rule of the Fourth Amendment to the United States Constitution or Article I, Section 6 of the Illinois Constitution, or by a preponderance of the evidence that the law enforcement officer was acting in good faith and reasonably believed that one or more of the exceptions identified in Section 15 existed at the time the location information was obtained.

Section 25. Providing location information to a law enforcement agency not required. Nothing in this Act shall be construed to require a person to provide current or future location information to a law enforcement agency under Section 15.

Section 30. Inapplicability. This Act does not apply to a law enforcement agency obtaining basic subscriber information from a service provider under a valid subpoena, court order, or search warrant.

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 foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Biss, **Senate Bill No. 2808** having been transcribed and typed and all amendments adopted thereto having been printed, 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 52; NAYS None.

The following voted in the affirmative:

Althoff	Duffy	Lightford	Radogno
Barickman	Forby	Luechtefeld	Raoul
Bertino-Tarrant	Frerichs	Manar	Rezin
Biss	Haine	Martinez	Rose
Bivins	Harmon	McCann	Stadelman
Brady	Harris	McCarter	Steans
Bush	Hastings	McConnaughay	Syverson
Clayborne	Holmes	McGuire	Trotter
Collins	Hunter	Morrison	Van Pelt
Connelly	Hutchinson	Mulroe	Mr. President
Cullerton, T.	Jones, E.	Muñoz	
Cunningham	Kotowski	Murphy	
Delgado	LaHood	Noland	
Dillard	Landek	Oberweis	

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 therein.

SENATE BILL RECALLED

On motion of Senator Haine, **Senate Bill No. 2846** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 2 was postponed in the Committee on Higher Education.

Senator Haine offered the following amendment and moved its adoption:

AMENDMENT NO. 3 TO SENATE BILL 2846

AMENDMENT NO. 3. Amend Senate Bill 2846, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Private College Act is amended by adding Section 1.5 as follows:

(110 ILCS 1005/1.5 new)

Sec. 1.5. Exemption from Act; nonprofit religious institution.

(a) A nonprofit institution owned, controlled, and operated and maintained by a bona fide church, religious denomination, or religious organization comprised of multi-denominational members of the same well-recognized religion, lawfully operating as a nonprofit religious corporation pursuant to the Religious Corporation Act, is exempt from this Act if (i) the education is limited to instruction in the principles of that church, religious denomination, or religious organization or to courses offered for the purpose of training the adherents of that church, religious denomination, or religious organization in the care of the sick in accordance with its religious tenets; (ii) the diploma or degree is limited to evidence of completion of that education and the meritorious recognition upon which any honorary degree is conferred is limited to the principles of that church, religious denomination, or religious organization; and (iii) the institution's handbook for students includes the following statement: "This religious degree is not approved by the Illinois Board of Higher Education.".

(b) Institutions exempt under this Section shall offer degrees and diplomas only in the beliefs and practices of the church, religious denomination, or religious organization. The enactment of this amendatory Act of the 98th General Assembly expresses the legislative intent that this State must not involve itself in the content of degree programs awarded by any institution exempt under this Section, as long as the institution awards degrees and diplomas only in the beliefs and practices of the church, religious denomination, or religious organization.

(c) Institutions exempt under this Section may not award degrees in any area other than religion. Any degree or diploma granted in any area of study under this Section shall contain on its face, under the written description of the title of the degree being conferred, the statement, "Not Approved by the Illinois Board of Higher Education". The enactment of this amendatory Act of the 98th General Assembly is intended to prevent any entity claiming to be a nonprofit institution owned, controlled, and operated and maintained by a bona fide church, religious denomination, or religious organization comprised of multi-denominational members of the same well-recognized religion, lawfully operating as a nonprofit religious corporation pursuant to the Religious Corporation Act, from marketing and granting degrees or diplomas that are represented as being linked to their church, religious denomination, or religious organization, but which, in reality, are degrees in secular areas of study.

(d) An institution exempt under this Section shall annually file with the Board evidence to demonstrate its status as a nonprofit religious corporation under the Religious Corporation Act.

Section 10. The Academic Degree Act is amended by changing Section 11 as follows:

(110 ILCS 1010/11) (from Ch. 144, par. 241)

Sec. 11. Exemptions.

(a) This Act shall not apply to any school or educational institution regulated or approved under the Nurse Practice Act.

(b) This Act shall not apply to any of the following:

(1) ~~(a)~~ in-training programs by corporations or other business organizations for the training of their personnel;

(2) ~~(b)~~ education or other improvement programs by business, trade and similar organizations

and associations for the benefit of their members only; or

(3) ~~(c)~~ apprentice or other training programs by labor unions.

(c) A nonprofit institution owned, controlled, and operated and maintained by a bona fide church, religious denomination, or religious organization comprised of multi-denominational members of the same well-recognized religion, lawfully operating as a nonprofit religious corporation pursuant to the Religious Corporation Act, is exempt from this Act if (i) the education is limited to instruction in the principles of that church, religious denomination, or religious organization or to courses offered for the purpose of training the adherents of that church, religious denomination, or religious organization in the care of the sick in accordance with its religious tenets; (ii) the diploma or degree is limited to evidence of completion of that education and the meritorious recognition upon which any honorary degree is conferred is limited to the principles of that church, religious denomination, or religious organization; and (iii) the institution's handbook for students includes the following statement: "This religious degree is not approved by the Illinois Board of Higher Education.".

Institutions exempt under this subsection (c) shall offer degrees and diplomas only in the beliefs and practices of the church, religious denomination, or religious organization. The enactment of this amendatory Act of the 98th General Assembly expresses the legislative intent that this State must not involve itself in the content of degree programs awarded by any institution exempt under this subsection (c), as long as the institution awards degrees and diplomas only in the beliefs and practices of the church, religious denomination, or religious organization.

Institutions exempt under this subsection (c) may not award degrees in any area other than religion. Any degree or diploma granted in any area of study under this subsection (c) shall contain on its face, under the written description of the title of the degree being conferred, the statement, "Not Approved by the Illinois Board of Higher Education". The enactment of this amendatory Act of the 98th General Assembly is intended to prevent any entity claiming to be a nonprofit institution owned, controlled, and operated and maintained by a bona fide church, religious denomination, or religious organization comprised of multi-denominational members of the same well-recognized religion, lawfully operating as a nonprofit religious corporation pursuant to the Religious Corporation Act, from marketing and granting degrees or diplomas that are represented as being linked to their church, religious denomination, or religious organization, but which, in reality, are degrees in secular areas of study.

An institution exempt under this subsection (c) shall annually file with the Board evidence to demonstrate its status as a nonprofit religious corporation under the Religious Corporation Act.

(Source: P.A. 95-639, eff. 10-5-07.)

Section 99. Effective date. This Act takes effect July 1, 2014.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 3 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Haine, **Senate Bill No. 2846** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Duffy	Lightford	Oberweis
Barickman	Forby	Link	Radogno
Bertino-Tarrant	Frerichs	Luechtefeld	Raoul
Biss	Haine	Manar	Rezin
Bivins	Harmon	Martinez	Rose
Brady	Harris	McCann	Sandoval
Bush	Hastings	McCarter	Stadelman

Clayborne	Holmes	McConnaughay	Steans
Collins	Hunter	McGuire	Sullivan
Connelly	Hutchinson	Morrison	Syverson
Cullerton, T.	Jones, E.	Mulroe	Trotter
Cunningham	Kotowski	Muñoz	Van Pelt
Delgado	LaHood	Murphy	Mr. President
Dillard	Landek	Noland	

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 therein.

SENATE BILL RECALLED

On motion of Senator Haine, **Senate Bill No. 2922** was recalled from the order of third reading to the order of second reading.

Senator Haine offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 2922

AMENDMENT NO. _2_. Amend Senate Bill 2922, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Insurance Code is amended by changing Section 1570 as follows:

(215 ILCS 5/1570)

Sec. 1570. Public adjuster fees.

(a) A public adjuster shall not pay a commission, service fee, or other valuable consideration to a person for investigating or settling claims in this State if that person is required to be licensed under this Article and is not so licensed.

(b) A person shall not accept a commission, service fee, or other valuable consideration for investigating or settling claims in this State if that person is required to be licensed under this Article and is not so licensed.

(c) A public adjuster may pay or assign commission, service fees, or other valuable consideration to persons who do not investigate or settle claims in this State, unless the payment would violate State law.

(d) A public adjuster may not charge, agree to, or accept any compensation, payment, commissions, fee, or other valuable consideration in excess of 10% of the amount of the insurance settlement claim paid by the insurer on any claim resulting from a catastrophic event, unless approved in writing by the Director. Application for exception to the 10% limit must be made in writing. The request must contain specific reasons as to why the consideration should be in excess of 10% and proof that the policyholder would accept the consideration. The Director must act on any request within 5 business days after receipt of the request.

For the purpose of this subsection (d), "catastrophic event" means an occurrence of widespread or severe damage or loss of property producing an overwhelming demand on State and local response resources and mechanisms and a severe long-term effect on general economic activity, and that severely affects State, local, and private sector capabilities to begin to sustain response activities resulting from any catastrophic cause, including, but not limited to, fire, including arson (provided the fire was not caused by the willful action of an owner or resident of the property), flood, earthquake, wind, storm, explosion, or extended periods of severe inclement weather as determined by declaration of a State of disaster by the Governor. This declaration may be made on a county-by-county basis and shall be in effect for 90 days, but may be renewed for 30-day intervals thereafter.

(Source: P.A. 96-1332, eff. 1-1-11.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILLS OF THE SENATE A THIRD TIME

On motion of Senator Haine, **Senate Bill No. 2922** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Duffy	Link	Radogno
Barickman	Forby	Luechtefeld	Raoul
Bertino-Tarrant	Frerichs	Manar	Rezin
Biss	Haine	Martinez	Sandoval
Bivins	Harmon	McCann	Silverstein
Brady	Hastings	McCarter	Stadelman
Bush	Holmes	McConnaughay	Steans
Clayborne	Hunter	McGuire	Sullivan
Collins	Hutchinson	Morrison	Syverson
Connelly	Jones, E.	Mulroe	Trotter
Cullerton, T.	Kotowski	Muñoz	Van Pelt
Cunningham	LaHood	Murphy	Mr. President
Delgado	Landek	Noland	
Dillard	Lightford	Oberweis	

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 therein.

On motion of Senator Sullivan, **Senate Bill No. 2932** having been transcribed and typed and all amendments adopted thereto having been printed, 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 1.

The following voted in the affirmative:

Althoff	Duffy	Lightford	Oberweis
Barickman	Forby	Link	Radogno
Bertino-Tarrant	Frerichs	Luechtefeld	Raoul
Biss	Haine	Manar	Rezin
Bivins	Harmon	Martinez	Rose
Brady	Harris	McCann	Sandoval
Bush	Hastings	McCarter	Silverstein
Clayborne	Holmes	McConnaughay	Stadelman
Collins	Hunter	McGuire	Steans
Connelly	Hutchinson	Morrison	Sullivan
Cullerton, T.	Jones, E.	Mulroe	Syverson
Cunningham	Kotowski	Muñoz	Trotter
Delgado	LaHood	Murphy	Van Pelt
Dillard	Landek	Noland	

The following voted present:

Mr. President

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 therein.

On motion of Senator Dillard, **Senate Bill No. 2984** having been transcribed and typed and all amendments adopted thereto having been printed, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Luechtefeld	Rezin
Barickman	Frerichs	Manar	Rose
Bertino-Tarrant	Haine	Martinez	Sandoval
Biss	Harmon	McCann	Silverstein
Bivins	Harris	McCarter	Stadelman
Brady	Hastings	McConnaughay	Steans
Bush	Holmes	McGuire	Sullivan
Clayborne	Hunter	Morrison	Syverson
Collins	Hutchinson	Mulroe	Trotter
Connelly	Jones, E.	Muñoz	Van Pelt
Cullerton, T.	Kotowski	Murphy	Mr. President
Cunningham	LaHood	Noland	
Delgado	Landek	Oberweis	
Dillard	Lightford	Radogno	
Duffy	Link	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 and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator Haine, **Senate Bill No. 3014** was recalled from the order of third reading to the order of second reading.

Senator Haine offered the following amendment and moved its adoption:

AMENDMENT NO. 3 TO SENATE BILL 3014

AMENDMENT NO. 3. Amend Senate Bill 3014 by replacing everything after the enacting clause with the following:

"Section 5. The Condominium Property Act is amended by changing Section 12 as follows:

(765 ILCS 605/12) (from Ch. 30, par. 312)

Sec. 12. Insurance.

(a) Required coverage. No policy of insurance shall be issued or delivered to a condominium association, and no policy of insurance issued to a condominium association shall be renewed, unless the insurance coverage under the policy includes the following:

(1) Property insurance. Property insurance (i) on the common elements and the units, including the limited common elements and except as otherwise determined by the board of managers, the bare walls, floors, and ceilings of the unit, (ii) providing coverage for special form causes of loss, and (iii) providing coverage, at the time the insurance is purchased and at each renewal date, in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but

including coverage sufficient to rebuild the insured property in compliance with building code requirements subsequent to an insured loss, including: Coverage B, demolition costs; and Coverage C, increased cost of construction coverage. The combined total of Coverage B and Coverage C shall be no less than 10% of each insured insured building value, or $500,000, whichever is less ~~in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but including coverage for the increased costs of construction due to building code requirements, at the time the insurance is purchased and at each renewal date~~.

(2) General liability insurance. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the property in a minimum amount of $1,000,000, or a greater amount deemed sufficient in the judgment of the board, insuring the board, the association, the management agent, and their respective employees and agents and all persons acting as agents. The developer must be included as an additional insured in its capacity as a unit owner, manager, board member, or officer. The unit owners must be included as additional insured parties but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the common elements. The insurance must cover claims of one or more insured parties against other insured parties.

(3) Fidelity bond; directors and officers coverage.

(A) An association with 6 or more dwelling units must obtain and maintain a fidelity bond covering persons, including the managing agent and its employees who control or disburse funds of the association, for the maximum amount of coverage available to protect funds in the custody or control of the association, plus the association reserve fund.

(B) All management companies that are responsible for the funds held or administered by the association must be covered by a fidelity bond for the maximum amount of coverage available to protect those funds. The association has standing to make a loss claim against the bond of the managing agent as a party covered under the bond.

(C) For purposes of paragraphs (A) and (B), the fidelity bond must be in the full amount of association funds and reserves in the custody of the association or the management company.

(D) The board of directors must obtain directors and officers liability coverage at a level deemed reasonable by the board, if not otherwise established by the declaration or bylaws. Directors and officers liability coverage must extend to all contracts and other actions taken by the board in their official capacity as directors and officers, but this coverage shall exclude actions for which the directors are not entitled to indemnification under the General Not For Profit Corporation Act of 1986 or the declaration and bylaws of the association. The coverage required by this subparagraph (D) shall include, but not be limited to, coverage of: defense of non-monetary actions; defense of breach of contract; and defense of decisions related to the placement or adequacy of insurance. The coverage required by this subparagraph (D) shall include as an insured: past, present, and future board members while acting in their capacity as members of the board of directors; the managing agent; and employees of the board of directors and the managing agent.

(b) Contiguous units; improvements and betterments. The insurance maintained under subdivision (a)(1) must include the units, the limited common elements except as otherwise determined by the board of managers, and the common elements. The insurance need not cover improvements and betterments to the units installed by unit owners, but if improvements and betterments are covered, any increased cost may be assessed by the association against the units affected.

Common elements include fixtures located within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual units initially installed by the developer. Common elements exclude floor, wall, and ceiling coverings. "Improvements and betterments" means all decorating, fixtures, and furnishings installed or added to and located within the boundaries of the unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, ~~or~~ built-in cabinets installed by unit owners , or any other additions, alterations, or upgrades installed or purchased by any unit owner.

(c) Deductibles. The board of directors of the association may, in the case of a claim for damage to a unit or the common elements, (i) pay the deductible amount as a common expense, (ii) after notice and an opportunity for a hearing, assess the deductible amount against the owners who caused the damage or from whose units the damage or cause of loss originated, or (iii) require the unit owners of the units affected to pay the deductible amount.

(d) Other coverages. The declaration may require the association to carry any other insurance, including workers compensation, employment practices, environmental hazards, and equipment breakdown, the board of directors considers appropriate to protect the association, the unit owners, or officers, directors, or agents of the association.

(e) Insured parties; waiver of subrogation. Insurance policies carried pursuant to subsections (a) and (b) must include each of the following provisions:

(1) Each unit owner and secured party is an insured person under the policy with respect to liability arising out of the unit owner's interest in the common elements or membership in the association.

(2) The insurer waives its right to subrogation under the policy against any unit owner of the condominium or members of the unit owner's household and against the association and members of the board of directors.

(3) The unit owner waives his or her right to subrogation under the association policy against the association and the board of directors.

(f) Primary insurance. If at the time of a loss under the policy there is other insurance in the name of a unit owner covering the same property covered by the policy, the association's policy is primary insurance.

(g) Adjustment of losses; distribution of proceeds. Any loss covered by the property policy under subdivision (a)(1) must be adjusted by and with the association. The insurance proceeds for that loss must be payable to the association, or to an insurance trustee designated by the association for that purpose. The insurance trustee or the association must hold any insurance proceeds in trust for unit owners and secured parties as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged common elements, the bare walls, ceilings, and floors of the units, and then to any improvements and betterments the association may insure. Unit owners are not entitled to receive any portion of the proceeds unless there is a surplus of proceeds after the common elements and units have been completely repaired or restored or the association has been terminated as trustee.

(h) Mandatory unit owner coverage. The board of directors may, under the declaration and bylaws or by rule, require condominium unit owners to obtain insurance covering their personal liability and compensatory (but not consequential) damages to another unit caused by the negligence of the owner or his or her guests, residents, or invitees, or regardless of any negligence originating from the unit. The personal liability of a unit owner or association member must include the deductible of the owner whose unit was damaged, any damage not covered by insurance required by this subsection, as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment, and other furnishings.

~~If the unit owner does not purchase or produce evidence of insurance requested by the board, the directors may purchase the insurance coverage and charge the premium cost back to the unit owner. In no event is the board liable to any person either with regard to its decision not to purchase the insurance, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.~~

(i) Certificates of insurance. Contractors and vendors (except public utilities) doing business with a condominium association under contracts exceeding $10,000 per year must provide certificates of insurance naming the association, its board of directors, and its managing agent as additional insured parties.

(j) Non-residential condominiums. The provisions of this Section may be varied or waived in the case of a condominium community in which all units are restricted to nonresidential use.

(k) Settlement of claims. Any insurer defending a liability claim against a condominium association must notify the association of the terms of the settlement no less than 10 days before settling the claim. The association may not veto the settlement unless otherwise provided by contract or statute.

(l) The changes to this Section made by this amendatory Act of the 98th General Assembly apply only to insurance policies issued or renewed on or after June 1, 2015.

(Source: P.A. 92-518, eff. 6-1-02.)

Section 99. Effective date. This Act takes effect June 1, 2015.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 3 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Haine, **Senate Bill No. 3014** having been transcribed and typed and all amendments adopted thereto having been printed, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Luechtefeld	Rezin
Barickman	Frerichs	Manar	Rose
Bertino-Tarrant	Haine	Martinez	Sandoval
Biss	Harmon	McCann	Silverstein
Bivins	Harris	McCarter	Stadelman
Brady	Hastings	McConnaughay	Steans
Bush	Holmes	McGuire	Sullivan
Clayborne	Hunter	Morrison	Syverson
Collins	Hutchinson	Mulroe	Trotter
Connelly	Jones, E.	Muñoz	Van Pelt
Cullerton, T.	Kotowski	Murphy	Mr. President
Cunningham	LaHood	Noland	
Delgado	Landek	Oberweis	
Dillard	Lightford	Radogno	
Duffy	Link	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 and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator Hastings, **Senate Bill No. 3110** was recalled from the order of third reading to the order of second reading.

Senator Hastings offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 3110

AMENDMENT NO. _2_. Amend Senate Bill 3110, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 3, by replacing lines 6 through 13 with the following:

"Upon disclosure under item (13) of this Section, in any criminal action where the charge is domestic battery, aggravated domestic battery, or an offense under Article 11 of the Criminal Code of 2012 or where the patient is under the age of 18 years or upon the request of the patient, the State's Attorney shall petition the court for a protective order pursuant to Supreme Court Rule 415.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Hastings, **Senate Bill No. 3110** having been transcribed and typed and all amendments adopted thereto having been printed, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Luechtefeld	Rezin
Barickman	Frerichs	Manar	Rose
Bertino-Tarrant	Haine	Martinez	Sandoval
Biss	Harmon	McCann	Silverstein
Bivins	Harris	McCarter	Stadelman
Brady	Hastings	McConnaughay	Steans
Bush	Holmes	McGuire	Sullivan
Clayborne	Hunter	Morrison	Syverson
Collins	Hutchinson	Mulroe	Trotter
Connelly	Jones, E.	Muñoz	Van Pelt
Cullerton, T.	Kotowski	Murphy	Mr. President
Cunningham	LaHood	Noland	
Delgado	Landek	Oberweis	
Dillard	Lightford	Radogno	
Duffy	Link	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 and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator McCann, **Senate Bill No. 3139** was recalled from the order of third reading to the order of second reading.

Senator McCann offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 3139

AMENDMENT NO. _2__. Amend Senate Bill 3139, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by changing Section 15-111 as follows:

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

Sec. 15-111. Wheel and axle loads and gross weights.

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

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

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

9	39,000	42,500			
10	40,000	43,500			
11		44,000			
12		45,000	50,000		
13		45,500	50,500		
14		46,500	51,500		
15		47,000	52,000		
16		48,000	52,500	58,000	
17		48,500	53,500	58,500	
18		49,500	54,000	59,000	
19		50,000	54,500	60,000	
20		51,000	55,500	60,500	66,000
21		51,500	56,000	61,000	66,500
22		52,500	56,500	61,500	67,000
23		53,000	57,500	62,500	68,000
24		54,000	58,000	63,000	68,500
25		54,500	58,500	63,500	69,000
26		55,500	59,500	64,000	69,500
27		56,000	60,000	65,000	70,000
28		57,000	60,500	65,500	71,000
29		57,500	61,500	66,000	71,500
30		58,500	62,000	66,500	72,000
31		59,000	62,500	67,500	72,500
32		60,000	63,500	68,000	73,000
33			64,000	68,500	74,000
34			64,500	69,000	74,500
35			65,500	70,000	75,000
36			66,000	70,500	75,500
37			66,500	71,000	76,000
38			67,500	72,000	77,000
39			68,000	72,500	77,500
40			68,500	73,000	78,000
41			69,500	73,500	78,500
42			70,000	74,000	79,000
43			70,500	75,000	80,000
44			71,500	75,500	
45			72,000	76,000	
46			72,500	76,500	
47			73,500	77,500	
48			74,000	78,000	
49			74,500	78,500	
50			75,500	79,000	
51			76,000	80,000	
52			76,500		
53			77,500		
54			78,000		
55			78,500		
56			79,500		
57			80,000		

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

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

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

Local authorities, with respect to streets and highways under their jurisdiction, without additional fees, may also by ordinance or resolution allow the weight limitations of this subsection, provided the maximum gross weight on any one axle shall not exceed 20,000 pounds and the maximum total weight on any tandem

axle shall not exceed 34,000 pounds, on designated highways when appropriate regulatory signs giving notice are erected upon the street or highway or portion of any street or highway affected by the ordinance or resolution.

The following are exceptions to the above formula:

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

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

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

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

(5) Two consecutive sets of tandem axles may carry a total weight of 34,000 pounds each if the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more, notwithstanding the lower limit resulting from the application of the above formula.

(6) A truck, not in combination and used exclusively for the collection of rendering materials, may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on a single axle; 40,000 pounds on a tandem axle.

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

(7.5) A 3-axle rear discharge truck mixer registered as a Special Hauling Vehicle, used exclusively for the mixing and transportation of concrete in the plastic state, may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on single axle; 40,000 pounds on a tandem axle; 54,000 pounds gross weight on a 3-axle vehicle. This vehicle is not subject to the bridge formula.

(8) Except as provided in paragraph (7.5) of this subsection (a), tandem axles on a 3-axle truck registered as a Special Hauling Vehicle, manufactured prior to or in the model year of 2024 and first registered in Illinois prior to January 1, 2025, with a distance greater than 72 inches but not more than 96 inches between any series of 2 axles, is allowed a combined weight on the series not to exceed 36,000 pounds and neither axle of the series may exceed 20,000 pounds. Any vehicle of this type manufactured after the model year of 2024 or first registered in Illinois after December 31, 2024 may not exceed a combined weight of 34,000 pounds through the series of 2 axles and neither axle of the series may exceed 20,000 pounds.

A 3-axle combination sewer cleaning jetting vacuum truck registered as a Special Hauling Vehicle, used exclusively for the transportation of non-hazardous solid waste, manufactured before or in the model year of 2014, first registered in Illinois before January 1, 2015, may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on a single axle; 40,000 pounds on a tandem axle; 54,000 pounds gross weight on a 3-axle vehicle. This vehicle is not subject to the bridge formula.

(9) A 4-axle truck mixer registered as a Special Hauling Vehicle, used exclusively for the mixing and transportation of concrete in the plastic state, ~~2024~~ 2025 and not operated on a highway that is part of the National System of Interstate Highways, is allowed the following maximum weights: 20,000 pounds on any single axle; 36,000 pounds on a series of axles greater than 72 inches but not more than 96 inches; and 34,000 pounds on any series of 2 axles greater than 40 inches but not more than 72 inches. The gross weight of this vehicle may not exceed the weights allowed by the bridge formula for 4 axles. The bridge formula does not apply to any series of 3 axles while the vehicle is transporting concrete in the plastic state, but no axle or tandem axle of the series may exceed the maximum weight permitted under this paragraph (9) of subsection (a).

(10) Combinations of vehicles, registered as Special Hauling Vehicles that include a

semitrailer manufactured prior to or in the model year of 2024, and registered in Illinois prior to January 1, 2025, having 5 axles with a distance of 42 feet or less between extreme axles, may not exceed the following maximum weights: 20,000 pounds on a single axle; 34,000 pounds on a tandem axle; and 72,000 pounds gross weight. This combination of vehicles is not subject to the bridge formula. For all those combinations of vehicles that include a semitrailer manufactured after the effective date of P.A. 92-0417, the overall distance between the first and last axles of the 2 sets of tandems must be 18 feet 6 inches or more. Any combination of vehicles that has had its cargo container replaced in its entirety after December 31, 2024 may not exceed the weights allowed by the bridge formula.

(11) The maximum weight allowed on a vehicle with crawler type tracks is 40,000 pounds.

(12) A combination of vehicles, including a tow truck and a disabled vehicle or disabled combination of vehicles, that exceeds the weight restriction imposed by this Code, may be operated on a public highway in this State provided that neither the disabled vehicle nor any vehicle being towed nor the tow truck itself shall exceed the weight limitations permitted under this Chapter. During the towing operation, neither the tow truck nor the vehicle combination shall exceed 24,000 pounds on a single rear axle and 44,000 pounds on a tandem rear axle, provided the towing vehicle:

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

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

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

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

(13) Upon and during a declaration of an emergency propane supply disaster by the Governor under Section 7 of the Illinois Emergency Management Agency Act:

(i) a truck not in combination, equipped with a cargo tank, used exclusively for the transportation of propane or liquefied petroleum gas may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on a single axle; 40,000 pounds on a tandem axle; 40,000 pounds gross weight on a 2-axle vehicle; 54,000 pounds gross weight on a 3-axle vehicle; and

(ii) a truck when in combination with a trailer equipped with a cargo tank used exclusively for the transportation of propane or liquefied petroleum gas may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on a single axle; 40,000 pounds on a tandem axle; 90,000 pounds gross weight on a 5 or 6-axle vehicle.

Vehicles operating under this paragraph (13) are not subject to the bridge formula.

Gross weight limits shall not apply to the combination of the tow truck and vehicles being towed. The tow truck license plate must cover the operating empty weight of the tow truck only. The weight of each vehicle being towed shall be covered by a valid license plate issued to the owner or operator of the vehicle being towed and displayed on that vehicle. If no valid plate issued to the owner or operator of that vehicle is displayed on that vehicle, or the plate displayed on that vehicle does not cover the weight of the vehicle, the weight of the vehicle shall be covered by the third tow truck plate issued to the owner or operator of the tow truck and temporarily affixed to the vehicle being towed. If a roll-back carrier is registered and being used as a tow truck, however, the license plate or plates for the tow truck must cover the gross vehicle weight, including any load carried on the bed of the roll-back carrier.

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

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

(b) As used in this Section, "recycling haul" or "recycling operation" means the hauling of non-hazardous, non-special, non-putrescible materials, such as paper, glass, cans, or plastic, for subsequent use in the secondary materials market.

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

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

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

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

(g) Upon the trial of any person charged with a violation of subsection (e) or (f) of this Section, proof of the determination of the maximum allowable weight by the Department and the existence of the signs, constitutes conclusive evidence of the maximum weight that can be maintained with safety to the bridge or structure.

(Source: P.A. 97-201, eff. 1-1-12; 98-409, eff. 1-1-14; 98-410, eff. 8-16-13; revised 9-19-13.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILLS OF THE SENATE A THIRD TIME

On motion of Senator McCann, **Senate Bill No. 3139** having been transcribed and typed and all amendments adopted thereto having been printed, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Luechtefeld	Rezin
Barickman	Frerichs	Manar	Rose
Bertino-Tarrant	Haine	Martinez	Sandoval
Biss	Harmon	McCann	Silverstein
Bivins	Harris	McCarter	Stadelman
Brady	Hastings	McConnaughay	Steans
Bush	Holmes	McGuire	Sullivan
Clayborne	Hunter	Morrison	Syverson
Collins	Hutchinson	Mulroe	Trotter
Connelly	Jones, E.	Muñoz	Van Pelt
Cullerton, T.	Kotowski	Murphy	Mr. President
Cunningham	LaHood	Noland	
Delgado	Landek	Oberweis	
Dillard	Lightford	Radogno	
Duffy	Link	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 and ask their concurrence therein.

On motion of Senator Trotter, **Senate Bill No. 3176** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

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

YEAS 39; NAYS 13.

The following voted in the affirmative:

Bertino-Tarrant	Haine	Lightford	Raoul
Biss	Harmon	Link	Sandoval
Bush	Harris	Manar	Silverstein
Clayborne	Hastings	Martinez	Stadelman
Collins	Holmes	McConnaughay	Steans
Cullerton, T.	Hunter	McGuire	Sullivan
Cunningham	Hutchinson	Morrison	Trotter
Delgado	Jones, E.	Mulroe	Van Pelt
Forby	Kotowski	Muñoz	Mr. President
Frerichs	Landek	Noland	

The following voted in the negative:

Barickman	Duffy	Oberweis	Syverson
Bivins	LaHood	Radogno	
Brady	Luechtefeld	Rezin	
Connelly	McCarter	Rose	

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 therein.

On motion of Senator Haine, **Senate Bill No. 3264** having been transcribed and typed and all amendments adopted thereto having been printed, 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 12.

The following voted in the affirmative:

Althoff	Haine	Manar	Sandoval
Bertino-Tarrant	Harmon	Martinez	Silverstein
Biss	Hastings	McCann	Stadelman
Bush	Holmes	McConnaughay	Steans
Clayborne	Hunter	McGuire	Sullivan
Collins	Hutchinson	Morrison	Trotter
Cullerton, T.	Jones, E.	Mulroe	Van Pelt
Cunningham	Kotowski	Muñoz	Mr. President
Dillard	Landek	Noland	
Forby	Lightford	Radogno	
Frerichs	Link	Raoul	

The following voted in the negative:

Barickman	Duffy	Murphy
Bivins	LaHood	Oberweis
Brady	Luechtefeld	Rezin
Connelly	McCarter	Rose

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 therein.

On motion of Senator Brady, **Senate Bill No. 3364** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Duffy	Luechtefeld	Raoul
Barickman	Forby	Manar	Rezin
Bertino-Tarrant	Frerichs	Martinez	Rose
Biss	Haine	McCann	Sandoval
Bivins	Harris	McCarter	Silverstein
Brady	Hastings	McConnaughay	Stadelman
Bush	Holmes	McGuire	Steans
Clayborne	Hunter	Morrison	Sullivan
Collins	Hutchinson	Mulroe	Syverson
Connelly	Jones, E.	Muñoz	Trotter
Cullerton, T.	Kotowski	Murphy	Van Pelt
Cunningham	Landek	Noland	Mr. President
Delgado	Lightford	Oberweis	
Dillard	Link	Radogno	

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 therein.

SENATE BILL RECALLED

On motion of Senator Harmon, **Senate Bill No. 3369** was recalled from the order of third reading to the order of second reading.

Senator Harmon offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 3369

AMENDMENT NO. 1. Amend Senate Bill 3369 by replacing everything after the enacting clause with the following:

"Section 5. The Motor Fuel Tax Law is amended by changing Sections 1.8, 2, 2a, and 5 and by adding Sections 1.8A, 1.8B, and 1.13C as follows:

(35 ILCS 505/1.8) (from Ch. 120, par. 417.8)

Sec. 1.8. "Gallon" means, in addition to its ordinary meaning, its equivalent in a capacity of measurement of substance in a gaseous state. In the case of liquefied natural gas or propane used as motor fuel, "gallon" means a diesel gallon equivalent as defined by Section 1.8A of this Act.
(Source: Laws 1961, p. 3653.)

(35 ILCS 505/1.8A new)

Sec. 1.8A. Diesel gallon equivalent. "Diesel gallon equivalent" means an amount of liquefied natural gas or propane that has the equivalent energy content of a gallon of diesel fuel and shall be defined as 6.06 pounds of liquefied natural gas or 6.41 pounds of propane.

(35 ILCS 505/1.8B new)

Sec. 1.8B. Gasoline gallon equivalent. "Gasoline gallon equivalent" means an amount of compressed natural gas that has the equivalent energy content of a gallon of gasoline and shall be defined as 5.660 pounds of compressed natural gas.

(35 ILCS 505/1.13C new)

Sec. 1.13C. Liquefied natural gas. "Liquefied natural gas" means methane or natural gas in the form of a cryogenic or refrigerated liquid for use as a motor fuel.

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

Sec. 2. A tax is imposed on the privilege of operating motor vehicles upon the public highways and recreational-type watercraft upon the waters of this State.

(a) Prior to August 1, 1989, the tax is imposed at the rate of 13 cents per gallon on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State. Beginning on August 1, 1989 and until January 1, 1990, the rate of the tax imposed in this paragraph shall be 16 cents per gallon. Beginning January 1, 1990, the rate of tax imposed in this paragraph, including the tax on compressed natural gas, shall be 19 cents per gallon. The tax on compressed natural gas shall be calculated on a gasoline gallon equivalent basis as defined in Section 1.8B of this Act.

(b) The tax on the privilege of operating motor vehicles which use diesel fuel, liquefied natural gas, or propane shall be the rate according to paragraph (a) plus an additional 2 1/2 cents per gallon. "Diesel fuel" is defined as any product intended for use or offered for sale as a fuel for engines in which the fuel is injected into the combustion chamber and ignited by pressure without electric spark.

(c) A tax is imposed upon the privilege of engaging in the business of selling motor fuel as a retailer or reseller on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State: (1) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 A.M. on January 1, 1990.

Retailers and resellers who are subject to this additional tax shall be required to inventory such motor fuel and pay this additional tax in a manner prescribed by the Department of Revenue.

The tax imposed in this paragraph (c) shall be in addition to all other taxes imposed by the State of Illinois or any unit of local government in this State.

(d) Except as provided in Section 2a, the collection of a tax based on gallonage of gasoline used for the propulsion of any aircraft is prohibited on and after October 1, 1979.

(e) The collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited (i) on and after July 1, 1992 until December 31, 1999, except when the 1-K kerosene is either: (1) delivered into bulk storage facilities of a bulk user, or (2) delivered directly into the fuel supply tanks of motor vehicles and (ii) on and after January 1, 2000. Beginning on January 1, 2000, the collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited except when the 1-K kerosene is delivered directly into a storage tank that is located at a facility that has withdrawal facilities that are readily accessible to and are capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles. For purposes of this subsection (e), a facility is considered to have withdrawal facilities that are not "readily accessible to and capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles" only if the 1-K kerosene is delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling.

Any person who sells or uses 1-K kerosene for use in motor vehicles upon which the tax imposed by this Law has not been paid shall be liable for any tax due on the sales or use of 1-K kerosene.
(Source: P.A. 96-1384, eff. 7-29-10.)

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

Sec. 2a. Except as hereinafter provided, on and after January 1, 1990 and before January 1, 2025, a tax of three-tenths of a cent per gallon is imposed upon the privilege of being a receiver in this State of fuel for sale or use.

The tax shall be paid by the receiver in this State who first sells or uses fuel. In the case of a sale, the tax shall be stated as a separate item on the invoice.

For the purpose of the tax imposed by this Section, being a receiver of "motor fuel" as defined by Section 1.1 of this Act, and aviation fuels, home heating oil and kerosene, but excluding liquified petroleum gases, is subject to tax without regard to whether the fuel is intended to be used for operation of motor vehicles on the public highways and waters. However, no such tax shall be imposed upon the importation or receipt of aviation fuels and kerosene at airports with over 300,000 operations per year, for years prior to 1991, and over 170,000 operations per year beginning in 1991, located in a city of more than 1,000,000 inhabitants for sale to or use by holders of certificates of public convenience and necessity or foreign air carrier permits, issued by the United States Department of Transportation, and their air carrier affiliates, or upon the importation or receipt of aviation fuels and kerosene at facilities owned or leased by those certificate or permit holders and used in their activities at an airport described above. In addition, no such tax shall be imposed upon the importation or receipt of diesel fuel or liquefied natural gas sold to or used by a rail carrier registered pursuant to Section 18c-7201 of the Illinois Vehicle Code or otherwise recognized by the Illinois Commerce Commission as a rail carrier, to the extent used directly in railroad operations. In addition, no such tax shall be imposed when the sale is made with delivery to a purchaser outside this State or when the sale is made to a person holding a valid license as a receiver. In addition, no tax shall be imposed upon diesel fuel or liquefied natural gas consumed or used in the operation of ships, barges, or vessels, that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering on this State, if the diesel fuel or liquefied natural gas is delivered by a licensed receiver to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river. A specific notation thereof shall be made on the invoices or sales slips covering each sale.

(Source: P.A. 96-161, eff. 8-10-09.)

(35 ILCS 505/5) (from Ch. 120, par. 421)

Sec. 5. Except as hereinafter provided, a person holding a valid unrevoked license to act as a distributor of motor fuel shall, between the 1st and 20th days of each calendar month, make return to the Department, showing an itemized statement of the number of invoiced gallons of motor fuel of the types specified in this Section which were purchased, acquired, received, or exported during the preceding calendar month; the amount of such motor fuel produced, refined, compounded, manufactured, blended, sold, distributed, exported, and used by the licensed distributor during the preceding calendar month; the amount of such motor fuel lost or destroyed during the preceding calendar month; the amount of such motor fuel on hand at the close of business for such month; and such other reasonable information as the Department may require. If a distributor's only activities with respect to motor fuel are either: (1) production of alcohol in quantities of less than 10,000 proof gallons per year or (2) blending alcohol in quantities of less than 10,000 proof gallons per year which such distributor has produced, he shall file returns on an annual basis with the return for a given year being due by January 20 of the following year. Distributors whose total production of alcohol (whether blended or not) exceeds 10,000 proof gallons per year, based on production during the preceding (calendar) year or as reasonably projected by the Department if one calendar year's record of production cannot be established, shall file returns between the 1st and 20th days of each calendar month as hereinabove provided.

The types of motor fuel referred to in the preceding paragraph are: (A) All products commonly or commercially known or sold as gasoline (including casing-head and absorption or natural gasoline), gasohol, motor benzol or motor benzene regardless of their classification or uses; and (B) all combustible gases, not including liquefied natural gas, which exist in a gaseous state at 60 degrees Fahrenheit and at 14.7 pounds per square inch absolute including, but not limited to, liquefied petroleum gases used for highway purposes; and (C) special fuel. Only those quantities of combustible gases (example (B) above) which are used or sold by the distributor to be used to propel motor vehicles on the public highways, or which are delivered into a storage tank that is located at a facility that has withdrawal facilities which are readily accessible to and are capable of dispensing combustible gases into the fuel supply tanks of motor vehicles, shall be subject to return. Distributors of liquefied natural gas are not required to make returns under this Section with respect to that liquefied natural gas unless (i) the liquefied natural gas is dispensed into the fuel supply tank of any motor vehicle or (ii) the liquefied natural gas is delivered into a storage tank that is located at a facility that has withdrawal facilities which are readily accessible to and are capable of dispensing liquefied natural gas into the fuel supply tanks of motor vehicles. For purposes of this Section, a facility is considered to have withdrawal facilities that are not "readily accessible to and capable of dispensing combustible gases into the fuel supply tanks of motor vehicles" only if the combustible gases

or liquefied natural gas are delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling. For the purposes of this Act, liquefied petroleum gases shall mean and include any material having a vapor pressure not exceeding that allowed for commercial propane composed predominantly of the following hydrocarbons, either by themselves or as mixtures: Propane, Propylene, Butane (normal butane or iso-butane) and Butylene (including isomers).

In case of a sale of special fuel to someone other than a licensed distributor, or a licensed supplier, for a use other than in motor vehicles, the distributor shall show in his return the amount of invoiced gallons sold and the name and address of the purchaser in addition to any other information the Department may require.

All special fuel sold or used for non-highway purposes must have a dye added in accordance with Section 4d of this Law.

In case of a tax-free sale, as provided in Section 6, of motor fuel which the distributor is required by this Section to include in his return to the Department, the distributor in his return shall show: (1) If the sale is made to another licensed distributor the amount sold and the name, address and license number of the purchasing distributor; (2) if the sale is made to a person where delivery is made outside of this State the name and address of such purchaser and the point of delivery together with the date and amount delivered; (3) if the sale is made to the Federal Government or its instrumentalities the amount sold; (4) if the sale is made to a municipal corporation owning and operating a local transportation system for public service in this State the name and address of such purchaser, and the amount sold, as evidenced by official forms of exemption certificates properly executed and furnished by such purchaser; (5) if the sale is made to a privately owned public utility owning and operating 2-axle vehicles designed and used for transporting more than 7 passengers, which vehicles are used as common carriers in general transportation of passengers, are not devoted to any specialized purpose and are operated entirely within the territorial limits of a single municipality or of any group of contiguous municipalities or in a close radius thereof, and the operations of which are subject to the regulations of the Illinois Commerce Commission, then the name and address of such purchaser and the amount sold as evidenced by official forms of exemption certificates properly executed and furnished by the purchaser; (6) if the product sold is special fuel and if the sale is made to a licensed supplier under conditions which qualify the sale for tax exemption under Section 6 of this Act, the amount sold and the name, address and license number of the purchaser; and (7) if a sale of special fuel is made to someone other than a licensed distributor, or a licensed supplier, for a use other than in motor vehicles, by making a specific notation thereof on the invoice or sales slip covering such sales and obtaining such supporting documentation as may be required by the Department.

All special fuel sold or used for non-highway purposes must have a dye added in accordance with Section 4d of this Law.

A person whose license to act as a distributor of motor fuel has been revoked shall make a return to the Department covering the period from the date of the last return to the date of the revocation of the license, which return shall be delivered to the Department not later than 10 days from the date of the revocation or termination of the license of such distributor; the return shall in all other respects be subject to the same provisions and conditions as returns by distributors licensed under the provisions of this Act.

The records, waybills and supporting documents kept by railroads and other common carriers in the regular course of business shall be prima facie evidence of the contents and receipt of cars or tanks covered by those records, waybills or supporting documents.

If the Department has reason to believe and does believe that the amount shown on the return as purchased, acquired, received, exported, sold, used, lost or destroyed is incorrect, or that an amount of motor fuel of the types required by the second paragraph of this Section to be reported to the Department has not been correctly reported the Department shall fix an amount for such receipt, sales, export, use, loss or destruction according to its best judgment and information, which amount so fixed by the Department shall be prima facie correct. All returns shall be made on forms prepared and furnished by the Department, and shall contain such other information as the Department may reasonably require. The return must be accompanied by appropriate computer-generated magnetic media supporting schedule data in the format required by the Department, unless, as provided by rule, the Department grants an exception upon petition of a taxpayer. All licensed distributors shall report all losses of motor fuel sustained on account of fire, theft, spillage, spoilage, leakage, or any other provable cause when filing the return for the period during which the loss occurred. If the distributor reports losses due to fire or theft, then the distributor must include fire department or police department reports and any other documentation that the Department may require. The mere making of the report does not assure the allowance of the loss as a reduction in tax liability. Losses of motor fuel as the result of evaporation or shrinkage due to temperature variations may

not exceed 1% of the total gallons in storage at the beginning of the month, plus the receipts of gallonage during the month, minus the gallonage remaining in storage at the end of the month. Any loss reported that is in excess of 1% shall be subject to the tax imposed by Section 2 of this Law. On and after July 1, 2001, for each 6-month period January through June, net losses of motor fuel (for each category of motor fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each January, plus the receipts of gallonage each January through June, minus the gallonage remaining in storage at the end of each June. On and after July 1, 2001, for each 6-month period July through December, net losses of motor fuel (for each category of motor fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each July, plus the receipts of gallonage each July through December, minus the gallonage remaining in storage at the end of each December. Any net loss reported that is in excess of this amount shall be subject to the tax imposed by Section 2 of this Law. For purposes of this Section, "net loss" means the number of gallons gained through temperature variations minus the number of gallons lost through temperature variations or evaporation for each of the respective 6-month periods.
(Source: P.A. 96-1384, eff. 7-29-10.)

Section 10. The Weights and Measures Act is amended by changing Sections 2 and 8 as follows:
(225 ILCS 470/2) (from Ch. 147, par. 102)
Sec. 2. Definitions. As used in this Act:
"Person" means both singular and plural as the case demands, and includes individuals, partnerships, corporations, companies, societies and associations.
"Weights and measures" means all weights and measures of every kind, instruments and devices for weighing and measuring, and any appliances and accessories associated with any or all such instruments and devices, including all grain moisture measuring devices, but does not include meters for the measurement of electricity, gas (natural or manufactured) or water operated in a public utility system. These electricity meters, gas meters, and water meters, and their appliances or accessories, and slo flo meters, are specifically excluded from the scope and applicability of this Act.
"Sell" and "sale" includes barter and exchange.
"Director" means the Director of Agriculture.
"Department" means the Department of Agriculture.
"Inspector" means an inspector of weights and measures of this State.
"Sealer" and "deputy sealer" mean, respectively, a sealer of weights and measures and a deputy sealer of weights and measures of a city.
"Intrastate commerce" means any and all commerce or trade that is commenced, conducted and completed wholly within the limits of this State, and the phrase "introduced into intrastate commerce" means the time and place at which the first sale and delivery being made either directly to the purchaser or to a carrier for shipment to the purchaser.
"Commodity in package form" means a commodity put up or packaged in any manner in advance of sale in units suitable for either wholesale or retail sale, excluding any auxiliary shipping container enclosing packages which individually conform to the requirements of this Act. An individual item or lot of any commodity not in package form as defined in this Section but on which there is marked a selling price based on an established price per unit of weight or of measure shall be deemed a commodity in package form.
"Consumer package" and "package of consumer commodity" mean any commodity in package form that is customarily produced or distributed for sale through retail sales agencies or instrumentalities for consumption by individuals or use by individuals for the purposes of personal care or in the performance of services ordinarily rendered in or about the household or in connection with personal possessions, and which usually is consumed or expended in the course of such consumption or use.
"Nonconsumer package" and "package of nonconsumer commodity" mean any commodity in package form other than a consumer package, and particularly a package designed solely for industrial or institutional use or for wholesale distribution only.
"Certificate of Conformance" means a document issued by the National Conference on Weights and Measures based on testing in participating laboratories that indicates that the weights and measures or weighing and measuring device conform with the requirements of National Institute of Standards and Technology's Handbooks 44, 105-1, 105-2, 105-3, 105-4, or 105-8 and any subsequent revisions or supplements thereto.
"Prepackage inspection violation" means that the majority of the lots of prepackaged commodities inspected at a single location are found to have one or more packages below the maximum allowable

variation as published in the National Institute of Standards and Technology Handbook 133 or the majority of the lots inspected at a single location are found to be below the stated net weight declaration on an average.

"Diesel gallon equivalent" means 6.06 pounds of liquefied natural gas or 6.41 pounds of propane.

"Gasoline gallon equivalent" means 5.660 pounds of compressed natural gas.

(Source: P.A. 96-1333, eff. 7-27-10.)

(225 ILCS 470/8) (from Ch. 147, par. 108)

Sec. 8. Regulations; issuance; contents. The Director shall from time to time issue reasonable regulations for enforcement of this Act that shall have the force and effect of law. In determining these regulations, he shall appoint, consult with, and be advised by committees representative of industries to be affected by the regulations. These regulations may include (1) standards of net weight, measure or count, and reasonable standards of fill, for any commodity in package form, (2) rules governing the technical and reporting procedures to be followed and the report and record forms and marks of approval and rejection to be used by inspectors of weights and measures in the discharge of their official duties, and (3) exemptions from the sealing or marking requirements of Section 14 of this Act with respect to weights and measures of such character or size that such sealing or marking would be inappropriate, impracticable, or damaging to the apparatus in question. These regulations shall include specifications, tolerances, and regulations for weights and measures, of the character of those specified in Section 10 of this Act, designed to eliminate from use (without prejudice to apparatus that conforms as closely as practicable to the official standards) such weights and measures as are (1) inaccurate, (2) of faulty construction (that is, not reasonably permanent in their adjustment or not capable of correct repetition of their indications), or (3) conducive to the perpetration of fraud. Specifications, tolerances, and regulations for commercial weighing and measuring devices recommended by the National Institute of Standards and Technology and published in National Institute of Standards and Technology Handbook 44 and supplements thereto or in any publication revising or superseding Handbook 44, shall be the specifications, tolerances, and regulations for commercial weighing and measuring devices of this State, except insofar as specifically modified, amended, or rejected by a regulation issued by the Director. Notwithstanding the provisions of this paragraph, liquefied natural gas and propane used as motor fuel shall be sold in diesel gallon equivalents, and compressed natural gas shall be sold in gasoline gallon equivalents. Propane used as motor fuel shall be sold in actual measured gallon volumetric units, which shall then be multiplied by 0.651 to determine the diesel gallon equivalents that are subject to tax under the Motor Fuel Tax Law.

The National Institute of Standards and Technology Handbook 133 and its supplements, or any publication revising or superseding Handbook 133, shall be the method for checking the net contents of commodities in package form. The National Institute of Standards and Technology Handbooks 105-1, 105-2, 105-3, 105-4, 105-8, and their supplements, or any publication revising or superseding Handbooks 105-1, 105-2, 105-3, 105-4, and 105-8 shall be specifications and tolerances for reference standards and field standards weights and measures.

For purposes of this Act, apparatus shall be deemed "correct" when it conforms to all applicable requirements promulgated as specified in this Section. Apparatus that does not conform to all applicable requirements shall be deemed "incorrect".

The Director is authorized to prescribe by regulation, after public hearings, container sizes for fluid dairy products and container sizes for ice cream, frozen desserts, and similar items.

For the purposes of this Act, any apparatus certified by the Department or city sealer as of July 1, 2012 satisfies construction and installation requirements.

The Uniform Packaging and Labeling Regulation and the Uniform Regulation for the Method of Sale of Commodities in the National Institute of Standards and Technology Handbook 130, and any of its subsequent supplements or revisions, shall be the requirements and standards governing the packaging, labeling, and method of sale of commodities for this State, except insofar as specifically modified, amended, or rejected by regulation issued by the Director, and except that liquefied natural gas used as motor fuel shall be sold in diesel gallon equivalents, and compressed natural gas shall be sold in gasoline gallon equivalents.

(Source: P.A. 98-342, eff. 8-13-13.)

Section 15. The Environmental Impact Fee Law is amended by changing Section 310 as follows:

(415 ILCS 125/310)

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

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

sells or uses the fuel. The environmental impact fee imposed by this Law replaces the fee imposed under the corresponding provisions of Article 3 of Public Act 89-428. Environmental impact fees paid under that Article 3 shall satisfy the receiver's corresponding liability under this Law.

A receiver of fuels is subject to the fee without regard to whether the fuel is intended to be used for operation of motor vehicles on the public highways and waters. However, no fee shall be imposed upon the importation or receipt of aviation fuels and kerosene at airports with over 170,000 operations per year, located in a city of more than 1,000,000 inhabitants, for sale to or use by holders of certificates of public convenience and necessity or foreign air carrier permits, issued by the United States Department of Transportation, and their air carrier affiliates, or upon the importation or receipt of aviation fuels and kerosene at facilities owned or leased by those certificate or permit holders and used in their activities at an airport described above. In addition, no fee may be imposed upon the importation or receipt of diesel fuel or liquefied natural gas sold to or used by a rail carrier registered under Section 18c-7201 of the Illinois Vehicle Code or otherwise recognized by the Illinois Commerce Commission as a rail carrier, to the extent used directly in railroad operations. In addition, no fee may be imposed when the sale is made with delivery to a purchaser outside this State or when the sale is made to a person holding a valid license as a receiver. In addition, no fee shall be imposed upon diesel fuel or liquefied natural gas consumed or used in the operation of ships, barges, or vessels, that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering on this State, if the diesel fuel or liquefied natural gas is delivered by a licensed receiver to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river. A specific notation thereof shall be made on the invoices or sales slips covering each sale. (Source: P.A. 92-232, eff. 8-2-01.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Harmon, **Senate Bill No. 3369** having been transcribed and typed and all amendments adopted thereto having been printed, 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	Duffy	Link	Radogno
Barickman	Forby	Luechtefeld	Raoul
Bertino-Tarrant	Frerichs	Manar	Rezin
Biss	Haine	Martinez	Rose
Bivins	Harmon	McCann	Sandoval
Brady	Hastings	McCarter	Silverstein
Bush	Holmes	McConnaughay	Stadelman
Clayborne	Hunter	McGuire	Steans
Collins	Hutchinson	Morrison	Sullivan
Connelly	Jones, E.	Mulroe	Syverson
Cullerton, T.	Kotowski	Muñoz	Trotter
Cunningham	LaHood	Murphy	Van Pelt
Delgado	Landek	Noland	Mr. President
Dillard	Lightford	Oberweis	

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 therein.

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

On motion of Senator Raoul, **Senate Bill No. 1922**, with House Amendments numbered 2 and 6 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 31; NAYS 23; Present 2.

The following voted in the affirmative:

Bertino-Tarrant	Hastings	Martinez	Sandoval
Biss	Hunter	McConnaughay	Silverstein
Clayborne	Jacobs	McGuire	Stadelman
Cullerton, T.	Koehler	Morrison	Steans
Forby	Kotowski	Mulroe	Sullivan
Frerichs	Landek	Muñoz	Trotter
Haine	Link	Noland	Van Pelt
Harmon	Manar	Raoul	

The following voted in the negative:

Barickman	Cunningham	LaHood	Oberweis
Bivins	Delgado	Lightford	Radogno
Brady	Duffy	Luechtefeld	Rezin
Bush	Holmes	McCann	Rose
Collins	Hutchinson	McCarter	Syverson
Connelly	Jones, E.	Murphy	

The following voted present:

Althoff
Dillard

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 6 to **Senate Bill No. 1922**, by a three-fifths vote.

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, IL 62706
217-782-2728

April 8, 2014

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

Dear Mr. Secretary:

The record should reflect my intent to vote yes on SB 1922.

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

READING BILLS OF THE SENATE A SECOND TIME

On motion of Senator Sandoval, **Senate Bill No. 2929** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Human Services, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 2929

AMENDMENT NO. 1. Amend Senate Bill 2929 as follows:

on page 4, line 2, by replacing "a translator" with "an interpreter"; and

on page 4, line 3, before the period, by inserting "or have arrangements to make an interpreter available through telephonic, video, or other means".

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Sandoval, **Senate Bill No. 2620** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Sandoval, **Senate Bill No. 3538** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Criminal Law, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 3538

AMENDMENT NO. 1. Amend Senate Bill 3538 by replacing everything after the enacting clause with the following:

"Section 5. The Criminal Code of 2012 is amended by changing Section 21-5 as follows:

(720 ILCS 5/21-5) (from Ch. 38, par. 21-5)

Sec. 21-5. Criminal Trespass to State Supported Land.

(a) A person commits criminal trespass to State supported land when he or she enters upon land supported in whole or in part with State funds, or federal funds administered or granted through State agencies or any building on the land, after receiving, prior to the entry, notice from the State or its representative that the entry is forbidden, or remains upon the land or in the building after receiving notice from the State or its representative to depart, and who thereby interferes with another person's lawful use or enjoyment of the building or land.

A person has received notice from the State within the meaning of this subsection if he or she has been notified personally, either orally or in writing, or if a printed or written notice forbidding entry to him or her or a group of which he or she is a part, has been conspicuously posted or exhibited at the main entrance to the land or the forbidden part thereof.

(a-5) A person commits criminal trespass to State supported land when he or she enters upon land owned, leased, or otherwise used by a public body or district organized under the Metropolitan Transit Authority Act, the Local Mass Transit District Act, or the Regional Transportation Authority Act, after receiving, prior to the entry, notice from the public body or district, or its representative, that the entry is forbidden, or the person remains upon the land after receiving notice from the public body or district, or

its representative, to depart, with the intent to compromise public safety by causing a delay in transit service lasting more than 15 minutes or destroying property.

A person has received notice from the public body or district within the meaning of this subsection if he or she has been notified personally, either orally or in writing, or if a printed or written notice forbidding entry to him or her has been conspicuously posted or exhibited at any point of entrance to the land or the forbidden part of the land.

(b) A person commits criminal trespass to State supported land when he or she enters upon land supported in whole or in part with State funds, or federal funds administered or granted through State agencies or any building on the land by presenting false documents or falsely representing his or her identity orally to the State or its representative in order to obtain permission from the State or its representative to enter the building or land; or remains upon the land or in the building by presenting false documents or falsely representing his or her identity orally to the State or its representative in order to remain upon the land or in the building, and who thereby interferes with another person's lawful use or enjoyment of the building or land.

This subsection does not apply to a peace officer or other official of a unit of government who enters upon land supported in whole or in part with State funds, or federal funds administered or granted through State agencies or any building on the land in the performance of his or her official duties.

(c) Sentence. Criminal trespass to State supported land is a Class A misdemeanor, except a violation of subsection (a-5) of this Section is a Class A misdemeanor for a first violation and a Class 4 felony for a second or subsequent violation.

(Source: P.A. 97-1108, eff. 1-1-13.)".

Senator Sandoval offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 3538

AMENDMENT NO. _2_. Amend Senate Bill 3538, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Criminal Code of 2012 is amended by changing Section 21-5 as follows:

(720 ILCS 5/21-5) (from Ch. 38, par. 21-5)

Sec. 21-5. Criminal Trespass to State Supported Land.

(a) A person commits criminal trespass to State supported land when he or she enters upon land supported in whole or in part with State funds, or federal funds administered or granted through State agencies or any building on the land, after receiving, prior to the entry, notice from the State or its representative that the entry is forbidden, or remains upon the land or in the building after receiving notice from the State or its representative to depart, and who thereby interferes with another person's lawful use or enjoyment of the building or land.

A person has received notice from the State within the meaning of this subsection if he or she has been notified personally, either orally or in writing, or if a printed or written notice forbidding entry to him or her or a group of which he or she is a part, has been conspicuously posted or exhibited at the main entrance to the land or the forbidden part thereof.

(a-5) A person commits criminal trespass to State supported land when he or she enters upon a right of way, including facilities and improvements thereon, owned, leased, or otherwise used by a public body or district organized under the Metropolitan Transit Authority Act, the Local Mass Transit District Act, or the Regional Transportation Authority Act, after receiving, prior to the entry, notice from the public body or district, or its representative, that the entry is forbidden, or the person remains upon the right of way after receiving notice from the public body or district, or its representative, to depart, and in either of these instances intends to compromise public safety by causing a delay in transit service lasting more than 15 minutes or destroying property.

A person has received notice from the public body or district within the meaning of this subsection if he or she has been notified personally, either orally or in writing, or if a printed or written notice forbidding entry to him or her has been conspicuously posted or exhibited at any point of entrance to the right of way or the forbidden part of the right of way.

As used in this subsection (a-5), "right of way" has the meaning ascribed to it in Section 18c-7502 of the Illinois Vehicle Code.

(b) A person commits criminal trespass to State supported land when he or she enters upon land supported in whole or in part with State funds, or federal funds administered or granted through State agencies or any building on the land by presenting false documents or falsely representing his or her identity orally to the State or its representative in order to obtain permission from the State or its

representative to enter the building or land; or remains upon the land or in the building by presenting false documents or falsely representing his or her identity orally to the State or its representative in order to remain upon the land or in the building, and who thereby interferes with another person's lawful use or enjoyment of the building or land.

This subsection does not apply to a peace officer or other official of a unit of government who enters upon land supported in whole or in part with State funds, or federal funds administered or granted through State agencies or any building on the land in the performance of his or her official duties.

(c) Sentence. Criminal trespass to State supported land is a Class A misdemeanor, except a violation of subsection (a-5) of this Section is a Class A misdemeanor for a first violation and a Class 4 felony for a second or subsequent violation.

(Source: P.A. 97-1108, eff. 1-1-13.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments Numbered 1 and 2 were ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Sandoval, **Senate Bill No. 3574** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Revenue, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 3574

AMENDMENT NO. 1. Amend Senate Bill 3574 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by changing Section 15-111 as follows:

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

Sec. 15-111. Wheel and axle loads and gross weights.

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

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

Distance measured to the nearest foot between the extremes of any group of 2 or more consecutive axles	Maximum weight in pounds of any group of 2 or more consecutive axles				
feet	2 axles	3 axles	4 axles	5 axles	6 axles
4	34,000				
5	34,000				
6	34,000				
7	34,000				
8	38,000*	42,000			
9	39,000	42,500			
10	40,000	43,500			
11		44,000			
12		45,000	50,000		
13		45,500	50,500		
14		46,500	51,500		
15		47,000	52,000		

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

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

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

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

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

The following are exceptions to the above formula:

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

(2) Vehicles for which the Department of Transportation and local authorities issue

overweight permits under authority of Section 15-301 of this Code. These vehicles are not subject to the bridge formula.

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

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

(5) Two consecutive sets of tandem axles may carry a total weight of 34,000 pounds each if the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more, notwithstanding the lower limit resulting from the application of the above formula.

(6) A truck, not in combination and used exclusively for the collection of rendering materials, may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on a single axle; 40,000 pounds on a tandem axle.

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

(7.5) A 3-axle rear discharge truck mixer registered as a Special Hauling Vehicle, used exclusively for the mixing and transportation of concrete in the plastic state, may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on single axle; 40,000 pounds on a tandem axle; 54,000 pounds gross weight on a 3-axle vehicle. This vehicle is not subject to the bridge formula.

(8) Except as provided in paragraph (7.5) of this subsection (a), tandem axles on a 3-axle truck registered as a Special Hauling Vehicle, manufactured prior to or in the model year of 2024 and first registered in Illinois prior to January 1, 2025, with a distance greater than 72 inches but not more than 96 inches between any series of 2 axles, is allowed a combined weight on the series not to exceed 36,000 pounds and neither axle of the series may exceed 20,000 pounds. Any vehicle of this type manufactured after the model year of 2024 or first registered in Illinois after December 31, 2024 may not exceed a combined weight of 34,000 pounds through the series of 2 axles and neither axle of the series may exceed 20,000 pounds.

A 3-axle combination sewer cleaning jetting vacuum truck registered as a Special Hauling Vehicle, used exclusively for the transportation of non-hazardous solid waste, manufactured before or in the model year of 2014, first registered in Illinois before January 1, 2015, may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on a single axle; 40,000 pounds on a tandem axle; 54,000 pounds gross weight on a 3-axle vehicle. This vehicle is not subject to the bridge formula.

(9) A 4-axle truck mixer registered as a Special Hauling Vehicle, used exclusively for the mixing and transportation of concrete in the plastic state, ~~2024~~ 2025 and not operated on a highway that is part of the National System of Interstate Highways, is allowed the following maximum weights: 20,000 pounds on any single axle; 36,000 pounds on a series of axles greater than 72 inches but not more than 96 inches; and 34,000 pounds on any series of 2 axles greater than 40 inches but not more than 72 inches. The gross weight of this vehicle may not exceed the weights allowed by the bridge formula for 4 axles. The bridge formula does not apply to any series of 3 axles while the vehicle is transporting concrete in the plastic state, but no axle or tandem axle of the series may exceed the maximum weight permitted under this paragraph (9) of subsection (a).

(10) Combinations of vehicles, registered as Special Hauling Vehicles that include a semitrailer manufactured prior to or in the model year of 2024, and registered in Illinois prior to January 1, 2025, having 5 axles with a distance of 42 feet or less between extreme axles, may not exceed the following maximum weights: 20,000 pounds on a single axle; 34,000 pounds on a tandem axle; and 72,000 pounds gross weight. This combination of vehicles is not subject to the bridge formula. For all those combinations of vehicles that include a semitrailer manufactured after the effective date of P.A. 92-0417, the overall distance between the first and last axles of the 2 sets of tandems must be 18 feet 6

inches or more. Any combination of vehicles that has had its cargo container replaced in its entirety after December 31, 2024 may not exceed the weights allowed by the bridge formula.

(11) The maximum weight allowed on a vehicle with crawler type tracks is 40,000 pounds.

(12) A combination of vehicles, including a tow truck and a disabled vehicle or disabled combination of vehicles, that exceeds the weight restriction imposed by this Code, may be operated on a public highway in this State provided that neither the disabled vehicle nor any vehicle being towed nor the tow truck itself shall exceed the weight limitations permitted under this Chapter. During the towing operation, neither the tow truck nor the vehicle combination shall exceed 24,000 pounds on a single rear axle and 44,000 pounds on a tandem rear axle, provided the towing vehicle:

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

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

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

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

Gross weight limits shall not apply to the combination of the tow truck and vehicles being towed. The tow truck license plate must cover the operating empty weight of the tow truck only. The weight of each vehicle being towed shall be covered by a valid license plate issued to the owner or operator of the vehicle being towed and displayed on that vehicle. If no valid plate issued to the owner or operator of that vehicle is displayed on that vehicle, or the plate displayed on that vehicle does not cover the weight of the vehicle, the weight of the vehicle shall be covered by the third tow truck plate issued to the owner or operator of the tow truck and temporarily affixed to the vehicle being towed. If a roll-back carrier is registered and being used as a tow truck, however, the license plate or plates for the tow truck must cover the gross vehicle weight, including any load carried on the bed of the roll-back carrier.

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

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

(b) As used in this Section, "recycling haul" or "recycling operation" means the hauling of non-hazardous, non-special, non-putrescible materials, such as paper, glass, cans, or plastic, for subsequent use in the secondary materials market.

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

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

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

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

(g) Upon the trial of any person charged with a violation of subsection (e) or (f) of this Section, proof of the determination of the maximum allowable weight by the Department and the existence of the signs, constitutes conclusive evidence of the maximum weight that can be maintained with safety to the bridge or structure.

(h) The weight limitations of this Section are increased by 2,000 pounds for vehicles that use natural gas as a motor fuel.

(Source: P.A. 97-201, eff. 1-1-12; 98-409, eff. 1-1-14; 98-410, eff. 8-16-13; revised 9-19-13.)".

Senator Sandoval offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 3574

AMENDMENT NO. 2. Amend Senate Bill 3574, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by changing Section 15-111 as follows:

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

Sec. 15-111. Wheel and axle loads and gross weights.

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

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

Distance measured to the nearest foot between the extremes of any group of 2 or more consecutive axles	Maximum weight in pounds of any group of 2 or more consecutive axles				
feet	2 axles	3 axles	4 axles	5 axles	6 axles
4	34,000				
5	34,000				
6	34,000				
7	34,000				
8	38,000*	42,000			
9	39,000	42,500			
10	40,000	43,500			
11		44,000			
12		45,000	50,000		
13		45,500	50,500		
14		46,500	51,500		
15		47,000	52,000		
16		48,000	52,500	58,000	
17		48,500	53,500	58,500	
18		49,500	54,000	59,000	
19		50,000	54,500	60,000	
20		51,000	55,500	60,500	66,000
21		51,500	56,000	61,000	66,500
22		52,500	56,500	61,500	67,000
23		53,000	57,500	62,500	68,000
24		54,000	58,000	63,000	68,500
25		54,500	58,500	63,500	69,000
26		55,500	59,500	64,000	69,500

27	56,000	60,000	65,000	70,000
28	57,000	60,500	65,500	71,000
29	57,500	61,500	66,000	71,500
30	58,500	62,000	66,500	72,000
31	59,000	62,500	67,500	72,500
32	60,000	63,500	68,000	73,000
33		64,000	68,500	74,000
34		64,500	69,000	74,500
35		65,500	70,000	75,000
36		66,000	70,500	75,500
37		66,500	71,000	76,000
38		67,500	72,000	77,000
39		68,000	72,500	77,500
40		68,500	73,000	78,000
41		69,500	73,500	78,500
42		70,000	74,000	79,000
43		70,500	75,000	80,000
44		71,500	75,500	
45		72,000	76,000	
46		72,500	76,500	
47		73,500	77,500	
48		74,000	78,000	
49		74,500	78,500	
50		75,500	79,000	
51		76,000	80,000	
52		76,500		
53		77,500		
54		78,000		
55		78,500		
56		79,500		
57		80,000		

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

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

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

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

The following are exceptions to the above formula:

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

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

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

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

(5) Two consecutive sets of tandem axles may carry a total weight of 34,000 pounds each

if the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more, notwithstanding the lower limit resulting from the application of the above formula.

(6) A truck, not in combination and used exclusively for the collection of rendering materials, may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on a single axle; 40,000 pounds on a tandem axle.

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

(7.5) A 3-axle rear discharge truck mixer registered as a Special Hauling Vehicle, used exclusively for the mixing and transportation of concrete in the plastic state, may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on single axle; 40,000 pounds on a tandem axle; 54,000 pounds gross weight on a 3-axle vehicle. This vehicle is not subject to the bridge formula.

(8) Except as provided in paragraph (7.5) of this subsection (a), tandem axles on a 3-axle truck registered as a Special Hauling Vehicle, manufactured prior to or in the model year of 2024 and first registered in Illinois prior to January 1, 2025, with a distance greater than 72 inches but not more than 96 inches between any series of 2 axles, is allowed a combined weight on the series not to exceed 36,000 pounds and neither axle of the series may exceed 20,000 pounds. Any vehicle of this type manufactured after the model year of 2024 or first registered in Illinois after December 31, 2024 may not exceed a combined weight of 34,000 pounds through the series of 2 axles and neither axle of the series may exceed 20,000 pounds.

A 3-axle combination sewer cleaning jetting vacuum truck registered as a Special Hauling Vehicle, used exclusively for the transportation of non-hazardous solid waste, manufactured before or in the model year of 2014, first registered in Illinois before January 1, 2015, may, when laden, transmit upon the road surface, except when on part of the National System of Interstate and Defense Highways, the following maximum weights: 22,000 pounds on a single axle; 40,000 pounds on a tandem axle; 54,000 pounds gross weight on a 3-axle vehicle. This vehicle is not subject to the bridge formula.

(9) A 4-axle truck mixer registered as a Special Hauling Vehicle, used exclusively for the mixing and transportation of concrete in the plastic state, ~~2024~~ 2025 and not operated on a highway that is part of the National System of Interstate Highways, is allowed the following maximum weights: 20,000 pounds on any single axle; 36,000 pounds on a series of axles greater than 72 inches but not more than 96 inches; and 34,000 pounds on any series of 2 axles greater than 40 inches but not more than 72 inches. The gross weight of this vehicle may not exceed the weights allowed by the bridge formula for 4 axles. The bridge formula does not apply to any series of 3 axles while the vehicle is transporting concrete in the plastic state, but no axle or tandem axle of the series may exceed the maximum weight permitted under this paragraph (9) of subsection (a).

(10) Combinations of vehicles, registered as Special Hauling Vehicles that include a semitrailer manufactured prior to or in the model year of 2024, and registered in Illinois prior to January 1, 2025, having 5 axles with a distance of 42 feet or less between extreme axles, may not exceed the following maximum weights: 20,000 pounds on a single axle; 34,000 pounds on a tandem axle; and 72,000 pounds gross weight. This combination of vehicles is not subject to the bridge formula. For all those combinations of vehicles that include a semitrailer manufactured after the effective date of P.A. 92-0417, the overall distance between the first and last axles of the 2 sets of tandems must be 18 feet 6 inches or more. Any combination of vehicles that has had its cargo container replaced in its entirety after December 31, 2024 may not exceed the weights allowed by the bridge formula.

(11) The maximum weight allowed on a vehicle with crawler type tracks is 40,000 pounds.

(12) A combination of vehicles, including a tow truck and a disabled vehicle or disabled combination of vehicles, that exceeds the weight restriction imposed by this Code, may be operated on a public highway in this State provided that neither the disabled vehicle nor any vehicle being towed nor the tow truck itself shall exceed the weight limitations permitted under this Chapter. During the towing operation, neither the tow truck nor the vehicle combination shall exceed 24,000 pounds on a single rear axle and 44,000 pounds on a tandem rear axle, provided the towing vehicle:

(i) is specifically designed as a tow truck having a gross vehicle weight rating of

at least 18,000 pounds and is equipped with air brakes, provided that air brakes are required only if the towing vehicle is towing a vehicle, semitrailer, or tractor-trailer combination that is equipped with air brakes;

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

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

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

(13) A vehicle or combination of vehicles that uses natural gas as a motor fuel may exceed the above weight limitations by 2,000 pounds except on interstate highways as defined by Section 1-133.1 of this Code. This paragraph (13) shall not allow a vehicle to exceed any posted weight limit on a highway or structure.

Gross weight limits shall not apply to the combination of the tow truck and vehicles being towed. The tow truck license plate must cover the operating empty weight of the tow truck only. The weight of each vehicle being towed shall be covered by a valid license plate issued to the owner or operator of the vehicle being towed and displayed on that vehicle. If no valid plate issued to the owner or operator of that vehicle is displayed on that vehicle, or the plate displayed on that vehicle does not cover the weight of the vehicle, the weight of the vehicle shall be covered by the third tow truck plate issued to the owner or operator of the tow truck and temporarily affixed to the vehicle being towed. If a roll-back carrier is registered and being used as a tow truck, however, the license plate or plates for the tow truck must cover the gross vehicle weight, including any load carried on the bed of the roll-back carrier.

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

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

(b) As used in this Section, "recycling haul" or "recycling operation" means the hauling of non-hazardous, non-special, non-putrescible materials, such as paper, glass, cans, or plastic, for subsequent use in the secondary materials market.

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

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

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

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

(g) Upon the trial of any person charged with a violation of subsection (e) or (f) of this Section, proof of the determination of the maximum allowable weight by the Department and the existence of the signs, constitutes conclusive evidence of the maximum weight that can be maintained with safety to the bridge or structure.

(Source: P.A. 97-201, eff. 1-1-12; 98-409, eff. 1-1-14; 98-410, eff. 8-16-13; revised 9-19-13.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments Numbered 1 and 2 were ordered engrossed, and the bill, as amended, was ordered to a third reading.

MESSAGES FROM THE HOUSE

A message from the House by
Mr. Mapes, 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. 3744
A bill for AN ACT concerning criminal law.
HOUSE BILL NO. 4205
A bill for AN ACT concerning finance.
HOUSE BILL NO. 5331
A bill for AN ACT concerning regulation.
HOUSE BILL NO. 5438
A bill for AN ACT concerning local government.
HOUSE BILL NO. 5593
A bill for AN ACT concerning local government.
HOUSE BILL NO. 5657
A bill for AN ACT concerning public health.
HOUSE BILL NO. 5819
A bill for AN ACT concerning local government.
Passed the House, April 8, 2014.

TIMOTHY D. MAPES, Clerk of the House

The foregoing **House Bills Numbered 3744, 4205, 5331, 5438, 5593, 5657 and 5819** were taken up, ordered printed and placed on first reading.

A message from the House by
Mr. Mapes, 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. 5290
A bill for AN ACT concerning criminal law.
HOUSE BILL NO. 5348
A bill for AN ACT concerning safety.
HOUSE BILL NO. 5584
A bill for AN ACT concerning liquor.
HOUSE BILL NO. 5697
A bill for AN ACT concerning public aid.
HOUSE BILL NO. 5925
A bill for AN ACT concerning health.
Passed the House, April 8, 2014.

TIMOTHY D. MAPES, Clerk of the House

The foregoing **House Bills Numbered 5290, 5348, 5584, 5697 and 5925** were taken up, ordered printed and placed on first reading.

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

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

HOUSE BILL NO. 4496

A bill for AN ACT concerning courts.

Passed the House, April 8, 2014.

TIMOTHY D. MAPES, Clerk of the House

The foregoing **House Bill No. 4496** was taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Mapes, Clerk:

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

HOUSE BILL NO. 5852

A bill for AN ACT concerning aging.

Passed the House, April 8, 2014.

TIMOTHY D. MAPES, Clerk of the House

The foregoing **House Bill No. 5852** was taken up, ordered printed and placed on first reading.

CONSIDERATION OF RESOLUTION ON SECRETARY'S DESK

Senator Hutchinson moved that **Senate Resolution No. 1012**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Hutchinson moved that Senate Resolution No. 1012 be adopted.

The motion prevailed.

And the resolution was adopted.

READING CONSTITUTIONAL AMENDMENTS A FIRST TIME

On motion of Senator Steans, **House Joint Resolution Constitutional Amendment No. 1** having been printed, was again taken, read in full a first time and ordered to a second reading.

On motion of Senator J. Cullerton, **House Joint Resolution Constitutional Amendment No. 52** having been printed, was again taken, read in full a first time and ordered to a second reading.

MESSAGES FROM THE PRESIDENT

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

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

April 8, 2014

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Kwame Raoul to temporarily replace Senator James Clayborne as a member of the Senate Executive Committee. This appointment is effective immediately and will automatically expire upon adjournment of the Senate Executive Committee.

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

cc: Senate Minority Leader Christine Radogno

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

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

April 8, 2014

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Daniel Biss to temporarily replace Senator Patricia Van Pelt as a member of the Senate Labor Committee. This appointment will automatically expire upon adjournment of the Senate Labor Committee.

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

cc: Senate Minority Leader Christine Radogno

COMMUNICATION FROM THE MINORITY LEADER

CHRISTINE RADOGNO
SENATE REPUBLICAN LEADER · 41st DISTRICT

April 8, 2014

Mr. Tim Anderson
Secretary of the Senate
401 State House
Springfield, Illinois 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Sue Rezin to temporarily replace Senator Dale Righter as a member of the Senate Executive Committee. This appointment is effective immediately and will automatically expire upon adjournment of the Senate Executive Committee.

Sincerely,
s/Christine Radogno
Christine Radogno
Senate Republican Leader

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

At the hour of 4:47 o'clock p.m., the Chair announced the Senate stand adjourned until Wednesday, April 9, 2014, at 10:00 o'clock a.m.