



SENATE JOURNAL

STATE OF ILLINOIS

NINETY-EIGHTH GENERAL ASSEMBLY

131ST LEGISLATIVE DAY

THURSDAY, MAY 29, 2014

10:03 O'CLOCK A.M.

SENATE
Daily Journal Index
131st Legislative Day

Action	Page(s)
Committee Meeting Announcements	31
Communication	112
Deadline established.....	5
Introduction of Senate Bill No. 3665.....	202
Joint Action Motion(s) Filed	4, 29, 63, 175, 290
Legislative Measure(s) Filed	4
Message from the House	34, 42, 43, 47, 60, 61, 113, 114, 116, 117, 119, 163, 202, 284, 287, 288
Message from the President	4, 5, 112, 201
Presentation of Senate Resolution No. 1256	6
Presentation of Senate Resolution No. 1257	7
Presentation of Senate Resolution No. 1258	32
Presentation of Senate Resolution No. 1264	202
Presentation of Senate Resolutions No'd. 1259-1260.....	32
Presentation of Senate Resolutions No'd. 1261-1263.....	113
Report from Assignments Committee	29, 30
Report from Standing Committee(s)	6, 175, 290

Bill Number	Legislative Action	Page(s)
SB 0741	Concur in House Amendment(s).....	177
SB 0978	Concur in House Amendment(s).....	178
SB 2727	Concur in House Amendment(s).....	179
SB 2770	Concur in House Amendment(s).....	179
SB 2802	Concur in House Amendment(s).....	180
SB 3038	Concur in House Amendment(s).....	180
SB 3522	Concur in House Amendment(s).....	181
SB 3552	Concur in House Amendment(s).....	181
SJR 0078	Posting Notice Waived.....	32
SR 1184	Posting Notice Waived	31
SR 1257	Committee on Assignments	7
SR 1258	Committee on Assignments	32
HB 0961	Second Reading -Amendment.....	9
HB 1463	Third Reading	184
HB 2427	Recalled – Amendment(s).....	185
HB 2427	Third Reading	189
HB 2747	Recalled – Amendment(s).....	13
HB 2747	Third Reading	27
HB 3199	Recalled – Amendment(s).....	199
HB 3199	Third Reading	200
HB 3784	Recalled – Amendment(s).....	192
HB 3794	First Reading	290
HB 3796	Posting Notice Waived.....	31
HB 3796	Second Reading.....	200
HB 3816	Third Reading	27
HB 3835	Posting Notice Waived.....	31
HB 3835	Second Reading.....	200
HB 3942	Third Reading	106
HB 3961	Recalled – Amendment(s).....	190
HB 3961	Third Reading	190
HB 3963	Third Reading	106

HB 4020	First Reading	290
HB 4113	Third Reading	107
HB 4264	Third Reading	199
HB 4286	Third Reading	107
HB 4418	Second Reading.....	177
HB 4527	Third Reading	191
HB 4534	Second Reading.....	182
HB 4593	Third Reading	108
HB 4616	Posting Notice Waived.....	32
HB 4616	Second Reading.....	201
HB 4665	Posting Notice Waived.....	31
HB 4677	Other proceedings	175
HB 5307	Third Reading	108
HB 5333	Third Reading	191
HB 5491	Recalled – Amendment(s).....	63
HB 5491	Third Reading	105
HB 5512	Recalled – Amendment(s).....	109
HB 5512	Third Reading	111
HB 5592	Third Reading	177
HB 5622	Recalled – Amendment(s).....	182
HB 5622	Third Reading	182
HB 5755	Recalled – Amendment(s).....	28
HB 5755	Third Reading	29
HB 5889	Third Reading	183
HB 5938	Third Reading	184
HB 6060	Second Reading.....	109
HB 6093	Second Reading.....	109
HB 6094	Second Reading.....	109
HB 6095	Second Reading.....	109
HB 6096	Second Reading.....	109
HB 6097	Second Reading.....	109

The Senate met pursuant to adjournment.
Senator Don Harmon, Oak Park, Illinois, presiding.
Prayer by Reverend Jean Hembrough, MacMurray College Chaplain, Jacksonville, Illinois.
Senator Jacobs led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Wednesday, May 28, 2014, be postponed, pending arrival of the printed Journal.
The motion prevailed.

JOINT ACTION MOTIONS FILED

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

Motion to Concur in House Amendment 1 to Senate Bill 3538
Motion to Concur in House Amendment 1 to Senate Bill 3551

LEGISLATIVE MEASURES FILED

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

Senate Floor Amendment No. 2 to House Bill 105
Senate Floor Amendment No. 2 to House Bill 961
Senate Floor Amendment No. 2 to House Bill 1022
Senate Floor Amendment No. 1 to House Bill 1165
Senate Floor Amendment No. 5 to House Bill 2427
Senate Floor Amendment No. 2 to House Bill 2453
Senate Floor Amendment No. 3 to House Bill 2453
Senate Floor Amendment No. 1 to House Bill 3199
Senate Floor Amendment No. 1 to House Bill 5017
Senate Floor Amendment No. 4 to House Bill 5622

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

May 29, 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 Terry Link to temporarily replace Senator Ira Silverstein as a member of the Senate Judiciary Committee. This appointment will automatically expire upon adjournment of the Senate Judiciary Committee.

Sincerely,

[May 29, 2014]

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

May 29, 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 James Clayborne to temporarily replace Senator William Haine as a member of the Senate Judiciary Committee. This appointment will automatically expire upon adjournment of the Senate Judiciary 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

May 29, 2014

Mr. Tim Anderson
Secretary of the Senate
Room 403 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to the provisions of Senate Rule 2-10, I hereby extend the applicable committee and 3rd reading deadlines to May 31, 2014, for the following House Bills:

961,1463,2453,3784,3796,3816,3835,3963 and 4665.

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

[May 29, 2014]

cc: Senate Republican Leader Christine Radogno

PRESENTATION OF RESOLUTION

SENATE RESOLUTION NO. 1256

Offered by Senator Rezin and all Senators:

Mourns the death of U.S. Marine Corps Lance Corporal Steven M. Hancock of Coal City.

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

REPORTS FROM STANDING COMMITTEES

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

Senate Amendment No. 4 to House Bill 2427

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 Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 3552

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

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

Senate Amendment No. 1 to House Bill 961

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

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

Motion to Concur in House Amendment 2 to Senate Bill 2727; Motion to Concur in House Amendment 1 to Senate Bill 2770

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

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

Motion to Concur in House Amendment 2 to Senate Bill 3522

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

[May 29, 2014]

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

Motion to Concur in House Amendment 2 to Senate Bill 2802

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

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

Motion to Concur in House Amendment 1 to Senate Bill 741

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

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

Motion to Concur in House Amendment 3 to Senate Bill 978

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

Senator Raoul, Chairperson of the Committee on Judiciary, to which was referred **House Bill No. 4534**, reported the same back with the recommendation that the bill do pass.

Under the rules, the bill was ordered to a second reading.

Senator Forby, Chairperson of the Committee on Labor and Commerce, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 3038

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

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

At the hour of 10:10 o'clock a.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 11:50 o'clock a.m., the Senate resumed consideration of business.
Senator Harmon, presiding.

PRESENTATION OF RESOLUTION

Senator Collins offered the following Senate Resolution, which was referred to the Committee on Assignments:

SENATE RESOLUTION NO. 1257

[May 29, 2014]

WHEREAS, Feeding Illinois, the State association of 8 food banks serving all 102 counties, has found that more than 1.8 million of our 12.9 million citizens are "food insecure", meaning that 14.2% of our families, neighbors, and colleagues lack adequate access to the sustenance needed for a healthy and productive life; and

WHEREAS, Washington Post reporter Eli Saslow won a 2014 Pulitzer Prize for a series of articles about food insecurity which he described as "a lasting scar" of the 2008 economic collapse; and

WHEREAS, The number of Illinois citizens participating in the federal Supplemental Nutrition Assistance Program (SNAP) (formerly the Food Stamp Program) has increased 40.7% between January of 2009 and January of 2014; and

WHEREAS, The federal government responded to changing public interest by modifying SNAP to enable program recipients to purchase fresh fruits and vegetables at farmers markets and farm stands; and

WHEREAS, SNAP is one of 16 federal feeding programs spending approximately \$4 billion a year in Illinois; and

WHEREAS, On May 5, 1964, President Lyndon B. Johnson's aide, Sargent Shriver, proposed that the "War on Poverty" incorporate a grassroots component based on this observation: "Wherever local communities have started programs to help the poor help themselves, the response has exceeded all expectations"; and

WHEREAS, The Illinois Commission on the Eradication of Poverty, created by statute in 2008, produced a strategic plan that affirms Sargent Shriver's proposal by asserting: "...the best solutions for poverty (oftentimes) come from local innovation"; and

WHEREAS, Illinois schools provide subsidized meals for one of every 5 Illinois children because they come from families that exceed federal poverty guidelines; and

WHEREAS, Local food, nutrition, and agriculture plans at the municipal and rural township level could provide structure to support projects designed to help end hunger and poverty in urban, suburban, exurban, and rural communities throughout Illinois; and

WHEREAS, At least 6 Governors' councils and commissions possess unique expertise and functions that, if aligned through a collaborative process, could result in the improved delivery of public and private resources for the benefit of community-based initiatives to help end hunger and reduce poverty in Illinois; and

WHEREAS, The Illinois Commission to End Hunger, created by statute in 2010, is exploring how to encourage partnerships between the State's 2,000-plus food pantries and its 375-plus farmers' markets; and

WHEREAS, The Greater Chicago Food Depository is partnering with Heartland Alliance on an urban agriculture pilot project, Chicago FarmWorks, to create transitional jobs for hard-to-employ people on a 2.6-acre vegetable farm in the West Side Chicago community of East Garfield Park; and

WHEREAS, The Illinois Local Food, Farms, and Jobs Council, created by statute in 2009, is working to facilitate action supporting the growth of local food and farm economies from Chicago to Cairo; and

WHEREAS, The Illinois Commission on Volunteerism and Community Service, created by statute, is discovering that community-based local food projects could be a pathway to build a statewide "volunteer infrastructure"; and

WHEREAS, The Illinois Task Force on Social Innovation, Entrepreneurship, and Enterprise, created by Executive Order 11-05, has a set of charges that include the attraction of funds "to accelerate progress on social issues, work cross-sector, and advance social and economic development goals"; and

[May 29, 2014]

WHEREAS, The Illinois Business Development Council, created by statute in 2013, will enact an annual State business plan based on input from such sources as "State and local business development and marketing efforts focusing on areas of high unemployment or poverty"; and

WHEREAS, Collaboration between these 6 State entities could accelerate development of community-based food, nutrition, and agricultural initiatives that contribute to broader efforts to end hunger and reduce poverty in Illinois; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the Governor to design and execute a strategy to align the unique expertise and functions of the Illinois Commission to End Hunger, the Illinois Commission on the Eradication of Poverty, the Illinois Local Food, Farms, and Jobs Council, the Illinois Commission on Volunteerism and Community Service, the Illinois Task Force of Social Innovation, Entrepreneurship, and Enterprise, and the Illinois Business Development Council in an ongoing program to embolden and empower communities to advance low-cost and high-return strategies to help end hunger and poverty; and be it further

RESOLVED, That a suitable copy of this resolution be delivered to the Governor.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator T. Cullerton, **House Bill No. 961** having been printed, was taken up and read by title a second time.

Senator T. Cullerton offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 961

AMENDMENT NO. 1. Amend House Bill 961 by replacing everything after the enacting clause with the following:

"Section 5. The State Revenue Sharing Act is amended by changing Section 1 as follows:
(30 ILCS 115/1) (from Ch. 85, par. 611)

Sec. 1. Local Government Distributive Fund. Through June 30, 1994, as soon as may be after the first day of each month the Department of Revenue shall certify to the Treasurer an amount equal to 1/12 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act during the preceding month. Beginning July 1, 1994, and continuing through June 30, 1995, as soon as may be after the first day of each month, the Department of Revenue shall certify to the Treasurer an amount equal to 1/11 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act during the preceding month. Beginning July 1, 1995, as soon as may be after the first day of each month, the Department of Revenue shall certify to the Treasurer an amount equal to the amounts calculated pursuant to subsection (b) of Section 901 of the Illinois Income Tax Act based on ~~1/10 of~~ the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act during the preceding month. Net revenue realized for a month shall be defined as the revenue from the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act which is deposited in the General Revenue Fund, the Education Assistance Fund and the Income Tax Surcharge Local Government Distributive Fund during the month minus the amount paid out of the General Revenue Fund in State warrants during that same month as refunds to taxpayers for overpayment of liability under the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act. Upon receipt of such certification, the Treasurer shall transfer from the General Revenue Fund to a special fund in the State treasury, to be known as the "Local Government Distributive Fund", the amount shown on such certification.

Beginning on the effective date of this amendatory Act of the 98th General Assembly, the Treasurer shall perform the transfers required by this Section no later than 60 days after he or she receives the certification from the Department of Revenue.

All amounts paid into the Local Government Distributive Fund in accordance with this Section and allocated pursuant to this Act are appropriated on a continuing basis.
(Source: P.A. 88-89.)

Section 10. The Illinois Income Tax Act is amended by changing Section 901 as follows:

[May 29, 2014]

(35 ILCS 5/901) (from Ch. 120, par. 9-901)

Sec. 901. Collection Authority.

(a) In general.

The Department shall collect the taxes imposed by this Act. The Department shall collect certified past due child support amounts under Section 2505-650 of the Department of Revenue Law (20 ILCS 2505/2505-650). Except as provided in subsections (c), (e), (f), and (g) of this Section, money collected pursuant to subsections (a) and (b) of Section 201 of this Act shall be paid into the General Revenue Fund in the State treasury; money collected pursuant to subsections (c) and (d) of Section 201 of this Act shall be paid into the Personal Property Tax Replacement Fund, a special fund in the State Treasury; and money collected under Section 2505-650 of the Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid into the Child Support Enforcement Trust Fund, a special fund outside the State Treasury, or to the State Disbursement Unit established under Section 10-26 of the Illinois Public Aid Code, as directed by the Department of Healthcare and Family Services.

(b) Local Government Distributive Fund.

Beginning August 1, 1969, and continuing through June 30, 1994, the Treasurer shall transfer each month from the General Revenue Fund to a special fund in the State treasury, to be known as the "Local Government Distributive Fund", an amount equal to 1/12 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1994, and continuing through June 30, 1995, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to 1/11 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1995 and continuing through January 31, 2011, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the net of (i) 1/10 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act during the preceding month (ii) minus, beginning July 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning July 1, 2004, zero. Beginning February 1, 2011, and continuing through January 31, 2015, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 6% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 5% individual income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 6.86% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 7% corporate income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning February 1, 2015 and continuing through January 31, 2025, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 8% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 3.75% individual income tax rate after 2014) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 9.14% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 5.25% corporate income tax rate after 2014) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning February 1, 2025, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 9.23% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 3.25% individual income tax rate after 2024) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 10% of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Net revenue realized for a month shall be defined as the revenue from the tax imposed by subsections (a) and (b) of Section 201 of this Act which is deposited in the General Revenue Fund, the Education Assistance Fund, the Income Tax Surcharge Local Government Distributive Fund, the Fund for the Advancement of Education, and the Commitment to Human Services Fund during the month minus the amount paid out of the General Revenue Fund in State warrants during that same month as refunds to taxpayers for overpayment of liability under the tax imposed by subsections (a) and (b) of Section 201 of this Act.

Beginning on the effective date of this amendatory Act of the 98th General Assembly, the Treasurer shall perform the transfers required by this subsection (b) no later than 60 days after he or she receives the certification from the Department as provided in Section 1 of the State Revenue Sharing Act.

(c) Deposits Into Income Tax Refund Fund.

(1) Beginning on January 1, 1989 and thereafter, the Department shall deposit a

percentage of the amounts collected pursuant to subsections (a) and (b)(1), (2), and (3), of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. The Department shall deposit 6% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999 through 2001, the Annual Percentage shall be 7.1%. For fiscal year 2003, the Annual Percentage shall be 8%. For fiscal year 2004, the Annual Percentage shall be 11.7%. Upon the effective date of this amendatory Act of the 93rd General Assembly, the Annual Percentage shall be 10% for fiscal year 2005. For fiscal year 2006, the Annual Percentage shall be 9.75%. For fiscal year 2007, the Annual Percentage shall be 9.75%. For fiscal year 2008, the Annual Percentage shall be 7.75%. For fiscal year 2009, the Annual Percentage shall be 9.75%. For fiscal year 2010, the Annual Percentage shall be 9.75%. For fiscal year 2011, the Annual Percentage shall be 8.75%. For fiscal year 2012, the Annual Percentage shall be 8.75%. For fiscal year 2013, the Annual Percentage shall be 9.75%. For fiscal year 2014, the Annual Percentage shall be 9.5%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, minus the amounts transferred into the Income Tax Refund Fund from the Tobacco Settlement Recovery Fund, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 7.6%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(2) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. The Department shall deposit 18% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999, 2000, and 2001, the Annual Percentage shall be 19%. For fiscal year 2003, the Annual Percentage shall be 27%. For fiscal year 2004, the Annual Percentage shall be 32%. Upon the effective date of this amendatory Act of the 93rd General Assembly, the Annual Percentage shall be 24% for fiscal year 2005. For fiscal year 2006, the Annual Percentage shall be 20%. For fiscal year 2007, the Annual Percentage shall be 17.5%. For fiscal year 2008, the Annual Percentage shall be 15.5%. For fiscal year 2009, the Annual Percentage shall be 17.5%. For fiscal year 2010, the Annual Percentage shall be 17.5%. For fiscal year 2011, the Annual Percentage shall be 17.5%. For fiscal year 2012, the Annual Percentage shall be 17.5%. For fiscal year 2013, the Annual Percentage shall be 14%. For fiscal year 2014, the Annual Percentage shall be 13.4%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 23%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(3) The Comptroller shall order transferred and the Treasurer shall transfer from the Tobacco Settlement Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000 in January, 2001, (ii) \$35,000,000 in January, 2002, and (iii) \$35,000,000 in January, 2003.
(d) Expenditures from Income Tax Refund Fund.

(1) Beginning January 1, 1989, money in the Income Tax Refund Fund shall be expended exclusively for the purpose of paying refunds resulting from overpayment of tax liability under Section 201 of this Act, for paying rebates under Section 208.1 in the event that the amounts in the Homeowners' Tax Relief Fund are insufficient for that purpose, and for making transfers pursuant to this subsection (d).

(2) The Director shall order payment of refunds resulting from overpayment of tax

liability under Section 201 of this Act from the Income Tax Refund Fund only to the extent that amounts collected pursuant to Section 201 of this Act and transfers pursuant to this subsection (d) and item (3) of subsection (c) have been deposited and retained in the Fund.

(3) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the Personal Property Tax Replacement Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year over the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year.

(4) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Personal Property Tax Replacement Fund to the Income Tax Refund Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year over the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year.

(4.5) As soon as possible after the end of fiscal year 1999 and of each fiscal year thereafter, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the General Revenue Fund any surplus remaining in the Income Tax Refund Fund as of the end of such fiscal year; excluding for fiscal years 2000, 2001, and 2002 amounts attributable to transfers under item (3) of subsection (c) less refunds resulting from the earned income tax credit.

(5) This Act shall constitute an irrevocable and continuing appropriation from the Income Tax Refund Fund for the purpose of paying refunds upon the order of the Director in accordance with the provisions of this Section.

(e) Deposits into the Education Assistance Fund and the Income Tax Surcharge Local Government Distributive Fund.

On July 1, 1991, and thereafter, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 7.3% into the Education Assistance Fund in the State Treasury. Beginning July 1, 1991, and continuing through January 31, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 3.0% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning February 1, 1993 and continuing through June 30, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 4.4% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning July 1, 1993, and continuing through June 30, 1994, of the amounts collected under subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 1.475% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury.

(f) Deposits into the Fund for the Advancement of Education. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act during the preceding month, minus deposits into the Income Tax Refund Fund, into the Fund for the Advancement of Education:

- (1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
- (2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (f) on or after the effective date of the reduction.

(g) Deposits into the Commitment to Human Services Fund. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act during the preceding month, minus deposits into the Income Tax Refund Fund, into the Commitment to Human Services Fund:

- (1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
- (2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (g) on or after the effective date of the reduction.

(Source: P.A. 97-72, eff. 7-1-11; 97-732, eff. 6-30-12; 98-24, eff. 6-19-13.)

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 bill, as amended, was ordered to a third reading.

HOUSE BILL RECALLED

On motion of Senator Kotowski, **House Bill No. 2747** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment Nos. 1 and 2 were held in the Committee on Assignments.

Senator Kotowski offered the following amendment and moved its adoption:

AMENDMENT NO. 3 TO HOUSE BILL 2747

AMENDMENT NO. 3. Amend House Bill 2747 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Grant Accountability and Transparency Act.

Section 5. Legislative intent.

(a) This Act, which is the product of the work of the Illinois Single Audit Commission, created by Public Act 98-47, is intended to comply with the General Assembly's directives to (1) develop a coordinated, non-redundant process for the provision of effective and efficient oversight of the selection and monitoring of grant recipients, thereby ensuring quality programs and limiting fraud, waste, and abuse, and (2) define the purpose, scope, applicability, and responsibilities in the life cycle of a grant.

(b) This Act is intended to increase the accountability and transparency in the use of grant funds from whatever source and to reduce administrative burdens on both State agencies and grantees by adopting federal guidance and regulations applicable to such grant funds; specifically, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), codified at 2 CFR 200.

(c) This Act is consistent with the State's focus on improving performance and outcomes while ensuring transparency and the financial integrity of taxpayer dollars through such initiatives as the Management Improvement Initiative Committee created by Section 1-37a of the Department of Human Services Act, the State prioritized goals created under Section 50-25 of the State Budget Law (also known as "Budgeting for Results"), and the Grant Information Collection Act.

(d) This Act is not intended to affect the provisions of the Illinois State Auditing Act and does not address the external audit function of the Auditor General.

Section 10. Purpose. The purpose of this Act is to establish uniform administrative requirements, cost principles, and audit requirements for State and federal pass-through awards to non-federal entities. State awarding agencies shall not impose additional or inconsistent requirements, except as provided in 2 CFR 200.102, unless specifically required by State or federal statute. This Act and the rules adopted under this Act do not apply to private awards.

This Act and the rules adopted under this Act provide the basis for a systematic and periodic collection and uniform submission to the Governor's Office of Management and Budget of information of all State and federal financial assistance programs by State grant-making agencies. This Act also establishes policies related to the delivery of this information to the public, including through the use of electronic media.

Section 15. Definitions. As used in this Act:

"Allowable cost" means a cost allowable to a project if:

- (1) the costs are reasonable and necessary for the performance of the award;
- (2) the costs are allocable to the specific project;
- (3) the costs are treated consistently in like circumstances to both federally-financed and other activities of the non-federal entity;
- (4) the costs conform to any limitations of the cost principles or the sponsored

[May 29, 2014]

agreement;

(5) the costs are accorded consistent treatment; a cost may not be assigned to a State or federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the award as an indirect cost;

(6) the costs are determined to be in accordance with generally accepted accounting principles;

(7) the costs are not included as a cost or used to meet federal cost-sharing or matching requirements of any other program in either the current or prior period;

(8) the costs of one State or federal grant are not used to meet the match requirements of another State or federal grant; and

(9) the costs are adequately documented.

"Auditee" means any non-federal entity that expends State or federal awards that must be audited.

"Auditor" means an auditor who is a public accountant or a federal, State, or local government audit organization that meets the general standards specified in generally-accepted government auditing standards. "Auditor" does not include internal auditors of nonprofit organizations.

"Auditor General" means the Auditor General of the State of Illinois.

"Award" means financial assistance that provides support or stimulation to accomplish a public purpose.

"Awards" include grants and other agreements in the form of money, or property in lieu of money, by the State or federal government to an eligible recipient. "Award" does not include: technical assistance that provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; or contracts that must be entered into and administered under State or federal procurement laws and regulations.

"Budget" means the financial plan for the project or program that the awarding agency or pass-through entity approves during the award process or in subsequent amendments to the award. It may include the State or federal and non-federal share or only the State or federal share, as determined by the awarding agency or pass-through entity.

"Catalog of Federal Domestic Assistance" or "CFDA" means a database that helps the federal government track all programs it has domestically funded.

"Catalog of Federal Domestic Assistance number" or "CFDA number" means the number assigned to a federal program in the CFDA.

"Catalog of State Financial Assistance" means the single, authoritative, statewide, comprehensive source document of State financial assistance program information maintained by the Governor's Office of Management and Budget.

"Catalog of State Financial Assistance Number" means the number assigned to a State program in the Catalog of State Financial Assistance. The first 3 digits represent the State agency number and the last 4 digits represent the program.

"Cluster of programs" means a grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development, student financial aid, and other clusters. A "cluster of programs" shall be considered as one program for determining major programs and, with the exception of research and development, whether a program-specific audit may be elected.

"Cognizant agency for audit" means the federal agency designated to carry out the responsibilities described in 2 CFR 200.513(a).

"Contract" means a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under an award. "Contract" does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of an award or subaward.

"Contractor" means an entity that receives a contract.

"Cooperative agreement" means a legal instrument of financial assistance between an awarding agency or pass-through entity and a non-federal entity that:

(1) is used to enter into a relationship with the principal purpose of transferring anything of value from the awarding agency or pass-through entity to the non-federal entity to carry out a public purpose authorized by law, but is not used to acquire property or services for the awarding agency's or pass-through entity's direct benefit or use; and

(2) is distinguished from a grant in that it provides for substantial involvement between the awarding agency or pass-through entity and the non-federal entity in carrying out the activity contemplated by the award.

"Cooperative agreement" does not include a cooperative research and development agreement, nor an agreement that provides only direct cash assistance to an individual, a subsidy, a loan, a loan guarantee, or insurance.

"Corrective action" means action taken by the auditee that (i) corrects identified deficiencies, (ii) produces recommended improvements, or (iii) demonstrates that audit findings are either invalid or do not warrant auditee action.

"Cost objective" means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data is desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, and capital projects. A "cost objective" may be a major function of the non-federal entity, a particular service or project, an award, or an indirect cost activity.

"Cost sharing" means the portion of project costs not paid by State or federal funds, unless otherwise authorized by statute.

"Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

"Data Universal Numbering System number" means the 9-digit number established and assigned by Dun and Bradstreet, Inc. to uniquely identify entities and, under federal law, is required for non-federal entities to apply for, receive, and report on a federal award.

"Direct costs" means costs that can be identified specifically with a particular final cost objective, such as a State or federal or federal pass-through award or a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

"Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.

"Executive branch" means that branch of State government that is under the jurisdiction of the Governor.

"Federal agency" has the meaning provided for "agency" under 5 U.S.C. 551(1) together with the meaning provided for "agency" by 5 U.S.C. 552(f).

"Federal award" means:

(1) the federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity;

(2) the cost-reimbursement contract under the Federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity; or

(3) the instrument setting forth the terms and conditions when the instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 20 CFR 200.40, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

"Federal award" does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal government owned, contractor-operated facilities.

"Federal awarding agency" means the federal agency that provides a federal award directly to a non-federal entity.

"Federal interest" means, for purposes of 2 CFR 200.329 or when used in connection with the acquisition or improvement of real property, equipment, or supplies under a federal award, the dollar amount that is the product of the federal share of total project costs and current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

"Federal program" means any of the following:

(1) All federal awards which are assigned a single number in the CFDA.

(2) When no CFDA number is assigned, all federal awards to non-federal entities from the same agency made for the same purpose should be combined and considered one program.

(3) Notwithstanding paragraphs (1) and (2) of this definition, a cluster of programs.

The types of clusters of programs are:

(A) research and development;

(B) student financial aid; and

(C) "other clusters", as described in the definition of "cluster of programs".

"Federal share" means the portion of the total project costs that are paid by federal funds.

"Final cost objective" means a cost objective which has allocated to it both direct and indirect costs and, in the non-federal entity's accumulation system, is one of the final accumulation points, such as a particular award, internal project, or other direct activity of a non-federal entity.

"Financial assistance" means the following:

(1) For grants and cooperative agreements, "financial assistance" means assistance that non-federal entities receive or administer in the form of:

- (A) grants;
- (B) cooperative agreements;
- (C) non-cash contributions or donations of property, including donated surplus property;
- (D) direct appropriations;
- (E) food commodities; and
- (F) other financial assistance, except assistance listed in paragraph (2) of this definition.

(2) "Financial assistance" includes assistance that non-federal entities receive or administer in the form of loans, loan guarantees, interest subsidies, and insurance.

(3) "Financial assistance" does not include amounts received as reimbursement for services rendered to individuals.

"Fixed amount awards" means a type of grant agreement under which the awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the award. "Fixed amount awards" reduce some of the administrative burden and record-keeping requirements for both the non-federal entity and awarding agency or pass-through entity. Accountability is based primarily on performance and results.

"Foreign public entity" means:

- (1) a foreign government or foreign governmental entity;
- (2) a public international organization that is entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (22 U.S.C. 288-288f);
- (3) an entity owned, in whole or in part, or controlled by a foreign government; or
- (4) any other entity consisting wholly or partially of one or more foreign governments or foreign governmental entities.

"Foreign organization" means an entity that is:

- (1) a public or private organization located in a country other than the United States and its territories that are subject to the laws of the country in which it is located, irrespective of the citizenship of project staff or place of performance;
- (2) a private nongovernmental organization located in a country other than the United States that solicits and receives cash contributions from the general public;
- (3) a charitable organization located in a country other than the United States that is nonprofit and tax exempt under the laws of its country of domicile and operation, but is not a university, college, accredited degree-granting institution of education, private foundation, hospital, organization engaged exclusively in research or scientific activities, church, synagogue, mosque, or other similar entity organized primarily for religious purposes; or
- (4) an organization located in a country other than the United States not recognized as a Foreign Public Entity.

"Generally Accepted Accounting Principles" has the meaning provided in accounting standards issued by the Government Accounting Standards Board and the Financial Accounting Standards Board.

"Generally Accepted Government Auditing Standards" means generally accepted government auditing standards issued by the Comptroller General of the United States that are applicable to financial audits.

"Grant agreement" means a legal instrument of financial assistance between an awarding agency or pass-through entity and a non-federal entity that:

- (1) is used to enter into a relationship, the principal purpose of which is to transfer anything of value from the awarding agency or pass-through entity to the non-federal entity to carry out a public purpose authorized by law and not to acquire property or services for the awarding agency or pass-through entity's direct benefit or use; and
- (2) is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the awarding agency or pass-through entity and the non-federal entity in carrying out the activity contemplated by the award.

"Grant agreement" does not include an agreement that provides only direct cash assistance to an individual, a subsidy, a loan, a loan guarantee, or insurance.

"Grant application" means a specified form that is completed by a non-federal entity in connection with a request for a specific funding opportunity or a request for financial support of a project or activity.

"Hospital" means a facility licensed as a hospital under the law of any state or a facility operated as a hospital by the United States, a state, or a subdivision of a state.

"Illinois Debarred and Suspended List" means the list maintained by the Governor's Office of Management and Budget that contains the names of those individuals and entities that are ineligible, either temporarily or permanently, from receiving an award of grant funds from the State.

"Indian tribe" (or "federally recognized Indian tribe") means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the federal Alaska Native Claims Settlement Act (43 U.S.C. 1601, et seq.) that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians under 25 U.S.C. 450b(e), as set forth in the annually published Bureau of Indian Affairs list of Indian Entities Recognized and Eligible to Receive Services.

"Indirect cost" means those costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved.

"Inspector General" means the Office of the Executive Inspector General for Executive branch agencies.

"Loan" means a State or federal loan or loan guarantee received or administered by a non-federal entity. "Loan" does not include a "program income" as defined in 2 CFR 200.80.

"Loan guarantee" means any State or federal government guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-federal borrower to a non-federal lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

"Local government" has the meaning provided for the term "units of local government" under Section 1 of Article VII of the Illinois Constitution and includes school districts.

"Major program" means a federal program determined by the auditor to be a major program in accordance with 2 CFR 200.518 or a program identified as a major program by a federal awarding agency or pass-through entity in accordance with 2 CFR 200.503(e).

"Non-federal entity" means a state, local government, Indian tribe, institution of higher education, or organization, whether nonprofit or for-profit, that carries out a State or federal award as a recipient or subrecipient.

"Nonprofit organization" means any corporation, trust, association, cooperative, or other organization, not including institutions of higher education, that:

- (1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;
- (2) is not organized primarily for profit; and
- (3) uses net proceeds to maintain, improve, or expand the operations of the organization.

"Obligations", when used in connection with a non-federal entity's utilization of funds under an award, means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-federal entity during the same or a future period.

"Office of Management and Budget" means the Office of Management and Budget of the Executive Office of the President.

"Other clusters" has the meaning provided by the federal Office of Management and Budget in the compliance supplement or has the meaning as it is designated by a state for federal awards the state provides to its subrecipients that meet the definition of a cluster of programs. When designating an "other cluster", a state must identify the federal awards included in the cluster and advise the subrecipients of compliance requirements applicable to the cluster.

"Oversight agency for audit" means the federal awarding agency that provides the predominant amount of funding directly to a non-federal entity not assigned a cognizant agency for audit. When there is no direct funding, the awarding agency that is the predominant source of pass-through funding must assume the oversight responsibilities. The duties of the oversight agency for audit and the process for any reassignments are described in 2 CFR 200.513(b).

"Pass-through entity" means a non-federal entity that provides a subaward to a subrecipient to carry out part of a program.

"Private award" means an award from a person or entity other than a State or federal entity. Private awards are not subject to the provisions of this Act.

"Property" means real property or personal property.

"Project cost" means total allowable costs incurred under an award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

"Public institutions of higher education" has the meaning provided in Section 1 of the Board of Higher Education Act.

"Recipient" means a non-federal entity that receives an award directly from an awarding agency to carry out an activity under a program. "Recipient" does not include subrecipients.

"Research and Development" means all research activities, both basic and applied, and all development activities that are performed by non-federal entities.

"Single Audit Act" means the federal Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507).

"State agency" means an Executive branch agency. For purposes of this Act, "State agency" does not include public institutions of higher education.

"State award" means the financial assistance that a non-federal entity receives from the State and that is funded with either State funds or federal funds; in the latter case, the State is acting as a pass-through entity.

"State awarding agency" means a State agency that provides an award to a non-federal entity.

"State grant-making agency" has the same meaning as "State awarding agency".

"State interest" means the acquisition or improvement of real property, equipment, or supplies under a State award, the dollar amount that is the product of the State share of the total project costs and current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

"State program" means any of the following:

(1) All State awards which are assigned a single number in the Catalog of State Financial Assistance.

(2) When no Catalog of State Financial Assistance number is assigned, all State awards to non-federal entities from the same agency made for the same purpose are considered one program.

(3) A cluster of programs as defined in this Section.

"State share" means the portion of the total project costs that are paid by State funds.

"Student Financial Aid" means federal awards under those programs of general student assistance, such as those authorized by Title IV of the Higher Education Act of 1965, as amended (20 U.S.C. 1070-1099d), that are administered by the United States Department of Education and similar programs provided by other federal agencies. "Student Financial Aid" does not include federal awards under programs that provide fellowships or similar federal awards to students on a competitive basis or for specified studies or research.

"Subaward" means a State or federal award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. "Subaward" does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A "subaward" may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

"Subrecipient" means a non-federal entity that receives a State or federal subaward from a pass-through entity to carry out part of a federal program. "Subrecipient" does not include an individual that is a beneficiary of such program. A "subrecipient" may also be a recipient of other State or federal awards directly from a State or federal awarding agency.

"Suspension" means a post-award action by the State or federal agency or pass-through entity that temporarily withdraws the State or federal agency's or pass-through entity's financial assistance sponsorship under an award, pending corrective action by the recipient or subrecipient or pending a decision to terminate the award.

"Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards" means those rules applicable to grants contained in 2 CFR 200.

"Voluntary committed cost sharing" means cost sharing specifically pledged on a voluntary basis in the proposal's budget or the award on the part of the non-federal entity and that becomes a binding requirement of the award.

Section 20. Adoption of federal rules applicable to grants.

(a) On or before July 1, 2015, the Governor's Office of Management and Budget, with the advice and technical assistance of the Illinois Single Audit Commission, shall adopt rules which adopt the Uniform Guidance at 2 CFR 200. The rules, which shall apply to all State and federal pass-through awards effective on and after July 1, 2015, shall include the following:

(1) Administrative requirements. In accordance with Subparts B through D of 2 CFR 200, the rules shall set forth the uniform administrative requirements for grant and cooperative agreements, including the requirements for the management by State awarding agencies of federal grant programs before State and federal pass-through awards have been made and requirements that State awarding agencies may impose on non-federal entities in State and federal pass-through awards.

(2) Cost principles. In accordance with Subpart E of 2 CFR 200, the rules shall

establish principles for determining the allowable costs incurred by non-federal entities under State and federal pass-through awards. The principles are intended for cost determination, but are not intended to identify the circumstances or dictate the extent of State or federal pass-through participation in financing a particular program or project. The principles shall provide that State and federal awards bear their fair share of cost recognized under these principles, except where restricted or prohibited by State or federal law.

(3) Audit and single audit requirements and audit follow-up. In accordance with Subpart F of 2 CFR 200 and the federal Single Audit Act Amendments of 1996, the rules shall set forth standards to obtain consistency and uniformity among State and federal pass-through awarding agencies for the audit of non-federal entities expending State and federal awards. These provisions shall also set forth the policies and procedures for State and federal pass-through entities when using the results of these audits.

The provisions of this item (3) do not apply to for-profit subrecipients because for-profit subrecipients are not subject to the requirements of OMB Circular A-133, Audits of States, Local and Non-Profit Organizations. Audits of for-profit subrecipients must be conducted pursuant to a Program Audit Guide issued by the Federal awarding agency. If a Program Audit Guide is not available, the State awarding agency must prepare a Program Audit Guide in accordance with the OMB Circular A-133 Compliance Supplement. For-profit entities are subject to all other general administrative requirements and cost principles applicable to grants.

(b) This Act addresses only State and federal pass-through auditing functions and does not address the external audit function of the Auditor General.

(c) For public institutions of higher education, the provisions of this Section apply only to awards funded by State appropriations and federal pass-through awards from a State agency to public institutions of higher education. Federal pass-through awards from a State agency to public institutions of higher education are governed by and must comply with federal guidelines under 2 CFR 200.

(d) The State grant-making agency is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient shall describe the applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for State and federal pass-through awards made to for-profit subrecipients shall include pre-award, audits, monitoring during the agreement, and post-award audits. The Governor's Office of Management and Budget shall provide such advice and technical assistance to the State grant-making agency as is necessary or indicated.

Section 25. Supplemental rules. On or before July 1, 2015, the Governor's Office of Management and Budget, with the advice and technical assistance of the Illinois Single Audit Commission, shall adopt supplemental rules pertaining to the following:

- (1) Criteria to define mandatory formula-based grants and discretionary grants.
- (2) The award of one-year grants for new applicants.
- (3) The award of competitive grants in 3-year terms (one-year initial terms with the option to renew for up to 2 additional years) to coincide with the federal award.
- (4) The issuance of grants, including:
 - (A) public notice of announcements of funding opportunities;
 - (B) the development of uniform budget applications;
 - (C) State agency review of merit of proposals and risk posed by applicants;
 - (D) specific conditions for individual recipients (requiring the use of a fiscal agent and additional corrective conditions);
 - (E) certifications and representations;
 - (F) pre-award costs;
 - (G) performance measures and statewide prioritized goals under Section 50-25 of the State Budget Law of the Civil Administrative Code of Illinois, commonly referred to as "Budgeting for Results"; and
 - (H) for mandatory formula grants, the merit of the proposal and the risk posed should result in additional reporting, monitoring, or measures such as reimbursement-basis only.
- (5) The development of uniform budget requirements, which shall include:
 - (A) mandatory submission of budgets as part of the grant application process;
 - (B) mandatory requirements regarding contents of the budget including, at a minimum, common detail line items specified under guidelines issued by the Governor's Office of Management and Budget;
 - (C) a requirement that the budget allow flexibility to add lines describing costs

that are common for the services provided as outlined in the grant application;

(D) a requirement that the budget include information necessary for analyzing cost and performance for use in the Budgeting for Results initiative; and

(E) caps on the amount of salaries that may be charged to grants based on the limitations imposed by federal agencies.

(6) The development of pre-qualification requirements for applicants, including the fiscal condition of the organization and the provision of the following information:

(A) organization name;

(B) Federal Employee Identification Number;

(C) Data Universal Numbering System (DUNS) number;

(D) fiscal condition;

(E) whether the applicant is in good standing with the Secretary of State;

(F) past performance in administering grants;

(G) whether the applicant is or has ever been on the Debarred and Suspended List maintained by the Governor's Office of Management and Budget;

(H) whether the applicant is or has ever been on the federal Excluded Parties List; and

(I) whether the applicant is or has ever been on the Sanctioned Party List maintained by the Illinois Department of Healthcare and Family Services.

Nothing in this Act affects the provisions of the Fiscal Control and Internal Auditing Act nor the requirement that the management of each State agency is responsible for maintaining effective internal controls under that Act.

For public institutions of higher education, the provisions of this Section apply only to awards funded by State appropriations and federal pass-through awards from a State agency to public institutions of higher education.

Section 30. Catalog of State Financial Assistance.

The Catalog of State Financial Assistance is a single, authoritative, statewide, comprehensive source document of State financial assistance program information. The Catalog shall contain, at a minimum, the following information:

(1) An introductory section that contains Catalog highlights, an explanation of how to use the Catalog, an explanation of the Catalog and its contents, and suggested grant proposal writing methods and grant application procedures.

(2) A comprehensive indexing system that categorizes programs by issuing agency, eligible applicant, application deadlines, function, popular name, and subject area.

(3) Comprehensive appendices showing State assistance programs that require coordination through this Act and regulatory, legislative, and Executive Order authority for each program, commonly used abbreviations and acronyms, agency regional and local office addresses, and sources of additional information.

(4) A list of programs that have been added to or deleted from the Catalog and the various program numbers and title changes.

(5) Program number, title, and popular name, if applicable.

(6) The name of the State department or agency or independent agency and primary organization sub-unit administering the program.

(7) The enabling legislation, including popular name of the Act, titles and sections, Public Act number, and citation to the Illinois Compiled Statutes.

(8) The type or types of financial and nonfinancial assistance offered by the program.

(9) Uses and restrictions placed upon the program.

(10) Eligibility requirements, including applicant eligibility criteria, beneficiary eligibility criteria, and required credentials and documentation.

(11) Objectives and goals of the program.

(12) Information regarding application and award processing; application deadlines; range of approval or disapproval time; appeal procedure; and availability of a renewal or extension of assistance.

(13) Assistance considerations, including an explanation of the award formula, matching requirements, and the length and time phasing of the assistance.

(14) Post-assistance requirements, including any reports, audits, and records that may be required.

(15) Program accomplishments (where available) describing quantitative measures of

program performance.

(16) Regulations, guidelines, and literature containing citations to the Illinois Administrative Code, the Code of Federal Regulations, and other pertinent informational materials.

(17) The names, telephone numbers, and e-mail addresses of persons to be contacted for detailed program information at the headquarters, regional, and local levels.

Section 35. Conflicts of interest. The Governor's Office of Management and Budget shall adopt rules regarding conflict of interest policies for awards. A non-federal entity must disclose in writing any potential conflict of interest to the pass-through entity in accordance with applicable awarding agency policy.

Section 40. Mandatory disclosures. The Governor's Office of Management and Budget, with the advice and technical assistance of the Illinois Single Audit Commission, shall adopt rules requiring that the applicant for an award disclose, in a timely manner and in writing to the pass-through entity, all violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. Failure to make the required disclosures may result in any of the following remedial actions:

(1) The temporary withholding of cash payments pending correction of the deficiency by the awarding agency or non-federal entity or more severe enforcement action by the pass-through entity.

(2) Disallowance of (that is, denial of both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.

(3) Whole or partial suspension or termination of the award.

(4) Initiation of suspension or debarment proceedings as authorized under rules adopted under subsection (a) of Section 20 of this Act and awarding agency regulations (or, in the case of a pass-through entity, recommendation that such a proceeding be initiated by the awarding agency).

(5) Withholding further awards for the project or program.

(6) Taking any other remedial action that may be legally available.

Section 45. Applicability.

(a) The requirements established under this Act apply to State grant-making agencies that make State and federal pass-through awards to non-federal entities. These requirements apply to all costs related to State and federal pass-through awards. The requirements established under this Act do not apply to private awards.

(a-5) Nothing in this Act shall prohibit the use of State funds for purposes of federal match or maintenance of effort.

(b) The terms and conditions of State, federal, and pass-through awards apply to subawards and subrecipients unless a particular Section of this Act or the terms and conditions of the State or federal award specifically indicate otherwise. Non-federal entities shall comply with requirements of this Act regardless of whether the non-federal entity is a recipient or subrecipient of a State or federal pass-through award. Pass-through entities shall comply with the requirements set forth under the rules adopted under subsection (a) of Section 20 of this Act, but not to any requirements in this Act directed towards State or federal awarding agencies, unless the requirements of the State or federal awards indicate otherwise.

When a non-federal entity is awarded a cost-reimbursement contract, only 2 CFR 200.330 through 200.332 are incorporated by reference into the contract. However, when the Cost Accounting Standards are applicable to the contract, they take precedence over the requirements of this Act unless they are in conflict with Subpart F of 2 CFR 200. In addition, costs that are made unallowable under 10 U.S.C. 2324(e) and 41 U.S.C. 4304(a), as described in the Federal Acquisition Regulations, subpart 31.2 and subpart 31.603, are always unallowable. For requirements other than those covered in Subpart D of 2 CFR 200.330 through 200.332, the terms of the contract and the Federal Acquisition Regulations apply.

With the exception of Subpart F of 2 CFR 200, which is required by the Single Audit Act, in any circumstances where the provisions of federal statutes or regulations differ from the provisions of this Act, the provision of the federal statutes or regulations govern. This includes, for agreements with Indian tribes, the provisions of the Indian Self-Determination and Education and Assistance Act, as amended, 25 U.S.C. 450-458ddd-2.

(c) State grant-making agencies may apply subparts A through E of 2 CFR 200 to for-profit entities, foreign public entities, or foreign organizations, except where the awarding agency determines that the application of these subparts would be inconsistent with the international obligations of the United States or the statute or regulations of a foreign government.

(d) Except for 2 CFR 200.202 and 200.330 through 200.332, the requirements in Subparts C, D, and E of 2 CFR 200 do not apply to the following programs:

(1) The block grant awards authorized by the Omnibus Budget Reconciliation Act of 1981 (including Community Services; Preventive Health and Health Services; Alcohol, Drug Abuse, and Mental Health Services; Maternal and Child Health Services; Social Services; Low-Income Home Energy Assistance; States' Program of Community Development Block Grant Awards for Small Cities; and Elementary and Secondary Education, other than programs administered by the Secretary of Education under Title V, Subtitle D, Chapter 2, Section 583 - the Secretary's discretionary award program) and both the Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant Award (42 U.S.C. 300x-21 to 300x-35 and 42 U.S.C. 300x-51 to 300x-64) and the Mental Health Service for the Homeless Block Grant Award (42 U.S.C. 300x to 300x-9) under the Public Health Services Act.

(2) Federal awards to local education agencies under 20 U.S.C. 7702 through 7703b (portions of the Impact Aid program).

(3) Payments under the Department of Veterans Affairs' State Home Per Diem Program (38 U.S.C. 1741).

(4) Federal awards authorized under the Child Care and Development Block Grant Act of 1990, as amended, including the following:

(A) Child Care and Development Block Grant (42 U.S.C. 9858).

(B) Child Care Mandatory and Matching Funds of the Child Care and Development Fund (42 U.S.C. 9858).

(e) Except for the 2 CFR 200.202 requirement to provide public notice of federal financial assistance programs, the guidance in Subpart C Pre-federal Award Requirements and Contents of Federal Awards does not apply to the following programs:

(1) Entitlement federal awards to carry out the following programs of the Social Security Act:

(A) Temporary Assistance to Needy Families (Title IV-A of the Social Security Act, 42 U.S.C. 601-619);

(B) Child Support Enforcement and Establishment of Paternity (Title IV-D of the Social Security Act, 42 U.S.C. 651-669b);

(C) Foster Care and Adoption Assistance (Title IV-E of the Act, 42 U.S.C. 670-679c);

(D) Aid to the Aged, Blind, and Disabled (Titles I, X, XIV, and XVI - AABD of the Act, as amended); and

(E) Medical Assistance (Medicaid) (42 U.S.C. 1396-1396w-5), not including the State Medicaid Fraud Control program authorized by Section 1903(a)(6)(B) of the Social Security Act (42 U.S.C. 1396b(a)(6)(B)).

(2) A federal award for an experimental, pilot, or demonstration project that is also supported by a federal award listed in paragraph (1) of subsection (e) of this Section.

(3) Federal awards under subsection 412(e) of the Immigration and Nationality Act of 1965 and Section 501(a) of the Refugee Education Assistance Act of 1980 for cash assistance, medical assistance, and supplemental security income benefits to refugees and entrants and the administrative costs of providing the assistance and benefits under 8 U.S.C. 1522(e).

(4) Entitlement awards under the following programs of The National School Lunch Act:

(A) National School Lunch Program (42 U.S.C. 1753);

(B) Commodity Assistance (42 U.S.C. 1755);

(C) Special Meal Assistance (42 U.S.C. 1759a);

(D) Summer Food Service Program for Children (42 U.S.C. 1761); and

(E) Child and Adult Care Food Program (42 U.S.C. 1766).

(5) Entitlement awards under the following programs of The Child Nutrition Act of 1966:

(A) Special Milk Program (42 U.S.C. 1772);

(B) School Breakfast Program (42 U.S.C. 1773); and

(C) State Administrative Expenses (42 U.S.C. 1776).

(6) Entitlement awards for State Administrative Expenses under The Food and Nutrition Act of 2008 (7 U.S.C. 2025).

(7) Non-discretionary federal awards under the following non-entitlement programs:

(A) Special Supplemental Nutrition Program for Women, Infants and Children under the Child Nutrition Act of 1966 (42 U.S.C. 1786);

(B) The Emergency Food Assistance Programs (Emergency Food Assistance Act of 1983) (7 U.S.C. 7501); and

(C) Commodity Supplemental Food Program (7 U.S.C. 612c).

(f) For public institutions of higher education, the provisions of this Act apply only to awards funded by State appropriations and federal pass-through awards from a State agency to public institutions of higher education.

(g) Each grant-making agency shall enhance its processes to monitor and address noncompliance with reporting requirements and with program performance standards. Where applicable, the process may include a corrective action plan. The monitoring process shall include a plan for tracking and documenting performance-based contracting decisions.

Section 50. State grant-making agency responsibilities.

(a) The specific requirements and responsibilities of State grant-making agencies and non-federal entities are set forth in this Act. State agencies making State awards to non-federal entities must adopt by rule the language in 2 CFR 200, Subpart C through Subpart F unless different provisions are required by law.

(b) Each State grant-making agency shall appoint a Chief Accountability Officer who shall serve as a liaison to the Grant Accountability and Transparency Unit and who shall be responsible for the State agency's implementation of and compliance with the rules.

(c) In order to effectively measure the performance of its recipients and subrecipients, each State grant-making agency shall:

(1) require its recipients and subrecipients to relate financial data to performance accomplishments of the award and, when applicable, must require recipients and subrecipients to provide cost information to demonstrate cost-effective practices. The recipient's and subrecipient's performance should be measured in a way that will help the State agency to improve program outcomes, share lessons learned, and spread the adoption of promising practices; and

(2) provide recipients and subrecipients with clear performance goals, indicators, and milestones and must establish performance reporting frequency and content to not only allow the State agency to understand the recipient's progress, but also to facilitate identification of promising practices among recipients and subrecipients and build the evidence upon which the State agency's program and performance decisions are made.

(d) The Governor's Office of Management and Budget shall provide such advice and technical assistance to the State grant-making agencies as is necessary or indicated in order to ensure compliance with this Act.

Section 55. The Governor's Office of Management and Budget responsibilities.

(a) The Governor's Office of Management and Budget shall:

(1) provide technical assistance and interpretations of policy requirements in order to ensure effective and efficient implementation of this Act by State grant-making agencies; and

(2) have authority to approve any exceptions to the requirements of this Act and shall adopt rules governing the criteria to be considered when an exception is requested; exceptions shall only be made in particular cases where adequate justification is presented.

(b) The Governor's Office of Management and Budget shall, on or before July 1, 2014, establish a centralized unit within the Governor's Office of Management and Budget. The centralized unit shall be known as the Grant Accountability and Transparency Unit and shall be funded with a portion of the administrative funds provided under existing and future State and federal pass-through grants. The amounts charged will be allocated based on the actual cost of the services provided to State grant-making agencies and public institutions of higher education in accordance with the applicable federal cost principles contained in 2 CFR 200 and this Act will not cause the reduction in the amount of any State or federal grant awards that have been or will be directed towards State agencies or public institutions of higher education.

Section 60. Grant Accountability and Transparency Unit responsibilities.

(a) The Grant Accountability and Transparency Unit within the Governor's Office of Management and Budget shall be responsible for:

(1) The development of minimum requirements applicable to the staff of grant applicants to manage and execute grant awards for programmatic and administrative purposes, including grant management specialists with:

(A) general and technical competencies;

(B) programmatic expertise;

(C) fiscal expertise and systems necessary to adequately account for the source and application of grant funds for each program; and

(D) knowledge of compliance requirements.

(2) The development of minimum training requirements, including annual training

requirements.

(3) Accurate, current, and complete disclosure of the financial results of each funded award, as set forth in the financial monitoring and reporting Section of 2 CFR 200.

(4) Development of criteria for requiring the retention of a fiscal agent and for becoming a fiscal agent.

(5) Development of disclosure requirements in the grant application pertaining to:

(A) related-party status between grantees and grant-making agencies;

(B) past employment of applicant officers and grant managers;

(C) disclosure of current or past employment of members of immediate family; and

(D) disclosure of senior management of grantee organization and their relationships with contracted vendors.

(6) Implementation of rules prohibiting a grantee from charging any cost allocable to a particular award or cost objective to other State or federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the federal awards, or for other reasons.

(7) Implementation of rules prohibiting a non-federal entity from earning or keeping any profit resulting from State or federal financial assistance, unless prior approval has been obtained from the Governor's Office of Management and Budget and is expressly authorized by the terms and conditions of the award.

(8) Maintenance of an Illinois Debarred and Suspended List that contains the names of those individuals and entities that are ineligible, either temporarily or permanently, to receive an award of grant funds from the State.

(9) Ensuring the adoption of standardized rules for the implementation of this Act by State grant-making agencies. The Grant Accountability and Transparency Unit shall provide such advice and technical assistance to the State grant-making agencies as is necessary or indicated in order to ensure compliance with this Act.

(10) Coordination of financial and Single Audit reviews.

(11) Coordination of on-site reviews of grantees and subrecipients.

(12) Maintenance of the Catalog of State Financial Assistance, which shall be posted on an Internet website maintained by the Governor's Office of Management and Budget that is available to the public.

(b) The Grant Accountability and Transparency Unit shall have no power or authority regarding the approval, disapproval, management, or oversight of grants entered into or awarded by a State agency or by a public institution of higher education. The power or authority existing under law to grant or award grants by a State agency or by a public institution of higher education shall remain with that State agency or public institution of higher education. The Unit shall be responsible for reviewing and approving amendments to the Administrative Code proposed by State grant agencies in connection with the implementation of this Act and shall be responsible for establishing standardized policies and procedures for State grant-making agencies in order to ensure compliance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards set forth in 2 CFR Part 200, all of which must be adhered to by the State grant-making agencies throughout the life cycle of the grant.

(c) The powers and functions of grant making by State agencies or public institutions of higher education may not be transferred to, nor may prior grant approval be transferred to, any other person, office, or entity within the executive branch of State government.

Section 65. Audit requirements.

(a) The standards set forth in Subpart F of 2 CFR 200 and any other standards that apply directly to State or federal agencies shall apply to audits of fiscal years beginning on or after December 26, 2014.

(b) Books and records must be available for review or audit by appropriate officials of the pass-through entity, and the agency, the Auditor General, the Inspector General, appropriate officials of the agency, and the federal Government Accountability Office.

(c) The Governor's Office of Management and Budget, with the advice and technical assistance of the Illinois Single Audit Commission, shall adopt rules for audits of grants from a State or federal pass-through entity that are not subject to the Single Audit Act because the amount of the federal award is less than \$750,000 or the subrecipient is an exempt entity and that are reasonably consistent with 2 CFR 200.

(d) This Act does not affect the provisions of the Illinois State Auditing Act and does not address the external audit function of the Auditor General.

Section 70. Review date. The Governor's Office of Management and Budget shall review this Act at least once every 5 years after December 26, 2014 in conjunction with the federal review of the Uniform

[May 29, 2014]

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as required by 2 CFR 200.109 in order to determine whether any existing rules need to be revised or new rules adopted.

Section 75. State program exceptions.

(a) With the exception of the audit requirements set forth in 2 CFR 200.102, exceptions may be allowed for classes of State or federal pass-through awards or non-federal entities subject to the requirements of this Act when such exceptions are not prohibited by State or federal law. However, in the interest of maximum uniformity, exceptions from the requirements of this Act shall be permitted only in unusual or exceptional circumstances.

(b) The Governor's Office of Management and Budget, with the advice and technical assistance of the Illinois Single Audit Commission, shall adopt rules governing the criteria that shall be used to determine when an exception may be issued. The Governor's Office of Management and Budget shall publish any allowed exceptions in the Catalogue of State Financial Assistance within 30 days of the exception being allowed.

Section 80. Supersession. On and after July 1, 2015, in the event of a conflict with the Grant Funds Recovery Act, the provisions of this Act shall control.

Section 85. Implementation date. The Governor's Office of Management and Budget shall adopt all rules required under this Act on or before July 1, 2015.

Section 90. Agency implementation. All State grant-making agencies shall implement the rules issued by the Governor's Office of Management and Budget on or before July 1, 2015. The standards set forth in this Act, which affect administration of State and federal pass-through awards issued by State grant-making agencies, become effective once implemented by State grant-making agencies. State grant-making agencies shall implement the policies and procedures applicable to State and federal pass-through awards by adopting rules for non-federal entities that shall take effect for fiscal years on and after December 26, 2014, unless different provisions are required by State or federal statute or federal rule.

Section 95. Annual report. Effective January 1, 2016 and each January 1 thereafter, the Governor's Office of Management and Budget, in conjunction with the Illinois Single Audit Commission, shall submit to the Governor and the General Assembly a report that demonstrates the efficiencies, cost savings, and reductions in fraud, waste, and abuse as a result of the implementation of this Act and the rules adopted by the Governor's Office of Management and Budget in accordance with the provisions of this Act. The report shall include, but not be limited to:

- (1) the number of entities placed on the Illinois Debarred and Suspended List;
- (2) any savings realized as a result of the implementation of this Act;
- (3) any reduction in the number of duplicative audits;
- (4) the number of persons trained to assist grantees and subrecipients; and
- (5) the number of grantees and subrecipients to whom a fiscal agent was assigned.

Section 100. Repeal. This Act is repealed 5 years after the effective date of this Act.

Section 505. The Governor's Office of Management and Budget Act is amended by changing Section 2 and by adding Sections 2.8, 2.9, and 2.10 as follows:

(20 ILCS 3005/2) (from Ch. 127, par. 412)

Sec. 2. There is created in the executive office of the Governor an Office to be known as the Governor's Office of Management and Budget. The Office shall be headed by a Director, who shall be appointed by the Governor. The functions of the Office shall be as prescribed in Sections 2.1 through 2.10 2-7 of this Act.

(Source: P.A. 93-25, eff. 6-20-03.)

(20 ILCS 3005/2.8 new)

Sec. 2.8. Pursuant to the Grant Accountability and Transparency Act, to create, on or before July 1, 2014, the Grant Accountability and Transparency Unit within the Office. The Grant Accountability and Transparency Unit shall report directly to the Director of the Governor's Office of Management and Budget.

(20 ILCS 3005/2.9 new)

Sec. 2.9. Pursuant to the Grant Accountability and Transparency Act, to maintain a list of those individuals and entities that are ineligible, either temporarily or permanently, to receive an award of grant funds from the State.

(20 ILCS 3005/2.10 new)

Sec. 2.10. To adopt rules on or before July 1, 2015 necessary to comply with the Grant Accountability and Transparency Act. Should changes to the rules be required by the review mandated by Section 65 of the Grant Accountability and Transparency Act, the Governor's Office of Management and Budget may adopt such peremptory rules as are necessary to comply with changes to corresponding federal rules. All other rules that the Governor's Office of Management and Budget deems necessary to adopt in connection with the Grant Accountability and Transparency Act must proceed through the ordinary rule-making process.

(30 ILCS 705/4.2 rep.)

Section 510. The Illinois Grant Funds Recovery Act is amended by repealing Section 4.2.

Section 515. The Illinois Grant Funds Recovery Act is amended by adding Sections 15.1 and 16 as follows:

(30 ILCS 705/15.1 new)

Sec. 15.1. Illinois Single Audit Commission.

(a) There is created the Illinois Single Audit Commission. The Commission shall assist the Governor's Office of Management and Budget in creating its annual report under Section 90 of the Grant Accountability and Transparency Act.

(b) The Commission shall be comprised of one representative from each of the following grant-making agencies who is an expert in grants subject matter, and who shall be appointed by the Governor, one of whom shall be designated as Chairperson: Department on Aging; Department of Children and Family Services; Department of Healthcare and Family Services; Department of Human Services; Department of Public Health; Criminal Justice Information Authority; Department of Commerce and Economic Opportunity; Department of Transportation; Illinois State Board of Education; Illinois Student Assistance Commission; Department of Agriculture; Environmental Protection Agency; and Department of Natural Resources.

(c) The Governor may, as he or she deems necessary or appropriate, designate representatives of additional State agencies with grant-making authority to serve as members of the Commission.

(d) The Governor may appoint a total of 4 representatives of community organizations, providers, or associations who are experts in grants subject matter to serve as members of the Commission.

(e) The Governor may appoint a total of 3 representatives of public institutions of higher education who are experts in grants subject matter to serve as members of the Commission.

(f) Should any of the State agencies listed in subsection (b) of this Section deem that additional representation by community organizations, providers, or associations is necessary or appropriate, and the Commission as a whole is in concurrence with this decision, the State agency or agencies may appoint additional members; provided, however, that no more than a total of 4 such additional members may be appointed to the Commission.

(g) The Commission shall also include: a representative of the Governor's Office of Management and Budget, appointed by the Governor; 4 members of the General Assembly, one from the House of Representatives Democratic Caucus, one from the House of Representatives Republican Caucus, one from the Senate Democratic Caucus, and one from the Senate Republican Caucus, all of whom shall be appointed by the Governor.

(h) The Co-chairpersons of the relevant subcommittees within the Management Initiative Improvement Committee under Section 1-37b of the Department of Human Services Act may be included as members of the Commission if the Commission deems their inclusion necessary for the coordination of its efforts.

(i) The Commission shall provide advice and technical assistance to the Governor's Office of Management and Budget in connection with the rules drafted pursuant to the Grant Accountability and Transparency Act.

(j) This Section is repealed on July 1, 2019.

(30 ILCS 705/16 new)

Sec. 16. Supersession. On and after July 1, 2015, in the event of a conflict with the Grant Accountability and Transparency Act, the Grant Accountability and Transparency Act shall control.

Section 997. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

[May 29, 2014]

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

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Kotowski, **House Bill No. 2747** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 45; NAYS 6; Present 6.

The following voted in the affirmative:

Althoff	Harmon	Link	Rezin
Bertino-Tarrant	Harris	Luechtefeld	Rose
Biss	Hastings	Manar	Sandoval
Brady	Holmes	Martinez	Stadelman
Bush	Hunter	McCann	Steans
Clayborne	Hutchinson	McConnaughay	Sullivan
Collins	Jacobs	McGuire	Trotter
Cullerton, T.	Jones, E.	Morrison	Van Pelt
Cunningham	Koehler	Mulroe	Mr. President
Delgado	Kotowski	Muñoz	
Forby	Landek	Noland	
Frerichs	Lightford	Raoul	

The following voted in the negative:

Barickman	Duffy	Oberweis
Bivins	McCarter	Righter

The following voted present:

Connelly	LaHood	Radogno
Dillard	Murphy	Syverson

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

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

On motion of Senator Noland, **House Bill No. 3816** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 33; NAYS 17.

The following voted in the affirmative:

Bertino-Tarrant	Frerichs	Lightford	Sandoval
Biss	Harmon	Link	Stadelman

[May 29, 2014]

Bush	Hastings	Manar	Steans
Clayborne	Holmes	Martinez	Sullivan
Collins	Hunter	McGuire	Trotter
Cullerton, T.	Hutchinson	Mulroe	Mr. President
Cunningham	Jacobs	Muñoz	
Delgado	Kotowski	Noland	
Forby	Landek	Raoul	

The following voted in the negative:

Althoff	Duffy	Murphy	Rose
Barickman	LaHood	Oberweis	Syverson
Bivins	Luechtefeld	Radogno	
Connelly	McCarter	Rezin	
Dillard	McConnaughay	Righter	

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

Ordered that the Secretary inform the House of Representatives thereof.

Senator Koehler asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the affirmative on **House Bill 3816**.

HOUSE BILL RECALLED

On motion of Senator Martinez, **House Bill No. 5755** was recalled from the order of third reading to the order of second reading.

Senator Martinez offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 5755

AMENDMENT NO. 1. Amend House Bill 5755 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Women's Health Referendum Act.

Section 5. Referendum. The State Board of Elections shall cause a statewide advisory public question to be submitted to the voters at the general election to be held on November 4, 2014. The question shall appear in the following form:

"Shall any health insurance plan in Illinois that provides prescription drug coverage be required to include prescription birth control as part of that coverage?"
The votes on the question shall be recorded as "Yes" or "No".

Section 10. Certification. The State Board of Elections shall immediately certify the question to be submitted to the voters of the entire State under Section 5 to each election authority in Illinois.

Section 15. Conflicts. If any provision of this Act conflicts with any other law, this Act controls.

Section 90. Repeal. This Act is repealed on January 1, 2015.

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

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Martinez, **House Bill No. 5755** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 31; NAYS 18.

The following voted in the affirmative:

Biss	Holmes	Link	Raoul
Bush	Hunter	Manar	Sandoval
Clayborne	Hutchinson	Martinez	Stadelman
Collins	Jacobs	McGuire	Steans
Cullerton, T.	Jones, E.	Morrison	Trotter
Delgado	Koehler	Mulroe	Van Pelt
Frerichs	Kotowski	Muñoz	Mr. President
Harmon	Lightford	Noland	

The following voted in the negative:

Althoff	Duffy	McCarter	Righter
Barickman	LaHood	McConnaughay	Rose
Bivins	Landek	Murphy	Syverson
Cunningham	Luechtefeld	Oberweis	
Dillard	McCann	Rezin	

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

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

JOINT ACTION MOTIONS FILED

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

Motion to Concur in House Amendment 1 to Senate Bill 345
 Motion to Concur in House Amendment 1 to Senate Bill 1098
 Motion to Concur in House Amendment 1 to Senate Bill 2640
 Motion to Concur in House Amendment 2 to Senate Bill 2730
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 2932
 Motion to Concur in House Amendments 2 and 3 to Senate Bill 3222

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

AT EASE

At the hour of 1:29 o'clock p.m., the Senate resumed consideration of business.
 Senator Trotter, presiding.

REPORTS FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 29, 2014 meeting, reported the following House Bills have been assigned to the indicated Standing Committees of the Senate:

[May 29, 2014]

Human Services: **House Bill No. 4665.**

Revenue: **House Bill No. 4616.**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 29, 2014 meeting, reported that the Committee recommends that **House Bill No. 3796** be re-referred to the Committee on Executive.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 29, 2014 meeting, to which was referred **House Bill Numbered 1165 and 3199** on August 9, 2013, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **House Bills Numbered 1165 and 3199** were returned to the order of third reading.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 29, 2014 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Criminal Law: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 2801**
Motion to Concur in House Amendment 1 to Senate Bill 3538

Judiciary: **Motion to Concur in House Amendment 1 to Senate Bill 3405**

Licensed Activities and Pensions: **Motion to Concur in House Amendment 1 to Senate Bill 3551**

Local Government: **Motion to Concur in House Amendment 1 to Senate Bill 504**

Revenue: **Motion to Concur in House Amendment 1 to Senate Bill 345**
Motion to Concur in House Amendment 1 to Senate Bill 2778

State Government and Veterans Affairs:

Motion to Concur in House Amendment 1 to Senate Bill 2640
Motion to Concur in House Amendments 2 and 3 to Senate Bill 3222

Transportation: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 2932**
Motion to Concur in House Amendment 1 to Senate Bill 3574

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 29, 2014 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Executive: **Senate Floor Amendment No. 2 to House Bill 2453; Senate Floor Amendment No. 4 to House Bill 5622.**

State Government and Veterans Affairs: **Senate Committee Amendment No. 1 to House Bill 3835.**

Transportation: **Senate Floor Amendment No. 2 to House Bill 1022.**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 29, 2014 meeting, reported that the following Legislative Measures have been approved for consideration:

Senate Floor Amendment No. 2 to House Bill 961
Senate Floor Amendment No. 5 to House Bill 2427

[May 29, 2014]

Senate Floor Amendment No. 1 to House Bill 3199

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

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 29, 2014 meeting, reported that the following Legislative Measure has been approved for consideration:

Motion to Concur in House Amendment No. 1 to Senate Bill 1098

The foregoing concurrence was placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 29, 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 353; Senate Floor Amendment No. 1 to Senate Bill 729; Senate Floor Amendment No. 3 to House Bill 2427; Senate Floor Amendment No. 5 to House Bill 3784.

At the hour of 1:31 o'clock p.m., Senator Harmon, presiding.

COMMITTEE MEETING ANNOUNCEMENTS

The Chair announced the following committees to meet at 2:30 o'clock p.m.:

Licensed Activities in Room 400
State Government and Veterans Affairs in Room 409

The Chair announced the following committees to meet at 3:00 o'clock p.m.:

Revenue in Room 212
Transportation in Room 400

POSTING NOTICES WAIVED

Senator Hastings moved to waive the six-day posting requirement on **House Bill No. 3796** so that the measure may be heard in the Committee on Executive that is scheduled to meet this afternoon.

The motion prevailed.

Senator Hastings moved to waive the six-day posting requirement on **House Bill No. 3835** so that the measure may be heard in the Committee on State Government and Veterans Affairs that is scheduled to meet this afternoon.

The motion prevailed.

Senator Steans moved to waive the six-day posting requirement on **House Bill No. 4665** so that the measure may be heard in the Committee on Human Services that is scheduled to meet this afternoon.

The motion prevailed.

Senator Kotowski moved to waive the six-day posting requirement on **Senate Resolution No. 1184** so that the measure may be heard in the Committee on State Government and Veterans Affairs that is scheduled to meet this afternoon.

The motion prevailed.

Senator Manar moved to waive the six-day posting requirement on **House Bill No. 4616** so that the measure may be heard in the Committee on Revenue that is scheduled to meet this afternoon.

The motion prevailed.

Senator McCann moved to waive the six-day posting requirement on **Senate Joint Resolution No. 78** so that the measure may be heard in the Committee on Executive that is scheduled to meet this afternoon.

The motion prevailed.

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 1259

Offered by Senator Mulroe and all Senators:

Mourns the death of Raymond J. McNamee.

SENATE RESOLUTION NO. 1260

Offered by Senator Mulroe and all Senators:

Mourns the death of Jeanne Devereux-Abiog.

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

Senator Bivins offered the following Senate Resolution, which was referred to the Committee on Assignments:

SENATE RESOLUTION NO. 1258

WHEREAS, The Neighborhood Recovery Initiative is a program launched in October of 2010 by Governor Quinn and established at the Illinois Violence Prevention Authority from Fiscal Year 2011 to Fiscal Year 2012; and

WHEREAS, This program was created by the Governor's Office without legislative oversight due to the discretion given the Governor's Office through lump sum appropriations in the Fiscal Year 2011 budget; and

WHEREAS, In Fiscal Year 2013, after concerns were publicly raised about the purpose and the effectiveness of the program, the Illinois Violence Prevention Authority was abolished and the Neighborhood Recovery Initiative was moved to the Illinois Criminal Justice Information Authority; and

WHEREAS, A performance audit, conducted by the Illinois Auditor General, of the \$54,550,000 spent in the first 2 years of the Neighborhood Recovery Initiative found numerous extraordinary "pervasive deficiencies" in the Illinois Violence Prevention Authority's planning, implementation, and management of the Neighborhood Recovery Initiative; and

WHEREAS, Media investigations have discovered that State funds issued through the Neighborhood Recovery Initiative were used to hand out flyers promoting "inner peace", to pay people to attend yoga classes, and to pay people to walk in a parade with Governor Quinn; and

WHEREAS, The Neighborhood Recovery Initiative process is currently being investigated by the Cook County State's Attorney's Office and the United States Department of Justice; and

WHEREAS, The Fiscal Year 2013 and Fiscal Year 2014 budgets do not contain appropriations to the Neighborhood Recovery Initiative, however, both budgets did appropriate general revenue funds to the Illinois Criminal Justice Information Authority for programs similar to those of the Neighborhood Recovery Initiative, such as the community based violence prevention program, the After-School program, and the Chicago Area Project; and

[May 29, 2014]

WHEREAS, The Illinois House of Representatives approved House Resolution 888, on April 17, 2014, directing the Auditor General to conduct a performance audit of the State moneys provided by or through the Illinois Criminal Justice Information Authority to all community based violence prevention programs, the After-School program, and the Chicago Area Project, under contracts or grant agreements in Fiscal Year 2013 and Fiscal Year 2014; and

WHEREAS, House Bill 6097, as passed by the House of Representatives on May 27, 2014, contains Fiscal Year 2015 appropriations for the Illinois Department of Labor, including a new lump sum appropriation of \$20,000,000 for "grants to State and local agencies and community providers for at-risk community support programs, after-school programs, and youth employment opportunities"; and

WHEREAS, The Department of Labor does not currently, and has not recently, administered grant funds, but especially grant funds for "agencies and community providers for at-risk community support programs"; and

WHEREAS, House Bill 6093, as passed by the House of Representatives on May 27, 2014, contains Fiscal Year 2015 appropriations for the Illinois State Board of Education, including a new lump sum appropriation for \$3,200,000 for "targeted initiatives"; and

WHEREAS, The members of the legislature have a fiduciary duty to be good stewards of taxpayers' money and to ensure to the best our ability that tax dollars are spent efficiently, ethically, and legally; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is directed to conduct a performance audit of all State moneys provided by or through the Illinois Department of Labor for "grants to State and local agencies and community providers for at-risk community support programs", or any similar expenditure of appropriate funds; and be it further

RESOLVED, That the Auditor General is directed to conduct a performance audit of all State moneys provided by or through the Illinois State Board of Education for "targeted initiatives", or any similar expenditure of appropriated funds; and be it further

RESOLVED, These performance audits include, but are not be limited to, the following determinations:

(1) the purposes for which State moneys were provided to both the Department of Labor for "grants at State and local agencies and community providers for at-risk community support programs", and the State Board of Education for "targeted initiatives";

(2) the nature and extent of monitoring by the Department of Labor and the State Board of Education of how these State funds were utilized and if these funds were fairly and adequately distributed;

(3) the actual use of State moneys by the Department of Labor and the State Board of Education, including the identity of any sub-recipients and the amounts and purposes for employment;

(4) the number of positions paid through the programs by organizational unit, job title, function, and salary and whether employees completed and filled out appropriate time sheets;

(5) the number of positions supervised or managed by each management position and whether any of those employees were supervised or managed by more than one management position;

(6) whether, through a review of available documentation, the programs have met or are meeting the purposes for which the State moneys were provided, with specific information concerning the programs staffing levels, hiring procedures, and its compensation of employees; and

(7) whether the programs are in compliance with the applicable laws, regulations, contracts, and grant agreements pertaining to the program's receipt of State moneys; and be it further

[May 29, 2014]

RESOLVED, That the Department of Labor and the State Board of Education, and any other State agency or other entity or person that may have information relevant to these audits cooperate fully and promptly with the Auditor General's Office in its audits; and be it further

RESOLVED, That the Auditor General commence both audits as soon as practical, one year following enactment of these appropriated funds, and report its findings and recommendations upon completion in accordance with the provisions of Section 3-14 of the Illinois State Auditing Act; and be it further

RESOLVED, That a suitable copy of this resolution be presented to the Auditor General, the Director of Labor and the State Superintendent of Schools.

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 concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 121

A bill for AN ACT concerning government.

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

House Amendment No. 3 to SENATE BILL NO. 121

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 3 TO SENATE BILL 121

AMENDMENT NO. 3. Amend Senate Bill 121 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois African-American Family Commission Act is amended by changing Sections 5, 15, 20, and 25 as follows:

(20 ILCS 3903/5)

Sec. 5. Legislative findings. It is the policy of this State to promote family preservation and to preserve and strengthen families.

(a) Over 12 million people live in Illinois. African-Americans represent 15% of the population and 26% of the residents living in Cook County. Despite some progress over the last few decades, African-Americans in Illinois continue to lag behind other racial groups relative to indicators of well-being in education, employment, income, and health. According to the 2000 U.S. Census, just 26% of the African-American population over 25 years of age in Illinois completed their high school education; 6% held an associate's degree; less than 10% (9%) held a bachelor's degree; less than 5% (3%) held a master's degree; and less than one percent held either a professional (.8%) or doctoral (.4%) degree.

These levels of education attainment reflect more fundamental problems with retaining African-Americans in school. The Illinois State Board of Education reported that for the 2001-2002 school year, 36,373, or 6%, of students enrolled in public high schools dropped out. Thirty-nine percent of these students were African-Americans; 38% were White; 21% were Hispanic; and 2% were classified as Other.

Although African-Americans make up 18% of the high school population, they are disproportionately represented in the number of students who are suspended and expelled. In the 2001-2002 school year, 29,068 students were suspended from school. Forty-seven percent were White, 37% were African-American, 14% were Hispanic, and 1% were classified as Other. In regards to expulsions Statewide, the total number of high school students expelled was 1,651. Forty-three percent were African-American, 41% were White, 14% were Hispanic, and 2% were classified as Other. Within Chicago public schools, 448 students were expelled. Seventy-seven of these students were African-American; 27% were White; 14% were Hispanic; and 4% were classified as Other. The fact that African-Americans are more likely to be suspended or expelled from school also contributes to the high dropout rate among African-American high school students.

[May 29, 2014]

In addition to educational challenges, African-Americans face challenges in the areas of employment and income. In the year 2000, the unemployment rate for African-Americans age 16 years or older was 15% compared to only 6% for the total Illinois population. Moreover, the median household income of African-Americans in Illinois was \$31,699 compared to \$46,590 for the total Illinois population, and the percentage of African-American families below the poverty level in Illinois was 26% percent in 1999 compared to 10.7% for the total Illinois population in that same year.

Indicators of child welfare and criminal justice reveal still more challenges that African-American families face in Illinois. In 2000, African-American children represented 18% of children 18 years of age and under, but comprised 73% of children in substitute care. African-Americans are also overrepresented in the criminal justice population. Of the total Illinois adult inmate population in the year 2000, 65% were African-American. During this same time period, African-American youth represented 58% of the juvenile inmate population in Illinois.

While the leading causes of death among African-Americans are the same as those for the general population in Illinois, African-Americans have a higher rate of death per 100,000 residents. The rate of overall deaths per 100,000 residents among African-Americans in the year 2000 was 1,181; 847 for Whites; and 411 for those classified as Other. The rate of cancer-related deaths per 100,000 residents by racial or ethnic groups in 2000 was: 278 African-Americans; 206 Whites; and 110 of those classified as Other. The rate of diabetes-related deaths per 100,000 residents among African-Americans in 2000 was 41 compared to 23 for Whites and 13 for those classified as Other. The rate of deaths per 100,000 residents by heart disease among African-Americans in 2000 was 352 compared to 257 for Whites and 120 for those classified as Other. The rate of deaths per 100,000 residents by stroke among African-Americans in 2000 was 75; 60 for Whites; and 35 for those classified as Other.

African-Americans had higher rates of smoking and obesity than other racial groups in Illinois in 2001. African-Americans accounted for more of the new adult/adolescent AIDS cases, cumulative adult/adolescent AIDS cases, and number of people living with AIDS than other racial groups in Illinois in the year 2002. Still, 23% of uninsured persons in Illinois are African-American.

(b) The Illinois African-American Family Commission continues to be an essential key to promoting the preservation and strengthening of families. As of the effective date of this amendatory Act of the 98th General Assembly, just under 13 million people live in Illinois. African-Americans represent 15% of the population and 25% of the residents living in Cook County. Despite some progress over the last few decades, African-Americans in Illinois continue to lag behind other racial groups relative to indicators of well-being in education, employment, income, and health. According to the 2010 federal decennial census: just 28% of the African-American population over 25 years of age in Illinois completed their high school education; 36% had some college or an associate's degree; less than 12% held a bachelor's degree; less than 8% held either a graduate or professional degree.

These levels of education attainment reflect more fundamental problems with retaining African-Americans in school. The State Board of Education reported that for the 2010-2011 school year, 18,210, or 2.77%, of students enrolled in public high schools dropped out. 39.3% of these students were African-Americans; 32.6% were White; 24.2% were Hispanic; and 2% were classified as Other.

Although African-Americans make up 20% of the high school population, they are disproportionately represented in the number of students who are suspended and expelled. In the 2011-2012 school year, 29,928 students were suspended from school. 36% were White, 34% were African-American, 26% were Hispanic, and 4% were classified as Other. With regard to expulsions statewide, the total number of high school students expelled was 982. 37% were African-American, 41% were White, 21% were Hispanic, and 2% were classified as Other. Within Chicago public schools, 294 students were expelled. 80% of these students were African-American; none were White; 17% were Hispanic; and 3% were classified as Other. The fact that African-Americans are more likely to be suspended or expelled from school also contributes to the high dropout rate among African-American high school students.

In addition to educational challenges, African-Americans face challenges in the areas of employment and income. In the year 2010, the unemployment rate for African-Americans age 16 years or older was 16% compared to only 9% for the total Illinois population. Moreover, the median household income of African-Americans in Illinois was \$34,874 compared to \$60,433 for the total Illinois population, and the percentage of African-American families below the poverty level in Illinois was 32% percent in 2012 compared to 15% for the total Illinois population in that same year.

Indicators of child welfare and criminal justice reveal still more challenges that African-American families face in Illinois. In 2010, African-American children represented 14% of children 18 years of age and under, but comprised 56% of children in substitute care. African-Americans are also overrepresented in the criminal justice population. Of the total Illinois adult inmate population in the year 2012, 57% were

African-American. During this same time period, African-American youth represented 66% of the juvenile inmate population in Illinois.

While the leading causes of death among African-Americans are the same as those for the general population in Illinois, African-Americans have a higher rate of death per 100,000 residents. The rate of overall deaths per 100,000 residents among African-Americans in the year 2010 was 898; 741 for Whites; and 458 for those classified as Other. The rate of cancer-related deaths per 100,000 residents by racial or ethnic groups in 2010 was 216 for African-Americans; 179 for Whites; and 124 for those classified as Other. The rate of diabetes-related deaths per 100,000 residents among African-Americans in 2010 was 114 compared to 66 for Whites and 75 for those classified as Other. The rate of deaths per 100,000 residents by heart disease among African-Americans in 2010 was 232 compared to 179 for Whites and 121 for those classified as Other. The rate of deaths per 100,000 residents by stroke among African-Americans in 2010 was 108; 73 for Whites; and 56 for those classified as Other.

African-Americans had higher rates of smoking and obesity than other racial groups in Illinois in 2013. African-Americans accounted for more of the new adult/adolescent AIDS cases, cumulative adult/adolescent AIDS cases, and number of people living with AIDS than other racial groups in Illinois in the year 2013. Still, 24% of uninsured persons in Illinois are African-American.

(c) These huge disparities in education, employment, income, child welfare, criminal justice, and health demonstrate the tremendous challenges facing the African-American family in Illinois. These challenges are severe. There is a need for government, child and family advocates, and other key stakeholders to create and implement public policies to address the health and social crises facing African-American families. The development of given solutions clearly transcends any one State agency and requires a coordinated effort. The Illinois African-American Family Commission shall assist State agencies with this task.

The African-American Family Commission was created in October 1994 by Executive Order to assist the Illinois Department of Children and Family Services in developing and implementing programs and public policies that affect the State's child welfare system. The Commission has a proven track record of bringing State agencies, community providers, and consumers together to address child welfare issues. The ability of the Commission to address the above-mentioned health issues, community factors, and the personal well-being of African-American families and children has been limited due to the Executive Order's focus on child welfare. It is apparent that broader issues of health, mental health, criminal justice, education, and economic development also directly affect the health and well-being of African-American families and children. Accordingly, the role of the Illinois African-American Family Commission is hereby expanded to encompass working relationships with every department, agency, and commission within State government if any of its activities impact African-American children and families. The focus of the Commission is hereby restructured and shall exist by legislative mandate to engage State agencies in its efforts to preserve and strengthen African-American families.

(Source: P.A. 93-867, eff. 8-5-04.)

(20 ILCS 3903/15)

Sec. 15. Purpose and objectives.

(a) The purpose of the Illinois African-American Family Commission is to advise the Governor and General Assembly, as well as work directly with State agencies, to improve and expand existing policies, services, programs, and opportunities for African-American families. The Illinois African-American Family Commission shall guide the efforts of and collaborate with State agencies, including: the Department on Aging, the Department of Children and Family Services, the Department of Commerce and Economic Opportunity, the Department of Corrections, the Department of Human Services, the Department of Healthcare and Family Services, the Department of Public Health, the Department of Transportation, the Department of Employment Security, and others. This shall be achieved primarily by: to improve and expand existing human services and educational and community development programs for African-Americans. This will be achieved by:

(1) Monitoring and commenting on existing and proposed legislation and programs designed to address the needs of

African-Americans in Illinois;

(2) Assisting State agencies in developing programs, services, public policies, and research strategies that will expand and enhance the social and economic well-being of African-American children and families; and

(3) Facilitating the participation of and representation of African-Americans in the development, implementation, and planning of policies, programs, and community-based services ; and ;

(4) Promoting research efforts to document the impact of policies and programs on African-American families.

[May 29, 2014]

The work of the Illinois African-American Family Commission shall include the use of existing reports, research and planning efforts, procedures, and programs.

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

(20 ILCS 3903/20)

Sec. 20. Appointment; terms. The Illinois African-American Family Commission shall be comprised of 15 members.

For those seats on the Commission with terms that expire in 2015, and for subsequent appointments to those seats, the Governor, the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives shall each appoint one member to the Commission.

For those seats on the Commission with terms that expire in 2016, and for subsequent appointments to those seats, the Governor, the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives shall each appoint one member to the Commission.

For those seats on the Commission with terms that expire in 2017, and for subsequent appointments to those seats, the Governor shall appoint 5 members to the Commission ~~who shall be appointed by the Governor.~~

Each member shall have a working knowledge of human services, community development, and economic public policies in Illinois. The Governor shall appoint the chairperson or chairpersons.

The members shall reflect regional representation to ensure that the needs of African-American families and children throughout the State of Illinois are met. The members shall be selected from a variety of disciplines. They shall be representative of a partnership and collaborative effort between public and private agencies, the business sector, and community-based human services organizations.

Members shall serve 3-year terms, except in the case of initial appointments. One-third of initially appointed members, as determined by lot, shall be appointed to 1-year terms; 1/3 shall be appointed to 2-year terms; and 1/3 shall be appointed to 3-year terms, so that the terms are staggered. Members will serve without compensation, but shall be reimbursed for Commission-related expenses.

The Department on Aging, the Department of Children and Family Services, the Department of Commerce and Economic Opportunity, the Department of Corrections, the Department of Human Services, the Department of Healthcare and Family Services, the Department of Public Health, the State Board of Education, the Board of Higher Education, the Illinois Community College Board, the Department of Human Rights, the Capital Development Board, the Department of Labor, and the Department of Transportation shall each appoint a liaison to serve ex-officio on the Commission. The Office of the Governor, in cooperation with the State agencies appointing liaisons to the Commission under this Section, shall provide administrative support to the Commission.

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

(20 ILCS 3903/25)

Sec. 25. Funding. The African-American Family Commission ~~may~~ shall receive funding through appropriations available for its purposes made to the Department on Aging, the Department of Children and Family Services, the Department of Commerce and Economic Opportunity, the Department of Corrections, the Department of Human Services, the Department of Healthcare and Family Services (~~formerly Department of Public Aid~~), the Department of Public Health, the State Board of Education, the Board of Higher Education, the Illinois Community College Board, the Department of Human Rights, the Capital Development Board, the Department of Labor, and the Department of Transportation. The Commission may also receive and expend funding from federal and private sources, including gifts, donations, and private grants.

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

Section 99. Effective date. This Act takes effect January 1, 2015."

Under the rules, the foregoing **Senate Bill No. 121**, with House Amendment No. 3, was referred to the Secretary's Desk.

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. 452

A bill for AN ACT concerning public employee benefits.

[May 29, 2014]

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. 452

House Amendment No. 3 to SENATE BILL NO. 452

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 2 TO SENATE BILL 452

AMENDMENT NO. 2. Amend Senate Bill 452 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 1-109.1 and 1-109.3 and by adding 1-113.21 as follows:

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

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

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

(a) Appoint one or more investment managers as fiduciaries to manage (including the power to acquire and dispose of) any assets of the retirement system or pension fund; and

(b) Allocate duties among themselves and designate others as fiduciaries to carry out specific fiduciary activities other than the management of the assets of the retirement system or pension fund.

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

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

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

It is hereby declared to be the public policy of the State of Illinois to encourage the trustees of public employee retirement systems, pension funds, and investment boards to use emerging investment managers in managing their system's assets, encompassing all asset classes, and increase the racial, ethnic, and gender diversity of its fiduciaries, to the greatest extent feasible within the bounds of financial and fiduciary prudence, and to take affirmative steps to remove any barriers to the full participation in investment opportunities afforded by those retirement systems, pension funds, and investment boards.

On or before January 1, 2010, a retirement system, pension fund, or investment board subject to this Code, except those whose investments are restricted by Section 1-113.2 of this Code, shall adopt a policy that sets forth goals for utilization of emerging investment managers. This policy shall include quantifiable goals for the management of assets in specific asset classes by emerging investment managers. The retirement system, pension fund, or investment board shall establish 3 separate goals for: (i) emerging investment managers that are minority owned businesses; (ii) emerging investment managers that are female owned businesses; and (iii) emerging investment managers that are businesses owned by a person with a disability. The goals established shall be based on the percentage of total dollar amount of investment service contracts let to minority owned businesses, female owned businesses, and businesses owned by a person with a disability, as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. The retirement system, pension fund, or investment board shall annually review the goals established under this subsection.

[May 29, 2014]

If in any case an emerging investment manager meets the criteria established by a board for a specific search and meets the criteria established by a consultant for that search, then that emerging investment manager shall receive an invitation by the board of trustees, or an investment committee of the board of trustees, to present his or her firm for final consideration of a contract. In the case where multiple emerging investment managers meet the criteria of this Section, the staff may choose the most qualified firm or firms to present to the board.

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

(5) Each retirement system, pension fund, or investment board subject to this Code, except those whose investments are restricted by Section 1-113.2 of this Code, shall establish a policy that sets forth goals for increasing the racial, ethnic, and gender diversity of its fiduciaries, including its consultants and senior staff. Each system, fund, and investment board shall annually review the goals established under this subsection.

(6) On or before January 1, 2010, a retirement system, pension fund, or investment board subject to this Code, except those whose investments are restricted by Section 1-113.2 of this Code, shall adopt a policy that sets forth goals for utilization of businesses owned by minorities, females, and persons with disabilities for all contracts and services. The goals established shall be based on the percentage of total dollar amount of all contracts let to minority owned businesses, female owned businesses, and businesses owned by a person with a disability, as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. The retirement system, pension fund, or investment board shall annually review the goals established under this subsection.

(7) On or before January 1, 2010, a retirement system, pension fund, or investment board subject to this Code, except those whose investments are restricted by Section 1-113.2 of this Code, shall adopt a policy that sets forth goals for increasing the utilization of minority broker-dealers. For the purposes of this Code, "minority broker-dealer" means a qualified broker-dealer who meets the definition of "minority owned business", "female owned business", or "business owned by a person with a disability", as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. The retirement system, pension fund, or investment board shall annually review the goals established under this Section.

(8) Each retirement system, pension fund, and investment board subject to this Code, except those whose investments are restricted by Section 1-113.2 of this Code, shall submit a report to the Governor and the General Assembly by January 1 of each year that includes the following: (i) the policy adopted under subsection (4) of this Section, including the names and addresses of the emerging investment managers used, percentage of the assets under the investment control of emerging investment managers for the 3 separate goals, and the actions it has undertaken to increase the use of emerging investment managers, including encouraging other investment managers to use emerging investment managers as subcontractors when the opportunity arises; (ii) the policy adopted under subsection (5) of this Section; (iii) the policy adopted under subsection (6) of this Section; ~~and~~ (iv) the policy adopted under subsection (7) of this Section, including specific actions undertaken to increase the use of minority broker-dealers; ~~and~~ (v) the policy adopted under subsection (9) of this Section.

(9) On or before February 1, 2015, a retirement system, pension fund, or investment board subject to this Code, except those whose investments are restricted by Section 1-113.2 of this Code, shall adopt a policy that sets forth goals for increasing the utilization of minority investment managers. For the purposes of this Code, "minority investment manager" means a qualified investment manager that manages an investment portfolio and meets the definition of "minority owned business", "female owned business", or "business owned by a person with a disability", as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

It is hereby declared to be the public policy of the State of Illinois to encourage the trustees of public employee retirement systems, pension funds, and investment boards to use minority investment managers in managing their systems' assets, encompassing all asset classes, and to increase the racial, ethnic, and gender diversity of their fiduciaries, to the greatest extent feasible within the bounds of financial and fiduciary prudence, and to take affirmative steps to remove any barriers to the full participation in investment opportunities afforded by those retirement systems, pension funds, and investment boards.

The retirement system, pension fund, or investment board shall establish 3 separate goals for: (i) minority investment managers that are minority owned businesses; (ii) minority investment managers that are female owned businesses; and (iii) minority investment managers that are businesses owned by a person with a disability. The retirement system, pension fund, or investment board shall annually review the goals established under this Section.

If in any case a minority investment manager meets the criteria established by a board for a specific search and meets the criteria established by a consultant for that search, then that minority investment manager shall receive an invitation by the board of trustees, or an investment committee of the board of trustees, to present his or her firm for final consideration of a contract. In the case where multiple minority investment managers meet the criteria of this Section, the staff may choose the most qualified firm or firms to present to the board.

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

(Source: P.A. 96-6, eff. 4-3-09.)

(40 ILCS 5/1-109.3)

Sec. 1-109.3. Training requirement for pension trustees and managers.

(a) All elected and appointed trustees under Article 3 and 4 of this Code must participate in a mandatory trustee certification training seminar that consists of at least 32 hours of initial trustee certification at a training facility that is accredited and affiliated with a State of Illinois certified college or university. This training must include without limitation all of the following:

- (1) Duties and liabilities of a fiduciary under Article 1 of the Illinois Pension Code.
- (2) Adjudication of pension claims.
- (3) Basic accounting and actuarial training.
- (4) Trustee ethics.
- (5) The Illinois Open Meetings Act.
- (6) The Illinois Freedom of Information Act.

The training required under this subsection (a) must be completed within the first year that a trustee is elected or appointed under an Article 3 or 4 pension fund. The elected and appointed trustees of an Article 3 or 4 pension fund who are police officers (as defined in Section 3-106 of this Code) or firefighters (as defined in Section 4-106 of this Code) or are employed by the municipality shall be permitted time away from their duties to attend such training without reduction of accrued leave or benefit time. Active or appointed trustees serving on the effective date of this amendatory Act of the 96th General Assembly shall not be required to attend the training required under this subsection (a).

(b) In addition to the initial trustee certification training required under subsection (a), all elected and appointed trustees under Article 3 and 4 of this Code, including trustees serving on the effective date of this amendatory Act of the 96th General Assembly, shall also participate in a minimum of 16 hours of continuing trustee education each year after the first year that the trustee is elected or appointed.

(c) The training required under this Section shall be paid for by the pension fund.

(d) Any board member who does not timely complete the training required under this Section is not eligible to serve on the board of trustees of an Article 3 or 4 pension fund, unless the board member completes the missed training within 6 months after the date the member failed to complete the required training. In the event of a board member's failure to complete the required training, a successor shall be appointed or elected, as applicable, for the unexpired term. A successor who is elected under such circumstances must be elected at a special election called by the board and conducted in the same manner as a regular election under Article 3 or 4, as applicable.

(e) Beginning January 1, 2015, every current or incoming trustee, Chief Financial Officer, Chief Investment Officer, and Executive Director of any pension fund or retirement system established under any Article of this Code shall receive 10 hours of minority and female investment inclusion training, with the oversight of the Senate Public Pensions and State Investments Committee.

(Source: P.A. 96-429, eff. 8-13-09.)

(40 ILCS 5/1-113.21 new)

Sec. 1-113.21. Contracts for services.

(a) Beginning January 1, 2015, no contract, oral or written, for investment services, consulting services, or commitment to a private market fund shall be awarded by a retirement system, pension fund, or investment board established under this Code unless the investment advisor, consultant, or private market fund first discloses:

(1) the number of its investment and senior staff and the percentage of its investment and senior staff who are (i) a minority person, (ii) a female, and (iii) a person with a disability; and

(2) the number of contracts, oral or written, for investment services, consulting services, and professional and artistic services that the investment advisor, consultant, or private market fund has with (i) a minority owned business, (ii) a female owned business, or (iii) a business owned by a person with a disability; and

(3) the number of contracts, oral or written, for investment services, consulting services, and professional and artistic services the investment advisor, consultant, or private market fund has with

business other than (i) a minority owned business, (ii) a female owned business or (iii) a business owned by a person with a disability, if more than 50% of services performed pursuant to the contract are performed by (i) a minority person, (ii) a female, and (iii) a person with a disability.

(b) The disclosures required by this Section shall be considered, within the bounds of financial and fiduciary prudence, prior to the awarding of a contract, oral or written, for investment services, consulting services, or commitment to a private market fund.

(c) For the purposes of this Section, the terms "minority person", "female", "person with a disability", "minority owned business", "female owned business", and "business owned by a person with a disability" have the same meaning as those terms have in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(d) For purposes of this Section, the term "private market fund" means any private equity fund, private equity fund of funds, venture capital fund, hedge fund, hedge fund of funds, real estate fund, or other investment vehicle that is not publicly traded.

Section 10. The Illinois Prepaid Tuition Act is amended by changing Section 30 as follows:
(110 ILCS 979/30)

Sec. 30. Investment Advisory Panel duties and responsibilities.

(a) Advice and review. The panel shall offer advice and counseling regarding the investments of the Illinois prepaid tuition program with the objective of obtaining the best possible return on investments consistent with actuarial soundness of the program. The panel is required to annually review and advise the Commission on provisions of the strategic investment plan for the prepaid tuition program. The panel is also charged with reviewing and advising the Commission with regard to the annual report that describes the current financial condition of the program. The panel at its own discretion also may advise the Commission on other aspects of the program.

(b) Investment plan. The Commission annually shall adopt a comprehensive investment plan for purposes of this Section. The comprehensive investment plan shall specify the investment policies to be utilized by the Commission in its administration of the Illinois Prepaid Tuition Trust Fund created by Section 35. The Commission may direct that assets of those Funds be placed in savings accounts or may use the same to purchase fixed or variable life insurance or annuity contracts, securities, evidence of indebtedness, or other investment products pursuant to the comprehensive investment plan and in such proportions as may be designated or approved under that plan. The Commission shall invest such assets with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims, and the Commission shall diversify the investments of such assets so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. Those insurance, annuity, savings, and investment products shall be underwritten and offered in compliance with applicable federal and State laws, rules, and regulations by persons who are authorized thereunder to provide those services. The Commission shall delegate responsibility for preparing the comprehensive investment plan to the Executive Director of the Commission. Nothing in this Section shall preclude the Commission from contracting with a private corporation or institution to provide such services as may be a part of the comprehensive investment plan or as may be deemed necessary for implementation of the comprehensive investment plan, including, but not limited to, providing consolidated billing, individual and collective record keeping and accounting, and asset purchase, control, and safekeeping.

(b-5) Investment duties. Beginning January 1, 2015, with respect to any investments for which it is responsible under this Section or any other law, the Commission shall be subject to the same requirements as are imposed upon the board of trustees of a retirement system under Sections 1-109.1(5.1), 1-109.1(9), 1-109.3(e), and 1-113.21 of the Illinois Pension Code, to the extent that those requirements are not in direct conflict with any other requirement of law to which the Commission is subject.

(c) Program management. The Commission may not delegate its management functions, but may arrange to compensate for personalized investment advisory services rendered with respect to any or all of the investments under its control an investment advisor registered under Section 8 of the Illinois Securities Law of 1953 or any bank or other entity authorized by law to provide those services. Nothing contained herein shall preclude the Commission from subscribing to general investment research services available for purchase or use by others. The Commission also shall have authority to compensate for accounting, computing, and other necessary services.

(d) Annual report. The Commission shall annually prepare or cause to be prepared a report setting forth in appropriate detail an accounting of all Illinois prepaid tuition program funds and a description of the financial condition of the program at the close of each fiscal year. Included in this report shall be an evaluation by at least one nationally recognized actuary of the financial viability of the program. This

[May 29, 2014]

report shall be submitted to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Auditor General, and the Board of Higher Education on or before March 1 of the subsequent fiscal year. This report also shall be made available to purchasers of Illinois prepaid tuition contracts and shall contain complete Illinois prepaid tuition contract sales information, including, but not limited to, projected postsecondary enrollment data for qualified beneficiaries.

(e) Marketing plan. Selection of a marketing agent for the Illinois prepaid tuition program must be approved by the Commission. At least once every 3 years, the Commission shall solicit proposals for marketing of the Illinois prepaid tuition program in accordance with the Illinois Securities Law of 1953 and any applicable provisions of federal law. The entity designated pursuant to this paragraph shall serve as a centralized marketing agent for the program and shall have exclusive responsibility for marketing the program. No contract for marketing the Illinois prepaid tuition program shall extend for longer than 3 years. Any materials produced for the purpose of marketing the program shall be submitted to the Executive Director of the Commission for approval before they are made public. Any eligible institution may distribute marketing materials produced for the program, so long as the Executive Director of the Commission approves the distribution in advance. Neither the State nor the Commission shall be liable for misrepresentation of the program by a marketing agent.

(f) Accounting and audit. The Commission shall annually cause to be prepared an accounting of the trust and shall transmit a copy of the accounting to the Governor, the President of the Senate, the Speaker of the House, and the minority leaders of the Senate and House of Representatives. The Commission shall also make available this accounting of the trust to any purchaser of an Illinois prepaid tuition contract, upon request. The accounts of the Illinois prepaid tuition program shall be subject to annual audits by the Auditor General or a certified public accountant appointed by the Auditor General. (Source: P.A. 96-1282, eff. 7-26-10.)".

AMENDMENT NO. 3 TO SENATE BILL 452

AMENDMENT NO. 3. Amend Senate Bill 452, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, as follows:

on page 1, line 5, by replacing "Sections 1-109.1 and 1-109.3" with "Section 1-109.1"; and

by deleting line 24 on page 8 through line 5 on page 11; and

on page 15, line 3, by deleting "1-109.3 (e)".

Under the rules, the foregoing **Senate Bill No. 452**, with House Amendments numbered 2 and 3, was referred to the Secretary's Desk.

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. 641

A bill for AN ACT concerning regulation.

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

House Amendment No. 1 to SENATE BILL NO. 641

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 641

AMENDMENT NO. 1. Amend Senate Bill 641 by replacing everything after the enacting clause with the following:

"Section 5. The Elevator Safety and Regulation Act is amended by changing Section 50 as follows:
(225 ILCS 312/50)

(Section scheduled to be repealed on January 1, 2023)

Sec. 50. Qualifications for elevator inspector's license.

[May 29, 2014]

(a) No inspector's license shall be granted to any person who has not paid the required application fee.

(b) No inspector's license shall be granted to any person, unless he or she has been certified as meeting the requirements of ASME QEI-1 by a nationally or internationally recognized independent organization concerned with personnel certification ~~he or she proves to the satisfaction of the Administrator that he or she meets the current ASME QEI-1, Standards for the Qualifications of Elevator Inspectors.~~

(c) (Blank).

(Source: P.A. 94-698, eff. 11-22-05.)".

Under the rules, the foregoing **Senate Bill No. 641**, with House Amendment No. 1, was referred to the Secretary's Desk.

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. 1778

A bill for AN ACT concerning regulation.

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

House Amendment No. 1 to SENATE BILL NO. 1778

House Amendment No. 2 to SENATE BILL NO. 1778

House Amendment No. 3 to SENATE BILL NO. 1778

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1778

AMENDMENT NO. 1. Amend Senate Bill 1778 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Resale Dealers Act.

Section 5. Definitions. For the purposes of this Act:

"Appropriate law enforcement official" means the sheriff of the county where a resale dealer is located or, if the resale dealer is located within a municipality, the police chief of the municipality, provided, however, that the sheriff or police chief may designate an appropriate official of the county or municipality as applicable.

"Precious metals" means any item containing gold, silver, or platinum or any combination of gold, silver, or platinum. "Precious metals" do not include items containing any chemical or any automotive, photographic, electrical, medical or dental materials, or electronic parts, except for those containing precious metals.

"Recyclable metal" means items made of copper, brass, or aluminum.

"Resale dealer" means any individual, firm, corporation, or partnership engaged in the business of operating a business for profit, which buys, sells, possesses on consignment for sale, or trades jewelry, stamps, electronic equipment, or any precious metals that have been previously owned by a consumer. The term "resale dealer" includes without limitation businesses commonly known as swapshop operators, cash for gold operators, and jewelers that purchase and resell items from persons other than dealers possessing a federal employee identification number and suppliers and engage in disassembling, melting, or otherwise altering jewelry. The term "resale dealer" does not include pawnbrokers, coin dealers, or retail merchants that do not purchase previously-owned items directly from the public at the retail location. The fact that any business does any of the following acts shall be prima facie proof that such business is a resale dealer: (i) advertises in any fashion, including through media advertisements, websites, telephone listings, or signs on the exterior or interior of buildings, that it buys or sells used items and (ii) devotes a significant segment or section of the business premises to the purchase or sale of used items.

Section 10. Exemptions. The following shall be exempt from the requirements of this Act:

- (1) Residential garage sales.
- (2) Sales conducted by governmental, civic, patriotic, fraternal, educational,

[May 29, 2014]

religious, or benevolent organizations that have been active and in continuous existence for at least one year prior to the holding of the sale or that are exempt from taxation under Section 501(c) of the federal Internal Revenue Code.

(3) Sales or purchases that are regulated by the licensing laws of this State, including automobile dealers, used parts dealers, and automotive parts recyclers.

(4) Consumer shows or exhibitions of collectibles other than a show or convention that offers to buy second hand jewelry from attendees.

(5) Auctioneers.

(6) Pawnbrokers.

(7) Sales of recyclable metal by a recyclable metal dealer.

(8) Coin dealers.

Section 15. Recordkeeping requirements.

(a) Every resale dealer shall keep a standard record book that has been approved by the appropriate law enforcement official. At the time of each sale, an accurate account and description, in the English language, of all the goods, articles, and other things purchased, the amount of money, value, or thing loaned thereon, the time of sale, and the name and address of the person selling such items shall be printed, typed, or written in ink in the record book. Such entry shall include the serial number or identification number of the items received. Except for items purchased from dealers possessing a federal employee identification number who have provided a receipt to the resale dealer, every resale dealer shall also record in his or her book an accurate account and description, in the English language, of all goods, articles and other things purchased or received by the resale dealer from any source, the time of such purchase or receipt, and the name and address of the person or business that sold or delivered such goods, articles, or other things to the resale dealer. No completed entry in such book shall be erased, mutilated, or changed.

(b) Every resale dealer shall require and keep a record of identification to be shown by each person selling any goods, articles, or other things to the resale dealer. If the identification shown is a driver's license or a State identification card issued by the Secretary of State and contains a photograph of the person being identified, only one form of identification must be shown. If the identification shown is not a driver's license or a State identification card issued by the Secretary of State and does not contain a photograph, 2 forms of identification must be shown, and one of the 2 forms of identification must include his or her address. These forms of identification shall include, but not be limited to, any of the following: a driver's license, utility bill, employee or student identification card, credit card, or a civic, union, or professional association membership card. In addition, in a municipality with a population of 1,000,000 or more inhabitants, if the seller does not have a form of identification issued by a governmental entity containing a photograph of the person being identified, the resale dealer shall photograph the seller in color and record the seller's name, address, date of birth, gender, height, and weight on the reverse side of the photograph. All resale dealers regulated by this Act shall maintain transaction records for 3 years.

(c) A resale dealer may maintain the records required by subsection (a) in computer form if the computer form has been approved by the appropriate law enforcement official.

(d) Every resale dealer shall maintain an inventory system of all property purchased or received in such a manner that members of the appropriate law enforcement agency making an inspection of such property can readily locate such property on the licensed premises.

Section 20. Daily report. It shall be the duty of every resale dealer to make out and deliver to the appropriate law enforcement official where such resale dealer does business, on each day before the hours of 12 o'clock noon, a legible and exact copy from the standard record book, as required in Section 15. Such report may be made by means authorized by the appropriate law enforcement official.

Section 25. Prohibited purchases. No resale dealer under this Act shall purchase or accept any goods or articles if:

(1) the seller is less than 18 years of age;

(2) the seller fails to present the appropriate form of identification as required by subsection (b) of Section 15; or

(3) the article to be purchased had an original manufacturer's serial number at the time it was new, but no longer legibly exhibits such number.

Section 30. Removal of identifying marks prohibited. No resale dealer shall remove, alter, or obliterate any manufacturer's make, model or serial number, personal identification number, or identifying marks engraved or etched upon an item of personal property that was purchased or received by the resale dealer.

[May 29, 2014]

Section 35. Inspection of records and premises of resale dealers. The required records of each resale dealer are subject to inspection during regular business hours by the appropriate law enforcement official for compliance purposes only on an annual basis or more frequently if needed to investigate a matter or to respond to any complaint expressed by the public or by a law enforcement official.

Section 40. Holding period.

(a) No resale dealer shall expose for sale, sell, trade, barter, melt, crush or compact, destroy, or otherwise dispose of any individually identifiable article within 10 days after the date of purchasing or receiving the article. No resale dealer shall expose for sale, sell, trade, barter, melt, crush or compact, destroy, or otherwise dispose of any non-identifiable article within 3 days after the date of purchasing or receiving the article.

(b) All items subject to this Section shall be stored at the location in which they were purchased during the holding period.

Section 45. Hold order.

(a) For the purposes of this Section, "hold order" means a written legal instrument issued to a resale dealer by a law enforcement officer commissioned by the appropriate law enforcement official of the municipality or county that licenses and regulates the resale dealer ordering the resale dealer to retain physical possession of pledged goods in the possession of the resale dealer or property purchased by and in the possession of the resale dealer and not to return, sell, or otherwise dispose of such property on the basis that the property is believed to be misappropriated goods.

(b) Upon receipt of written notice from the appropriate law enforcement official indicating that property in the possession of the resale dealer and subject to a hold order is needed for the purpose of furthering a criminal investigation and prosecution, the resale dealer shall release the property to the custody of the law enforcement official for such purpose and the officer shall provide a written acknowledgment that the property has been released to the official. The release of the property to the custody of the appropriate law enforcement official shall not be considered a waiver or release of the resale dealer's property rights or interest in the property. Upon completion of the criminal investigation, the property shall be returned to the resale dealer; except that, if the appropriate law enforcement official has not completed the criminal investigation within 120 days after the property's release, the official shall immediately return the property to the resale dealer or obtain and furnish to the resale dealer a warrant for the continued custody of the property.

The resale dealer shall not release or dispose of the property except pursuant to a court order or the expiration of the holding period of the hold order, including all extensions.

In cases where criminal charges have been filed and the property may be needed as evidence, the prosecuting attorney shall notify the resale dealer in writing. The notice shall contain the case number, the style of the case, and a description of the property. The resale dealer shall hold such property until receiving notice of the disposition of the case from the prosecuting attorney. The prosecuting attorney shall notify the resale dealer and claimant in writing within 15 days after the disposition of the case. When such other disposition is ordered, the court shall additionally order the person from whom the resale dealer acquired the property to pay restitution to the resale dealer in the amount that the resale dealer paid for the property together with reasonable attorney's fees and costs.

When any person is found to be the owner of stolen property that has been sold to resale dealer, the property shall be returned to the owner without the payment of the money paid by the resale dealer or any costs or charges of any kind that the resale dealer may have placed on the property.

Section 50. Violations.

(a) Any person who knowingly fails to obey, observe, or comply with the provisions of Sections 15, 20, 25, or 35 of this Act shall be: (i) guilty of a petty offense for which a \$750 fine shall be imposed for a first or second offense; (ii) guilty of a Class B misdemeanor for a third offense; and (iii) guilty of a Class A misdemeanor for a fourth or subsequent offense.

(b) Any person who knowingly fails to obey, observe, or comply with the provisions of Sections 30, 40, or 45 of this Act shall be: (i) guilty of a petty offense for which a \$750 fine shall be imposed for a first or second offense; (ii) guilty of a Class A misdemeanor for a third offense; and (iii) guilty of a Class 4 felony for a fourth or subsequent offense.

Section 55. Local regulation. Nothing in this Act shall be construed to impair the power of a county or municipality, including home rule units, to enforce the provisions of this Act or to license, regulate,

suppress, or prohibit resale dealers, provided that any such actions are no less restrictive than required by this Act. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of the powers and functions exercised by the State. Such local licensing regulation may include the requirement to install, operate, and maintain a video camera surveillance system capable of recording clear and unobstructed photographic representations of the resale dealer's customers. Such videotape recording may be subject to inspection by the appropriate law enforcement official.

(205 ILCS 510/15 rep.)

Section 70. The Pawnbroker Regulation Act is amended by repealing Section 15."

AMENDMENT NO. 2 TO SENATE BILL 1778

AMENDMENT NO. 2. Amend Senate Bill 1778, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 1, by replacing line 14 with "platinum, palladium, or rhodium or any combination of gold, silver, platinum, palladium, or rhodium."; and

on page 2, line 15, after "disassembling", by inserting "for purposes other than appraisals".

AMENDMENT NO. 3 TO SENATE BILL 1778

AMENDMENT NO. 3. Amend Senate Bill 1778, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, as follows:

on page 2, line 17, after "dealers,", by inserting "providers of commercial mobile services as defined in 47 U.S.C. 332(d) or their authorized dealers,"; and

on page 3, immediately below line 21, by inserting the following:

"(9) Providers of commercial mobile services as defined in 47 U.S.C. 332(d) or their authorized dealers."

Under the rules, the foregoing **Senate Bill No. 1778**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

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. 2730

A bill for AN ACT concerning civil law.

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

House Amendment No. 1 to SENATE BILL NO. 2730

House Amendment No. 2 to SENATE BILL NO. 2730

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2730

AMENDMENT NO. 1. Amend Senate Bill 2730 by replacing everything after the enacting clause with the following:

"Section 5. The Code of Civil Procedure is amended by adding Section 15-1603.5 as follows:
(735 ILCS 5/15-1603.5 new)

Sec. 15-1603.5. Strict foreclosure of an omitted subordinate interest.

(a) As used in this Section, "omitted subordinate interest" means a recorded subordinate interest in real estate where:

(1) the real estate is the subject of a foreclosure action under this Article;

(2) a motion to confirm judicial sale under subsection (b) of Section 15-1508 is either pending or has been granted;

[May 29, 2014]

(3) the interest attached to the real estate prior to the filing or recording of any notice in accordance with Sections 2-1901 and 15-1503; and

(4) the person who has the interest was not named in the foreclosure complaint.

(b) The holder of the certificate of sale or any person who acquired title pursuant to Section 15-1509 or any subsequent successor, assignee, transferee, or grantee who discovers an omitted subordinate interest may file a strict foreclosure complaint naming the person who has the omitted subordinate interest as the defendant. A complaint filed under this Section must include substantially the following:

(1) the identity of the plaintiff and how the plaintiff acquired its interest in the property which is the subject of the strict foreclosure;

(2) the docket number of the prior foreclosure action and the recording number and date of the mortgage that was previously foreclosed;

(3) the legal description, common address, and parcel identification number of the real estate which is the subject of the strict foreclosure;

(4) the recording number and a copy of the recorded instrument identifying the person who has the omitted subordinate interest that is named as the defendant;

(5) the amount of the successful bid at the foreclosure sale, as stated in the report of sale in the prior foreclosure action, with a copy of the report of sale attached to the complaint;

(6) an allegation that, due to inadvertence or mistake or such other reason as may be applicable, the person who has the omitted subordinate interest was not made a party defendant in the prior foreclosure action and the omitted subordinate interest was not terminated by the judgment of foreclosure and when the subject property was sold by judicial sale; and

(7) a request for relief setting forth the redemption period as provided in this Section and identifying a contact by name and telephone number who will accept tender of the redemption amount.

(c) Subject to the objection of the defendant, the court shall enter a judgment extinguishing the omitted subordinate interest.

(d) If the defendant objects to the entry of the judgment, the court, after a hearing, shall enter an order providing either:

(1) that the defendant has not agreed to pay the amount required to redeem, in which event the court shall proceed to enter the judgment; or

(2) that the defendant has agreed to pay the amount required to redeem.

(e) The amount required to redeem shall be the sum bid at the prior foreclosure sale plus any costs and fees incurred subsequent to the sale for the payment of taxes, preservation of the property, or any other actions taken by the holder of the certificate of sale to protect its interest in the property. The amount required to redeem shall not include any costs or fees incurred by the plaintiff in the strict foreclosure case filed under this Section.

The order shall state that upon payment of the redemption amount within the redemption period, which shall extend 30 days after the entry of the order, title to the real estate shall vest in the defendant who redeems pursuant to this Section. If the defendant subject to the order has not paid the amount required to redeem within the 30-day redemption period, the interest of the defendant in the property is terminated.

(f) A person whose omitted subordinate interest was not terminated by a prior foreclosure action does not have a right to file a strict foreclosure action.

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

AMENDMENT NO. 2 TO SENATE BILL 2730

AMENDMENT NO. 2. Amend Senate Bill 2730, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 4, by inserting immediately below line 15 the following:

"(g) Notwithstanding that the person's omitted subordinate interest in the real estate has been terminated pursuant to this Section, nothing in this Section shall be construed to extinguish or impair any claim of such person in the surplus proceeds of a sale held or distributed pursuant to subsection (d) of Section 15-1512 of this Code after the confirmation of the sale of the real estate for which such person had an omitted subordinate interest."

Under the rules, the foregoing **Senate Bill No. 2730**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

[May 29, 2014]

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. 3113

A bill for AN ACT concerning education.

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

House Amendment No. 1 to SENATE BILL NO. 3113

House Amendment No. 5 to SENATE BILL NO. 3113

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 3113

AMENDMENT NO. 1. Amend Senate Bill 3113 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 19-1 as follows:

(105 ILCS 5/19-1)

Sec. 19-1. Debt limitations of school districts.

(a) School districts shall not be subject to the provisions limiting their indebtedness prescribed in "An Act to limit the indebtedness of counties having a population of less than 500,000 and townships, school districts and other municipal corporations having a population of less than 300,000", approved February 15, 1928, as amended.

No school districts maintaining grades K through 8 or 9 through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 6.9% on the value of the taxable property therein to be ascertained by the last assessment for State and county taxes or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, previous to the incurring of such indebtedness.

No school districts maintaining grades K through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 13.8% on the value of the taxable property therein to be ascertained by the last assessment for State and county taxes or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, previous to the incurring of such indebtedness.

No partial elementary unit district, as defined in Article 11E of this Code, shall become indebted in any manner or for any purpose in an amount, including existing indebtedness, in the aggregate exceeding 6.9% of the value of the taxable property of the entire district, to be ascertained by the last assessment for State and county taxes, plus an amount, including existing indebtedness, in the aggregate exceeding 6.9% of the value of the taxable property of that portion of the district included in the elementary and high school classification, to be ascertained by the last assessment for State and county taxes. Moreover, no partial elementary unit district, as defined in Article 11E of this Code, shall become indebted on account of bonds issued by the district for high school purposes in the aggregate exceeding 6.9% of the value of the taxable property of the entire district, to be ascertained by the last assessment for State and county taxes, nor shall the district become indebted on account of bonds issued by the district for elementary purposes in the aggregate exceeding 6.9% of the value of the taxable property for that portion of the district included in the elementary and high school classification, to be ascertained by the last assessment for State and county taxes.

Notwithstanding the provisions of any other law to the contrary, in any case in which the voters of a school district have approved a proposition for the issuance of bonds of such school district at an election held prior to January 1, 1979, and all of the bonds approved at such election have not been issued, the debt limitation applicable to such school district during the calendar year 1979 shall be computed by multiplying the value of taxable property therein, including personal property, as ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness, by the percentage limitation applicable to such school district under the provisions of this subsection (a).

(b) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, additional indebtedness may be incurred in an amount not to exceed the estimated cost of acquiring or improving school sites or constructing and equipping additional building facilities under the following conditions:

[May 29, 2014]

(1) Whenever the enrollment of students for the next school year is estimated by the board of education to increase over the actual present enrollment by not less than 35% or by not less than 200 students or the actual present enrollment of students has increased over the previous school year by not less than 35% or by not less than 200 students and the board of education determines that additional school sites or building facilities are required as a result of such increase in enrollment; and

(2) When the Regional Superintendent of Schools having jurisdiction over the school district and the State Superintendent of Education concur in such enrollment projection or increase and approve the need for such additional school sites or building facilities and the estimated cost thereof; and

(3) When the voters in the school district approve a proposition for the issuance of bonds for the purpose of acquiring or improving such needed school sites or constructing and equipping such needed additional building facilities at an election called and held for that purpose. Notice of such an election shall state that the amount of indebtedness proposed to be incurred would exceed the debt limitation otherwise applicable to the school district. The ballot for such proposition shall state what percentage of the equalized assessed valuation will be outstanding in bonds if the proposed issuance of bonds is approved by the voters; or

(4) Notwithstanding the provisions of paragraphs (1) through (3) of this subsection (b), if the school board determines that additional facilities are needed to provide a quality educational program and not less than 2/3 of those voting in an election called by the school board on the question approve the issuance of bonds for the construction of such facilities, the school district may issue bonds for this purpose; or

(5) Notwithstanding the provisions of paragraphs (1) through (3) of this subsection (b), if (i) the school district has previously availed itself of the provisions of paragraph (4) of this subsection (b) to enable it to issue bonds, (ii) the voters of the school district have not defeated a proposition for the issuance of bonds since the referendum described in paragraph (4) of this subsection (b) was held, (iii) the school board determines that additional facilities are needed to provide a quality educational program, and (iv) a majority of those voting in an election called by the school board on the question approve the issuance of bonds for the construction of such facilities, the school district may issue bonds for this purpose.

In no event shall the indebtedness incurred pursuant to this subsection (b) and the existing indebtedness of the school district exceed 15% of the value of the taxable property therein to be ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.

The indebtedness provided for by this subsection (b) shall be in addition to and in excess of any other debt limitation.

(c) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, in any case in which a public question for the issuance of bonds of a proposed school district maintaining grades kindergarten through 12 received at least 60% of the valid ballots cast on the question at an election held on or prior to November 8, 1994, and in which the bonds approved at such election have not been issued, the school district pursuant to the requirements of Section 11A-10 (now repealed) may issue the total amount of bonds approved at such election for the purpose stated in the question.

(d) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that meets all the criteria set forth in paragraphs (1) and (2) of this subsection (d) may incur an additional indebtedness in an amount not to exceed \$4,500,000, even though the amount of the additional indebtedness authorized by this subsection (d), when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring the additional indebtedness authorized by this subsection (d), causes the aggregate indebtedness of the district to exceed the debt limitation otherwise applicable to that district under subsection (a):

(1) The additional indebtedness authorized by this subsection (d) is incurred by the school district through the issuance of bonds under and in accordance with Section 17-2.11a for the purpose of replacing a school building which, because of mine subsidence damage, has been closed as provided in paragraph (2) of this subsection (d) or through the issuance of bonds under and in accordance with Section 19-3 for the purpose of increasing the size of, or providing for additional functions in, such replacement school buildings, or both such purposes.

(2) The bonds issued by the school district as provided in paragraph (1) above are issued for the purposes of construction by the school district of a new school building pursuant to Section 17-2.11, to replace an existing school building that, because of mine subsidence damage, is closed as of the end of the 1992-93 school year pursuant to action of the regional superintendent of

schools of the educational service region in which the district is located under Section 3-14.22 or are issued for the purpose of increasing the size of, or providing for additional functions in, the new school building being constructed to replace a school building closed as the result of mine subsidence damage, or both such purposes.

(e) (Blank).

(f) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds in not to exceed the aggregate amount of \$5,500,000 and issued by a school district meeting the following criteria shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness:

(1) At the time of the sale of such bonds, the board of education of the district shall have determined by resolution that the enrollment of students in the district is projected to increase by not less than 7% during each of the next succeeding 2 school years.

(2) The board of education shall also determine by resolution that the improvements to be financed with the proceeds of the bonds are needed because of the projected enrollment increases.

(3) The board of education shall also determine by resolution that the projected increases in enrollment are the result of improvements made or expected to be made to passenger rail facilities located in the school district.

Notwithstanding the provisions of subsection (a) of this Section or of any other law, a school district that has availed itself of the provisions of this subsection (f) prior to July 22, 2004 (the effective date of Public Act 93-799) may also issue bonds approved by referendum up to an amount, including existing indebtedness, not exceeding 25% of the equalized assessed value of the taxable property in the district if all of the conditions set forth in items (1), (2), and (3) of this subsection (f) are met.

(g) Notwithstanding the provisions of subsection (a) of this Section or any other law, bonds in not to exceed an aggregate amount of 25% of the equalized assessed value of the taxable property of a school district and issued by a school district meeting the criteria in paragraphs (i) through (iv) of this subsection shall not be considered indebtedness for purposes of any statutory limitation and may be issued pursuant to resolution of the school board in an amount or amounts, including existing indebtedness, in excess of any statutory limitation of indebtedness heretofore or hereafter imposed:

(i) The bonds are issued for the purpose of constructing a new high school building to replace two adjacent existing buildings which together house a single high school, each of which is more than 65 years old, and which together are located on more than 10 acres and less than 11 acres of property.

(ii) At the time the resolution authorizing the issuance of the bonds is adopted, the cost of constructing a new school building to replace the existing school building is less than 60% of the cost of repairing the existing school building.

(iii) The sale of the bonds occurs before July 1, 1997.

(iv) The school district issuing the bonds is a unit school district located in a county of less than 70,000 and more than 50,000 inhabitants, which has an average daily attendance of less than 1,500 and an equalized assessed valuation of less than \$29,000,000.

(h) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1998, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27.6% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$24,000,000;

(ii) The bonds are issued for the capital improvement, renovation, rehabilitation, or replacement of existing school buildings of the district, all of which buildings were originally constructed not less than 40 years ago;

(iii) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after March 19, 1996; and

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(i) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1998, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$44,600,000;

(ii) The bonds are issued for the capital improvement, renovation, rehabilitation, or

replacement of existing school buildings of the district, all of which existing buildings were originally constructed not less than 80 years ago;

(iii) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after December 31, 1996; and

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(j) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1999, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$140,000,000 and a best 3 months average daily attendance for the 1995-96 school year of at least 2,800;

(ii) The bonds are issued to purchase a site and build and equip a new high school, and the school district's existing high school was originally constructed not less than 35 years prior to the sale of the bonds;

(iii) At the time of the sale of the bonds, the board of education determines by resolution that a new high school is needed because of projected enrollment increases;

(iv) At least 60% of those voting in an election held after December 31, 1996 approve a proposition for the issuance of the bonds; and

(v) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(k) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that meets all the criteria set forth in paragraphs (1) through (4) of this subsection (k) may issue bonds to incur an additional indebtedness in an amount not to exceed \$4,000,000 even though the amount of the additional indebtedness authorized by this subsection (k), when incurred and added to the aggregate amount of indebtedness of the school district existing immediately prior to the school district incurring such additional indebtedness, causes the aggregate indebtedness of the school district to exceed or increases the amount by which the aggregate indebtedness of the district already exceeds the debt limitation otherwise applicable to that school district under subsection (a):

(1) the school district is located in 2 counties, and a referendum to authorize the additional indebtedness was approved by a majority of the voters of the school district voting on the proposition to authorize that indebtedness;

(2) the additional indebtedness is for the purpose of financing a multi-purpose room addition to the existing high school;

(3) the additional indebtedness, together with the existing indebtedness of the school district, shall not exceed 17.4% of the value of the taxable property in the school district, to be ascertained by the last assessment for State and county taxes; and

(4) the bonds evidencing the additional indebtedness are issued, if at all, within 120 days of the effective date of this amendatory Act of 1998.

(l) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 2000, a school district maintaining grades kindergarten through 8 may issue bonds up to an amount, including existing indebtedness, not exceeding 15% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) the district has an equalized assessed valuation for calendar year 1996 of less than \$10,000,000;

(ii) the bonds are issued for capital improvement, renovation, rehabilitation, or replacement of one or more school buildings of the district, which buildings were originally constructed not less than 70 years ago;

(iii) the voters of the district approve a proposition for the issuance of the bonds at a referendum held on or after March 17, 1998; and

(iv) the bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(m) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1999, an elementary school district maintaining grades K through 8 may issue bonds up to an amount, excluding existing indebtedness, not exceeding 18% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 or less than \$7,700,000;

(ii) The school district operates 2 elementary attendance centers that until 1976 were operated as the attendance centers of 2 separate and distinct school districts;

(iii) The bonds are issued for the construction of a new elementary school building to

replace an existing multi-level elementary school building of the school district that is not handicapped accessible at all levels and parts of which were constructed more than 75 years ago;

(iv) The voters of the school district approve a proposition for the issuance of the bonds at a referendum held after July 1, 1998; and

(v) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(n) Notwithstanding the debt limitation prescribed in subsection (a) of this Section or any other provisions of this Section or of any other law, a school district that meets all of the criteria set forth in paragraphs (i) through (vi) of this subsection (n) may incur additional indebtedness by the issuance of bonds in an amount not exceeding the amount certified by the Capital Development Board to the school district as provided in paragraph (iii) of this subsection (n), even though the amount of the additional indebtedness so authorized, when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring the additional indebtedness authorized by this subsection (n), causes the aggregate indebtedness of the district to exceed the debt limitation otherwise applicable by law to that district:

(i) The school district applies to the State Board of Education for a school construction project grant and submits a district facilities plan in support of its application pursuant to Section 5-20 of the School Construction Law.

(ii) The school district's application and facilities plan are approved by, and the district receives a grant entitlement for a school construction project issued by, the State Board of Education under the School Construction Law.

(iii) The school district has exhausted its bonding capacity or the unused bonding capacity of the district is less than the amount certified by the Capital Development Board to the district under Section 5-15 of the School Construction Law as the dollar amount of the school construction project's cost that the district will be required to finance with non-grant funds in order to receive a school construction project grant under the School Construction Law.

(iv) The bonds are issued for a "school construction project", as that term is defined in Section 5-5 of the School Construction Law, in an amount that does not exceed the dollar amount certified, as provided in paragraph (iii) of this subsection (n), by the Capital Development Board to the school district under Section 5-15 of the School Construction Law.

(v) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after the criteria specified in paragraphs (i) and (iii) of this subsection (n) are met.

(vi) The bonds are issued pursuant to Sections 19-2 through 19-7 of the School Code.

(o) Notwithstanding any other provisions of this Section or the provisions of any other law, until November 1, 2007, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 20% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) the school district has an equalized assessed valuation for calendar year 2001 of at least \$737,000,000 and an enrollment for the 2002-2003 school year of at least 8,500;

(ii) the bonds are issued to purchase school sites, build and equip a new high school, build and equip a new junior high school, build and equip 5 new elementary schools, and make technology and other improvements and additions to existing schools;

(iii) at the time of the sale of the bonds, the board of education determines by resolution that the sites and new or improved facilities are needed because of projected enrollment increases;

(iv) at least 57% of those voting in a general election held prior to January 1, 2003 approved a proposition for the issuance of the bonds; and

(v) the bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(p) Notwithstanding any other provisions of this Section or the provisions of any other law, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 2001 of at least \$295,741,187 and a best 3 months' average daily attendance for the 2002-2003 school year of at least 2,394.

(ii) The bonds are issued to build and equip 3 elementary school buildings; build and equip one middle school building; and alter, repair, improve, and equip all existing school buildings in the district.

(iii) At the time of the sale of the bonds, the board of education determines by

resolution that the project is needed because of expanding growth in the school district and a projected enrollment increase.

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(p-5) Notwithstanding any other provisions of this Section or the provisions of any other law, bonds issued by a community unit school district maintaining grades K through 12 shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness, if all of the following conditions are met:

(i) For each of the 4 most recent years, residential property comprises more than 80% of the equalized assessed valuation of the district.

(ii) At least 2 school buildings that were constructed 40 or more years prior to the issuance of the bonds will be demolished and will be replaced by new buildings or additions to one or more existing buildings.

(iii) Voters of the district approve a proposition for the issuance of the bonds at a regularly scheduled election.

(iv) At the time of the sale of the bonds, the school board determines by resolution that the new buildings or building additions are needed because of an increase in enrollment projected by the school board.

(v) The principal amount of the bonds, including existing indebtedness, does not exceed 25% of the equalized assessed value of the taxable property in the district.

(vi) The bonds are issued prior to January 1, 2007, pursuant to Sections 19-2 through 19-7 of this Code.

(p-10) Notwithstanding any other provisions of this Section or the provisions of any other law, bonds issued by a community consolidated school district maintaining grades K through 8 shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness, if all of the following conditions are met:

(i) For each of the 4 most recent years, residential and farm property comprises more than 80% of the equalized assessed valuation of the district.

(ii) The bond proceeds are to be used to acquire and improve school sites and build and equip a school building.

(iii) Voters of the district approve a proposition for the issuance of the bonds at a regularly scheduled election.

(iv) At the time of the sale of the bonds, the school board determines by resolution that the school sites and building additions are needed because of an increase in enrollment projected by the school board.

(v) The principal amount of the bonds, including existing indebtedness, does not exceed 20% of the equalized assessed value of the taxable property in the district.

(vi) The bonds are issued prior to January 1, 2007, pursuant to Sections 19-2 through 19-7 of this Code.

(p-15) In addition to all other authority to issue bonds, the Oswego Community Unit School District Number 308 may issue bonds with an aggregate principal amount not to exceed \$450,000,000, but only if all of the following conditions are met:

(i) The voters of the district have approved a proposition for the bond issue at the general election held on November 7, 2006.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of the new high school building, new junior high school buildings, new elementary school buildings, early childhood building, maintenance building, transportation facility, and additions to existing school buildings, the altering, repairing, equipping, and provision of technology improvements to existing school buildings, and the acquisition and improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by legislation that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(iii) The bonds are issued, in one or more bond issues, on or before November 7, 2011, but the aggregate principal amount issued in all such bond issues combined must not exceed \$450,000,000.

(iv) The bonds are issued in accordance with this Article 19.

(v) The proceeds of the bonds are used only to accomplish those projects approved by the voters at the general election held on November 7, 2006.

The debt incurred on any bonds issued under this subsection (p-15) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-20) In addition to all other authority to issue bonds, the Lincoln-Way Community High School District Number 210 may issue bonds with an aggregate principal amount not to exceed \$225,000,000, but only if all of the following conditions are met:

(i) The voters of the district have approved a proposition for the bond issue at the general primary election held on March 21, 2006.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of the new high school buildings, the altering, repairing, and equipping of existing school buildings, and the improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by legislation that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(iii) The bonds are issued, in one or more bond issues, on or before March 21, 2011, but the aggregate principal amount issued in all such bond issues combined must not exceed \$225,000,000.

(iv) The bonds are issued in accordance with this Article 19.

(v) The proceeds of the bonds are used only to accomplish those projects approved by the voters at the primary election held on March 21, 2006.

The debt incurred on any bonds issued under this subsection (p-20) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-25) In addition to all other authority to issue bonds, Rochester Community Unit School District 3A may issue bonds with an aggregate principal amount not to exceed \$18,500,000, but only if all of the following conditions are met:

(i) The voters of the district approve a proposition for the bond issuance at the general primary election held in 2008.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of a new high school building; the addition of classrooms and support facilities at the high school, middle school, and elementary school; the altering, repairing, and equipping of existing school buildings; and the improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by a law that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(iii) The bonds are issued, in one or more bond issues, on or before December 31, 2012, but the aggregate principal amount issued in all such bond issues combined must not exceed \$18,500,000.

(iv) The bonds are issued in accordance with this Article 19.

(v) The proceeds of the bonds are used to accomplish only those projects approved by the voters at the primary election held in 2008.

The debt incurred on any bonds issued under this subsection (p-25) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-30) In addition to all other authority to issue bonds, Prairie Grove Consolidated School District 46 may issue bonds with an aggregate principal amount not to exceed \$30,000,000, but only if all of the following conditions are met:

(i) The voters of the district approve a proposition for the bond issuance at an election held in 2008.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that (A) the building and equipping of a new school building and additions to existing school buildings are required as a result of a projected increase in the enrollment of students in the district and (B) the altering, repairing, and equipping of existing school buildings are required because of the age of the existing school buildings.

(iii) The bonds are issued, in one or more bond issuances, on or before December 31, 2012; however, the aggregate principal amount issued in all such bond issuances combined must not exceed \$30,000,000.

(iv) The bonds are issued in accordance with this Article.

(v) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held in 2008.

The debt incurred on any bonds issued under this subsection (p-30) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-35) In addition to all other authority to issue bonds, Prairie Hill Community Consolidated School District 133 may issue bonds with an aggregate principal amount not to exceed \$13,900,000, but only if all of the following conditions are met:

(i) The voters of the district approved a proposition for the bond issuance at an election held on April 17, 2007.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that (A) the improvement of the site of and the building and equipping of a school building are required as a result of a projected increase in the enrollment of students in the district and (B) the repairing and equipping of the Prairie Hill Elementary School building is required because of the age of that school building.

(iii) The bonds are issued, in one or more bond issuances, on or before December 31, 2011, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$13,900,000.

(iv) The bonds are issued in accordance with this Article.

(v) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on April 17, 2007.

The debt incurred on any bonds issued under this subsection (p-35) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-40) In addition to all other authority to issue bonds, Mascoutah Community Unit District 19 may issue bonds with an aggregate principal amount not to exceed \$55,000,000, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at a regular election held on or after November 4, 2008.

(2) At the time of the sale of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new high school building is required as a result of a projected increase in the enrollment of students in the district and the age and condition of the existing high school building, (ii) the existing high school building will be demolished, and (iii) the sale of bonds is authorized by statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before December 31, 2011, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$55,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at a regular election held on or after November 4, 2008.

The debt incurred on any bonds issued under this subsection (p-40) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-45) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds issued pursuant to Section 19-3.5 of this Code shall not be considered indebtedness for purposes of any statutory limitation if the bonds are issued in an amount or amounts, including existing indebtedness of the school district, not in excess of 18.5% of the value of the taxable property in the district to be ascertained by the last assessment for State and county taxes.

(p-50) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds issued pursuant to Section 19-3.10 of this Code shall not be considered indebtedness for purposes of any statutory limitation if the bonds are issued in an amount or amounts, including existing indebtedness of the school district, not in excess of 43% of the value of the taxable property in the district to be ascertained by the last assessment for State and county taxes.

(p-55) In addition to all other authority to issue bonds, Belle Valley School District 119 may issue bonds with an aggregate principal amount not to exceed \$47,500,000, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after April 7, 2009.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that

(i) the building and equipping of a new school building is required as a result of mine subsidence in an existing school building and because of the age and condition of another existing school building and (ii) the issuance of bonds is authorized by statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before March 31, 2014,

but the aggregate principal amount issued in all such bond issuances combined must not exceed \$47,500,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after April 7, 2009.

The debt incurred on any bonds issued under this subsection (p-55) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-55) must mature within not to exceed 30 years from their date, notwithstanding any other law to the contrary.

(p-60) In addition to all other authority to issue bonds, Wilmington Community Unit School District Number 209-U may issue bonds with an aggregate principal amount not to exceed \$2,285,000, but only if all of the following conditions are met:

(1) The proceeds of the bonds are used to accomplish only those projects approved by the voters at the general primary election held on March 21, 2006.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that

(i) the projects approved by the voters were and are required because of the age and condition of the school district's prior and existing school buildings and (ii) the issuance of the bonds is authorized by legislation that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued in one or more bond issuances on or before March 1, 2011, but the aggregate principal amount issued in all those bond issuances combined must not exceed \$2,285,000.

(4) The bonds are issued in accordance with this Article.

The debt incurred on any bonds issued under this subsection (p-60) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-65) In addition to all other authority to issue bonds, West Washington County Community Unit School District 10 may issue bonds with an aggregate principal amount not to exceed \$32,200,000 and maturing over a period not exceeding 25 years, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after February 2, 2010.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that

(A) all or a portion of the existing Okawville Junior/Senior High School Building will be demolished; (B) the building and equipping of a new school building to be attached to and the alteration, repair, and equipping of the remaining portion of the Okawville Junior/Senior High School Building is required because of the age and current condition of that school building; and (C) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before March 31, 2014, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$32,200,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after February 2, 2010.

The debt incurred on any bonds issued under this subsection (p-65) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-70) In addition to all other authority to issue bonds, Cahokia Community Unit School District 187 may issue bonds with an aggregate principal amount not to exceed \$50,000,000, but only if all the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after November 2, 2010.

(2) Prior to the issuance of the bonds, the school board determines, by resolution,

that (i) the building and equipping of a new school building is required as a result of the age and condition of an existing school building and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, on or before July 1, 2016, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$50,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after November 2, 2010.

The debt incurred on any bonds issued under this subsection (p-70) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-70) must mature within

not to exceed 25 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-75) Notwithstanding the debt limitation prescribed in subsection (a) of this Section or any other provisions of this Section or of any other law, the execution of leases on or after January 1, 2007 and before July 1, 2011 by the Board of Education of Peoria School District 150 with a public building commission for leases entered into pursuant to the Public Building Commission Act shall not be considered indebtedness for purposes of any statutory debt limitation.

This subsection (p-75) applies only if the State Board of Education or the Capital Development Board makes one or more grants to Peoria School District 150 pursuant to the School Construction Law. The amount exempted from the debt limitation as prescribed in this subsection (p-75) shall be no greater than the amount of one or more grants awarded to Peoria School District 150 by the State Board of Education or the Capital Development Board.

(p-80) In addition to all other authority to issue bonds, Ridgeland School District 122 may issue bonds with an aggregate principal amount not to exceed \$50,000,000 for the purpose of refunding or continuing to refund bonds originally issued pursuant to voter approval at the general election held on November 7, 2000, and the debt incurred on any bonds issued under this subsection (p-80) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-80) may be issued in one or more issuances and must mature within not to exceed 25 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-85) In addition to all other authority to issue bonds, Hall High School District 502 may issue bonds with an aggregate principal amount not to exceed \$32,000,000, but only if all the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after April 9, 2013.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new school building is required as a result of the age and condition of an existing school building, (ii) the existing school building should be demolished in its entirety or the existing school building should be demolished except for the 1914 west wing of the building, and (iii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, not later than 5 years after the date of the referendum approving the issuance of the bonds, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$32,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after April 9, 2013.

The debt incurred on any bonds issued under this subsection (p-85) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-85) must mature within not to exceed 30 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-90) In addition to all other authority to issue bonds, Lebanon Community Unit School District 9 may issue bonds with an aggregate principal amount not to exceed \$7,500,000, but only if all of the following conditions are met:

(1) The voters of the district approved a proposition for the bond issuance at the general primary election on February 2, 2010.

(2) At or prior to the time of the sale of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new elementary school building is required as a result of a projected increase in the enrollment of students in the district and the age and condition of the existing Lebanon Elementary School building, (ii) a portion of the existing Lebanon Elementary School building will be demolished and the remaining portion will be altered, repaired, and equipped, and (iii) the sale of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before April 1, 2014, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$7,500,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at the general primary election held on February 2, 2010.

The debt incurred on any bonds issued under this subsection (p-90) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-95) In addition to all other authority to issue bonds, the community unit school district created in the territory comprising Milford Community Consolidated School District 280 and Milford Township High School District 233, as approved at the general primary election held on March 18, 2014, may issue bonds with an aggregate principal amount not to exceed \$17,500,000, but only if all the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after November 4, 2014.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new school building is required as a result of the age and condition of an existing school building and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, on or before July 1, 2020, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$17,500,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after November 4, 2014.

The debt incurred on any bonds issued under this subsection (p-95) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-95) must mature within not to exceed 25 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(q) A school district must notify the State Board of Education prior to issuing any form of long-term or short-term debt that will result in outstanding debt that exceeds 75% of the debt limit specified in this Section or any other provision of law.

(Source: P.A. 97-333, eff. 8-12-11; 97-834, eff. 7-20-12; 97-1146, eff. 1-18-13; 98-617, eff. 1-7-14.)

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

AMENDMENT NO. 5 TO SENATE BILL 3113

AMENDMENT NO. 5. Amend Senate Bill 3113, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 11E-105 as follows:

(105 ILCS 5/11E-105)

Sec. 11E-105. Assets, liabilities and bonded indebtedness; tax rate.

(a) Subject to the terms and provisions of subsections (b) and (c) of this Section, whenever a new district is created under any of the provisions of this Article, the outstanding bonded indebtedness shall be treated as provided in this subsection (a) and in Section 19-29 of this Code. The tax rate for bonded indebtedness shall be determined in the manner provided in Section 19-7 of this Code, and, notwithstanding the creation of any such district, the county clerk or clerks shall annually extend taxes, for each outstanding bond issue against all of the taxable property that was situated within the boundaries of the district, as those boundaries existed at the time of the issuance of the bond issue, regardless of whether the property is still contained in that same district at the time of the extension of the taxes by the county clerk or clerks; provided that, notwithstanding the provisions of Section 19-18 of this Code, upon resolution of the school board, the county clerk must extend taxes to pay the principal of and interest on any general obligation bonds issued by the new district exclusively to refund any bonded indebtedness of a district organized into the new district against all of the taxable property that was situated within the boundaries of the previously existing district as the boundaries existed at the time of the issuance of the bonded indebtedness being refunded; however, (i) the net interest rate on the refunding bonds may not exceed the net interest rate on the refunded bonds, (ii) the final maturity date of the refunding bonds may not extend beyond the final maturity date of the refunded bonds, and (iii) the tax levy to pay the refunding bonds in any levy year may not exceed the tax levy that would have been required to pay the refunded bonds for that levy year. The terms of the proviso are applicable to districts that were created pursuant to a referendum held in November of 2008. The terms of the proviso, other than this sentence, are inoperative after June 30, 2016.

(b) For a unit district formation, whenever a part of a district is included within the boundaries of a newly created unit district, the regional superintendent of schools shall cause an accounting to be had between the districts affected by the change in boundaries as provided for in Article 11C of this Code. Whenever the entire territory of 2 or more school districts is organized into a unit district pursuant to a petition filed under this Article, the petition may provide that the entire territory of the new unit district shall assume the bonded indebtedness of the previously existing school districts. In that case, the tax rate

[May 29, 2014]

for bonded indebtedness shall be determined in the manner provided in Section 19-7 of this Code, except that the county clerk shall annually extend taxes for each outstanding bond issue against all the taxable property situated in the new unit district as it exists after the organization.

(c)(1) For a high school-unit conversion, unit to dual conversion, or multi-unit conversion, upon the effective date of the change as provided in Section 11E-70 of this Code and subject to the provisions of paragraph (2) of this subsection (c), each newly created elementary district shall receive all of the assets and assume all of the liabilities and obligations of the dissolved unit district forming the boundary of the newly created elementary district.

(2) Notwithstanding the provisions of paragraph (1) of this subsection (c), upon the stipulation of the school board of the school district serving a newly created elementary district for high school purposes and either (i) the school board of the unit district prior to the effective date of its dissolution or (ii) thereafter the school board of the newly created elementary district and with the approval in either case of the regional superintendent of schools of the educational service region in which the territory described in the petition filed under this Article or the greater percentage of equalized assessed valuation of the territory is situated, the assets, liabilities, and obligations of the dissolved unit district may be divided and assumed between and by the newly created elementary district and the school district serving the newly created elementary district for high school purposes, in accordance with the terms and provisions of the stipulation and approval. In this event, the provisions of Section 19-29 shall be applied to determine the debt incurring power of the newly created elementary district and of the school district serving the newly created elementary district for high school purposes.

(3) Without regard to whether the receipt of assets and the assumption of liabilities and obligations of the dissolved unit district is determined pursuant to paragraph (1) or (2) of this subsection (c), the tax rate for bonded indebtedness shall be determined in the manner provided in Section 19-7, and, notwithstanding the creation of this new elementary district, the county clerk or clerks shall annually extend taxes for each outstanding bond issue against all of the taxable property that was situated within the boundaries of the dissolved unit district as those boundaries existed at the time of the issuance of the bond issue, regardless of whether the property was still contained in that unit district at the time of its dissolution and regardless of whether the property is contained in the newly created elementary district at the time of the extension of the taxes by the county clerk or clerks.

(Source: P.A. 94-1019, eff. 7-10-06.)".

Under the rules, the foregoing **Senate Bill No. 3113**, with House Amendments numbered 1 and 5, was referred to the Secretary's Desk.

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. 3259

A bill for AN ACT concerning revenue.

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

House Amendment No. 4 to SENATE BILL NO. 3259

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 4 TO SENATE BILL 3259

AMENDMENT NO. 4. Amend Senate Bill 3259 by replacing everything after the enacting clause with the following:

"Section 5. The Property Tax Code is amended by adding Division 19 to Article 10 as follows:

(35 ILCS 200/Art. 10 Div. 19 heading new)

DIVISION 19. QUALIFIED COMMERCIAL AND INDUSTRIAL PROPERTY

(35 ILCS 200/10-700 new)

Sec. 10-700. Qualified commercial and industrial property; tornado disaster. Notwithstanding any other provision of law, each qualified parcel of commercial or industrial property owned and used by a small business shall be valued at the lesser of (i) its modified equalized assessed value or (ii) 33 1/3% of its fair

[May 29, 2014]

cash value or, in the case of property located in a county that classifies property for purposes of taxation in accordance with Section 4 of Article IX of the Constitution, the percentage of fair cash value as required by county ordinance. The method of valuation under this Section shall continue until there is a change in use or ownership of the property or until the fifteenth taxable year after the tornado disaster occurs, whichever occurs first. In order to qualify for valuation under this Section, the structure must be rebuilt within 2 years after the date of the tornado disaster, and the square footage of the rebuilt structure may not be more than 110% of the square footage of the original structure as it existed immediately prior to the tornado disaster.

"Base year" means the taxable year prior to the taxable year in which the tornado disaster occurred.

"Modified equalized assessed value" means:

(1) in the first taxable year after the tornado disaster occurs, the equalized assessed value of the property for the base year; and

(2) in the second taxable year after the tornado disaster occurs and thereafter, the modified equalized assessed value of the property for the previous taxable year, increased by 4%.

"Tornado disaster" means an occurrence of widespread or severe damage or loss of property resulting from a tornado or combination of tornadoes that has been proclaimed as a natural disaster by the Governor or the President of the United States.

"Qualified parcel of property" means property that (i) is owned and used exclusively for commercial or industrial purposes by a small business and (ii) has been rebuilt following a tornado disaster occurring in taxable year 2013 or any taxable year thereafter.

"Small business" means a business that employs fewer than 50 full-time employees.

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

Under the rules, the foregoing **Senate Bill No. 3259**, with House Amendment No. 4, was referred to the Secretary's Desk.

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. 3275

A bill for AN ACT concerning criminal law.

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

House Amendment No. 1 to SENATE BILL NO. 3275

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 3275

AMENDMENT NO. 1. Amend Senate Bill 3275 on page 13, line 1, by replacing "1" with "1"; and on page 13, by inserting immediately below line 1 the following:

"(57) 4-chloro-2,5-dimethoxy-N-[(2-methoxyphenyl)methyl]-benzeneethanamine (trade or other name: 25C-NBOMe);
(58) 4-bromo-2,5-dimethoxy-N-[(2-methoxyphenyl)methyl]-benzeneethanamine (trade or other name: 25B-NBOMe)."

Under the rules, the foregoing **Senate Bill No. 3275**, with House Amendment No. 1, was referred to the Secretary's Desk.

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. 1051

A bill for AN ACT concerning civil law.

[May 29, 2014]

Passed the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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. 2015

A bill for AN ACT concerning government.
Passed the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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. 2854

A bill for AN ACT concerning revenue.
Passed the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1152

A bill for AN ACT concerning education.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 1152
Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 4123

A bill for AN ACT concerning civil law.
Which amendments are as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 4123
Senate Amendment No. 2 to HOUSE BILL NO. 4123
Senate Amendment No. 5 to HOUSE BILL NO. 4123
Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 4442

A bill for AN ACT concerning transportation.
Which amendment is as follows:
Senate Amendment No. 2 to HOUSE BILL NO. 4442
Concurred in by the House, May 29, 2014.

[May 29, 2014]

TIMOTHY D. MAPES, Clerk of 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 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. 100

WHEREAS, Under subsection (b) of Section 2 of Article VIII of the Illinois Constitution, appropriations for a fiscal year shall not exceed funds estimated by the General Assembly to be available during that year; 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 the House of Representatives estimates the general funds to be available during State fiscal year 2015 as follows:

<u>Revenue Sources</u> <u>(in millions)</u>	<u>House Estimate</u>
State Taxes	
Personal Income Tax (net of refunds)	\$14,846
Corporate Income Tax (net of refunds)	\$2,810
Sales Tax	\$7,842
Public Utility (regular)	\$1,005
Cigarette Tax	\$355
Liquor Gallonage Taxes	\$165
Vehicle Use Tax	\$29
Inheritance Tax (gross)	\$205
Insurance Taxes & Fees	\$330
Corporate Franchise Tax & Fees	\$205
Interest on State Funds & Investments	\$25
Cook County Intergovernmental Transfer	\$244
<u>Other Sources</u>	<u>\$486</u>
Subtotal	\$28,547
Transfers	
Lottery	\$682
Riverboat transfers and receipts	\$310
<u>Other</u>	<u>\$1,540</u>
Total State Sources	\$31,079
Federal Sources	\$4,273
Total Federal & State Sources	\$35,352

Adopted by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 100 was referred to the Committee on Assignments.

JOINT ACTION MOTIONS FILED

[May 29, 2014]

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

Motion to Concur in House Amendment 3 to Senate Bill 121
 Motion to Concur in House Amendments 2 and 3 to Senate Bill 452
 Motion to Concur in House Amendment 1 to Senate Bill 641
 Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 1778
 Motion to Concur in House Amendments 1 and 5 to Senate Bill 3113
 Motion to Concur in House Amendment 4 to Senate Bill 3259
 Motion to Concur in House Amendment 1 to Senate Bill 3275

HOUSE BILL RECALLED

On motion of Senator Biss, **House Bill No. 5491** was recalled from the order of third reading to the order of second reading.

Senators Biss - Althoff offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 5491

AMENDMENT NO. 1. Amend House Bill 5491 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Procurement Code is amended by changing Sections 1-10, 1-11, 1-12, 1-13, 1-15.30, 1-15.50, 1-15.80, 1-15.107, 1-15.108, 1-15.110, 5-5, 5-25, 5-30, 10-20, 15-20, 15-25, 15-30, 15-35, 20-5, 20-10, 20-15, 20-25, 20-30, 20-35, 20-40, 20-43, 20-50, 20-80, 20-95, 20-120, 20-155, 20-160, 25-60, 25-65, 25-80, 30-22, 30-30, 35-30, 35-40, 40-5, 40-15, 40-20, 40-25, 40-55, 45-10, 45-20, 45-30, 45-35, 45-45, 45-57, 45-67, 45-70, 50-5, 50-10, 50-10.5, 50-11, 50-12, 50-13, 50-14, 50-20, 50-25, 50-35, 50-36, 50-37, 50-38, 50-39, 50-40, 50-45, 50-70, 55-10 and by adding Sections 1-15.01, 1-15.02, 1-15.12, 1-15.13, 1-15.17, 1-15.50, 1-15.51, 1-15.52, 1-15.86, 1-15.111, 15-35, 15-40, 15-45, and 30-22 as follows:
 (30 ILCS 500/1-10)

Sec. 1-10. Application.

(a) This Code applies only to procurements for which bidders, offerors, potential contractors, or contractors were first solicited on or after July 1, 1998. This Code shall not be construed to affect or impair any contract, or any provision of a contract, entered into based on a solicitation prior to the implementation date of this Code as described in Article 99, including but not limited to any covenant entered into with respect to any revenue bonds or similar instruments. All procurements for which contracts are solicited between the effective date of Articles 50 and 99 and July 1, 1998 shall be substantially in accordance with this Code and its intent.

(b) This Code shall apply regardless of the source of the funds with which the contracts are paid, including federal assistance moneys. This Code shall not apply to:

(1) Contracts between the State and its political subdivisions or other governments, or between State governmental bodies except as specifically provided in this Code.

(2) Grants, except for the filing requirements of Section 20-80.

(3) Purchase of care.

(4) Hiring of an individual as employee and not as an independent contractor, whether pursuant to an employment code or policy or by contract directly with that individual.

(5) Collective bargaining contracts.

(6) Purchase of real estate, except that notice of this type of contract with a value of more than \$25,000 must be published in the Procurement Bulletin within 10 calendar 7 days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.

(7) Contracts necessary to prepare for anticipated litigation, enforcement actions, or investigations, provided that the chief legal counsel to the Governor shall give his or her prior approval when the procuring agency is one subject to the jurisdiction of the Governor, and provided that the chief legal counsel of any other procuring entity subject to this Code shall give his or her prior approval when the procuring entity is not one subject to the jurisdiction of the Governor.

(8) Contracts for services to Northern Illinois University by a person, acting as an

independent contractor, who is qualified by education, experience, and technical ability and is selected by negotiation for the purpose of providing non-credit educational service activities or products by means of specialized programs offered by the university.

(9) Procurement expenditures by the Illinois Conservation Foundation when only private funds are used.

(10) Procurement expenditures by the Illinois Health Information Exchange Authority involving private funds from the Health Information Exchange Fund. "Private funds" means gifts, donations, and private grants.

(11) Public-private agreements entered into according to the procurement requirements of Section 20 of the Public-Private Partnerships for Transportation Act and design-build agreements entered into according to the procurement requirements of Section 25 of the Public-Private Partnerships for Transportation Act.

(12) Contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 by the Illinois Finance Authority in which the State of Illinois is not obligated. Such contracts shall be awarded through a competitive process authorized by the Board of the Illinois Finance Authority and are subject to Sections 5-30, 20-160, 50-13, 50-20, 50-35, and 50-37 of this Code, as well as the final approval by the Board of the Illinois Finance Authority of the terms of the contract.

Notwithstanding any other provision of law, contracts entered into under item (12) of this subsection (b) shall be published in the Procurement Bulletin within 14 calendar days after contract execution. The chief procurement officer shall prescribe the form and content of the notice. The Illinois Finance Authority shall provide the chief procurement officer, on a monthly basis, in the form and content prescribed by the chief procurement officer, a report of contracts that are related to the procurement of goods and services identified in item (12) of this subsection (b). At a minimum, this report shall include the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. A copy of each of these contracts shall be made available to the chief procurement officer immediately upon request. The chief procurement officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the chief procurement officer.

(c) This Code does not apply to the electric power procurement process provided for under Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act.

(d) Except for Section 20-160 and Article 50 of this Code, and as expressly required by Section 9.1 of the Illinois Lottery Law, the provisions of this Code do not apply to the procurement process provided for under Section 9.1 of the Illinois Lottery Law.

(e) This Code does not apply to the process used by the Capital Development Board to retain a person or entity to assist the Capital Development Board with its duties related to the determination of costs of a clean coal SNG brownfield facility, as defined by Section 1-10 of the Illinois Power Agency Act, as required in subsection (h-3) of Section 9-220 of the Public Utilities Act, including calculating the range of capital costs, the range of operating and maintenance costs, or the sequestration costs or monitoring the construction of clean coal SNG brownfield facility for the full duration of construction.

(f) This Code does not apply to the process used by the Illinois Power Agency to retain a mediator to mediate sourcing agreement disputes between gas utilities and the clean coal SNG brownfield facility, as defined in Section 1-10 of the Illinois Power Agency Act, as required under subsection (h-1) of Section 9-220 of the Public Utilities Act.

(g) This Code does not apply to the processes used by the Illinois Power Agency to retain a mediator to mediate contract disputes between gas utilities and the clean coal SNG facility and to retain an expert to assist in the review of contracts under subsection (h) of Section 9-220 of the Public Utilities Act. This Code does not apply to the process used by the Illinois Commerce Commission to retain an expert to assist in determining the actual incurred costs of the clean coal SNG facility and the reasonableness of those costs as required under subsection (h) of Section 9-220 of the Public Utilities Act.

(h) This Code does not apply to the process to procure or contracts entered into in accordance with Sections 11-5.2 and 11-5.3 of the Illinois Public Aid Code.

(i) Each chief procurement officer may access records necessary to review whether a contract, purchase, or other expenditure is or is not subject to the provisions of this Code, unless such records would be subject to attorney-client privilege.

(j) This Code does not apply to the process used by the Capital Development Board to retain an artist or work or works of art as required in Section 14 of the Capital Development Board Act.

(k) This Code does not apply to the process to procure contracts, or contracts entered into, by the State Board of Elections or the State Electoral Board for hearing officers appointed pursuant to the Election Code.

(Source: P.A. 97-96, eff. 7-13-11; 97-239, eff. 8-2-11; 97-502, eff. 8-23-11; 97-689, eff. 6-14-12; 97-813, eff. 7-13-12; 97-895, eff. 8-3-12; 98-90, eff. 7-15-13; 98-463, eff. 8-16-13; 98-572, eff. 1-1-14; revised 9-9-13.)

(30 ILCS 500/1-11)

Sec. 1-11. Applicability of certain Public Acts. The changes made to this Code by Public Act 96-793, Public Act 96-795, and this amendatory Act of the 96th General Assembly apply to those procurements for which bidders, offerors, vendors, potential contractors, or contractors were first solicited on or after July 1, 2010.

(Source: P.A. 96-920, eff. 7-1-10.)

(30 ILCS 500/1-12)

(Section scheduled to be repealed on December 31, 2016)

Sec. 1-12. Applicability to artistic or musical services.

(a) This Code shall not apply to procurement expenditures necessary to provide artistic or musical services, performances, or theatrical productions held at a venue operated or leased by a State agency.

(b) Notice of each contract entered into by a State agency that is related to the procurement of goods and services identified in this Section shall be published in the Illinois Procurement Bulletin within 14 calendar days after contract execution. The chief procurement officer shall prescribe the form and content of the notice. Each State agency shall provide the chief procurement officer, on a monthly basis, in the form and content prescribed by the chief procurement officer, a report of contracts that are related to the procurement of goods and services identified in this Section. At a minimum, this report shall include the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. A copy of any or all of these contracts shall be made available to the chief procurement officer immediately upon request. The chief procurement officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the chief procurement officer.

(c) This Section is repealed December 31, 2016.

(Source: P.A. 97-895, eff. 8-3-12.)

(30 ILCS 500/1-13)

(Section scheduled to be repealed on December 31, 2014)

Sec. 1-13. Applicability to public institutions of higher education.

(a) This Code shall apply to public institutions of higher education, regardless of the source of the funds with which contracts are paid, except as provided in this Section.

(b) Except as provided in this Section, this Code shall not apply to procurements made by or on behalf of public institutions of higher education for any of the following:

(1) Memberships in professional, academic, research, or athletic organizations on behalf of a public institution of higher education, an employee of a public institution of higher education, or a student at a public institution of higher education.

(2) Procurement expenditures for events or activities paid for exclusively by revenues generated by the event or activity, gifts or donations for the event or activity, private grants, or any combination thereof.

(3) Procurement expenditures for events or activities for which the use of specific potential contractors ~~vendors~~ is mandated or identified by the sponsor of the event or activity, provided that the sponsor is providing a majority of the funding for the event or activity.

(4) Procurement expenditures necessary to provide artistic or musical services, performances, or productions held at a venue operated by a public institution of higher education.

(5) Procurement expenditures for periodicals and books procured for use by a university library or academic department, except for expenditures related to procuring textbooks for student use or materials for resale or rental.

(6) Procurement expenditures for placement of students in externships, practicums, field experiences, and medical residencies and rotations.

(7) Contracts for programming and broadcast license rights for university-operated radio and television stations.

Notice of each contract entered into by a public institution of higher education that is related to the procurement of goods and services identified in items (1) through (7) ~~(5)~~ of this subsection shall be

[May 29, 2014]

published in the Procurement Bulletin within 14 calendar days after contract execution. The Chief Procurement Officer shall prescribe the form and content of the notice. Each public institution of higher education shall provide the Chief Procurement Officer, on a monthly basis, in the form and content prescribed by the Chief Procurement Officer, a report of contracts that are related to the procurement of goods and services identified in this subsection. At a minimum, this report shall include the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. A copy of any or all of these contracts shall be made available to the Chief Procurement Officer immediately upon request. The Chief Procurement Officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the Chief Procurement Officer.

(b-5) Except as provided in this subsection, the provisions of this Code shall not apply to contracts for FDA-regulated supplies, and to contracts for medical services necessary for the delivery of care and treatment at medical, dental, or veterinary teaching facilities utilized by Southern Illinois University or the University of Illinois. Other supplies and services needed for these teaching facilities shall be subject to the jurisdiction of the Chief Procurement Officer for Public Institutions of Higher Education who may establish expedited procurement procedures and may waive or modify certification, contract, hearing, process and registration requirements required by the Code. All procurements made under this subsection shall be documented and may require publication in the Illinois Procurement Bulletin.

(c) Procurements made by or on behalf of public institutions of higher education for any of the following shall be made in accordance with the requirements of this Code to the extent practical as provided in this subsection:

- (1) Contracts with a foreign entity necessary for research or educational activities, provided that the foreign entity either does not maintain an office in the United States or is the sole source of the service or product.
- (2) ~~(Blank). Procurements of FDA-regulated goods, products, and services necessary for the delivery of care and treatment at medical, dental, or veterinary teaching facilities utilized by the University of Illinois or Southern Illinois University.~~
- (3) ~~(Blank). Contracts for programming and broadcast license rights for university-operated radio and television stations.~~
- (4) Procurements required for fulfillment of a grant.

Upon the written request of a public institution of higher education, the Chief Procurement Officer may waive registration, certification, and hearing requirements of this Code if, based on the item to be procured or the terms of a grant, compliance is impractical. The public institution of higher education shall provide the Chief Procurement Officer with specific reasons for the waiver, including the necessity of contracting with a particular potential contractor vendor, and shall certify that an effort was made in good faith to comply with the provisions of this Code. The Chief Procurement Officer shall provide written justification for any waivers. By November 1 of each year, the Chief Procurement Officer shall file a report with the General Assembly identifying each contract approved with waivers and providing the justification given for any waivers for each of those contracts. Notice of each waiver made under this subsection shall be published in the Procurement Bulletin within 14 calendar days after contract execution. The Chief Procurement Officer shall prescribe the form and content of the notice.

(d) Notwithstanding this Section, a waiver of the registration requirements of Section 20-160 does not permit a business entity and any affiliated entities or affiliated persons to make campaign contributions if otherwise prohibited by Section 50-37. The total amount of contracts awarded in accordance with this Section shall be included in determining the aggregate amount of contracts or pending bids of a business entity and any affiliated entities or affiliated persons.

(e) Notwithstanding subsection (e) of Section 50-10.5 of this Code, the Chief Procurement Officer, with the approval of the Executive Ethics Commission, may permit a public institution of higher education to accept a bid or enter into a contract with a business that assisted the public institution of higher education in determining whether there is a need for a contract or assisted in reviewing, drafting, or preparing documents related to a bid or contract, provided that the bid or contract is essential to research administered by the public institution of higher education and it is in the best interest of the public institution of higher education to accept the bid or contract. For purposes of this subsection, "business" includes all individuals with whom a business is affiliated, including, but not limited to, any officer, agent, employee, consultant, independent contractor, director, partner, manager, or shareholder of a business. The Executive Ethics Commission may promulgate rules and regulations for the implementation and administration of the provisions of this subsection (e).

(f) As used in this Section:

[May 29, 2014]

"Grant" means non-appropriated funding provided by a federal or private entity to support a project or program administered by a public institution of higher education and any non-appropriated funding provided to a sub-recipient of the grant.

"Public institution of higher education" means Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Southern Illinois University, University of Illinois, Western Illinois University, and, for purposes of this Code only, the Illinois Mathematics and Science Academy.

(g) This Section is repealed on December 31, ~~2016~~ 2014.

(Source: P.A. 97-643, eff. 12-20-11; 97-895, eff. 8-3-12.)

(30 ILCS 500/1-15.01 new)

Sec. 1-15.01. Bid. "Bid" means the response submitted by a bidder in a competitive sealed bidding process, to an invitation for bid, or to a multi-step sealed bidding process.

(30 ILCS 500/1-15.02 new)

Sec. 1-15.02. Bidder. "Bidder" means one who submits a response in a competitive sealed bidding process, to an invitation for bid, or to a multi-step sealed bidding process.

(30 ILCS 500/1-15.12 new)

Sec. 1-15.12. Change order. "Change order" means a change in a contract term, other than as specifically provided for in the contract, which authorizes or necessitates any increase or decrease in the cost of the contract or the time for completion for procurements subject to the jurisdiction of the chief procurement officers appointed pursuant to Section 10-20.

(30 ILCS 500/1-15.13 new)

Sec. 1-15.13. Chief Procurement Office. "Chief Procurement Office" means the offices to which the chief procurement officers are appointed pursuant to Section 10-20.

(30 ILCS 500/1-15.17 new)

Sec. 1-15.17. Contractor. "Contractor" means any person having a contract with a State agency as defined in Section 1-15.30.

(30 ILCS 500/1-15.30)

Sec. 1-15.30. Contract. "Contract" means all types of State agreements, including change orders and renewals, regardless of what they may be called, for the procurement, use, or disposal of supplies, services, professional or artistic services, or construction or for leases of real property where the State is the lessor or lessee, or capital improvements, and including renewals, master contracts, contracts for financing through use of installment or lease-purchase arrangements, renegotiated contracts, amendments to contracts, and change orders.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/1-15.50)

Sec. 1-15.50. Negotiation. "Negotiation" means the process of selecting a contractor other than by competitive sealed bids, multi-step sealed bidding, or competitive sealed proposals, whereby a purchasing agency can establish any and all terms and conditions of a procurement contract by discussion with one or more potential prospective contractors.

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

(30 ILCS 500/1-15.51 new)

Sec. 1-15.51. Offer. "Offer" means a response submitted by an offeror in a competitive sealed proposal process or to a request for proposal.

(30 ILCS 500/1-15.52 new)

Sec. 1-15.52. Offeror. "Offeror" means any person who submits a proposal in response to a competitive sealed proposal process or a request for proposals.

(30 ILCS 500/1-15.80)

Sec. 1-15.80. Responsible bidder, potential contractor, or offeror. "Responsible bidder, potential contractor, or offeror" means a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance. A responsible bidder or offeror shall not include a business or other entity that does not exist as a legal entity at the time a bid or offer or proposal is submitted for a State contract.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/1-15.86 new)

Sec. 1-15.86. Responsive offeror. "Responsive offeror" means a person who has submitted an offer that conforms in all material respects to the request for proposals.

(30 ILCS 500/1-15.107)

Sec. 1-15.107. Subcontract. "Subcontract" means a contract between a person and a person who has a contract subject to this Code, pursuant to which the subcontractor provides to the contractor, or, if the contract price exceeds \$50,000, another subcontractor, some or all of the goods, services, real property, remuneration, or other monetary forms of consideration that are the subject of the primary contract and includes, among other things, subleases from a lessee of a State agency. For purposes of this Code, a "subcontract" does not include purchases of goods or supplies that are incidental to the performance of a contract by a person who has a contract subject to this Code.
(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of P.A. 96-795); 97-895, eff. 8-3-12.)

(30 ILCS 500/1-15.108)

Sec. 1-15.108. Subcontractor. "Subcontractor" means a person or entity that enters into a contractual agreement with a total value of \$50,000 or more with a person or entity who has a contract subject to this Code pursuant to which the person or entity provides some or all of the goods, services, real property, remuneration, or other monetary forms of consideration that are the subject of the primary State contract, including subleases from a lessee of a State contract. For purposes of this Code, a person or entity is not a "subcontractor" if that person only provides goods or supplies that are incidental to the performance of a contract by a person who has a contract subject to this Code.

(Source: P.A. 96-920, eff. 7-1-10; 97-895, eff. 8-3-12.)

(30 ILCS 500/1-15.110)

Sec. 1-15.110. Supplies. "Supplies" means all personal property, including but not limited to equipment, materials, printing, and insurance, and the financing of those supplies that can be procured regularly or are available on the commercial market.

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

(30 ILCS 500/1-15.111 new)

Sec. 1-15.111. Supplier. "Supplier" means any person or entity providing supplies, including, but not limited to, equipment, materials, printing, and insurance, and the financing of those supplies that can be procured regularly or are available on the commercial market.

(30 ILCS 500/5-5)

Sec. 5-5. Procurement Policy Board.

(a) Creation. There is created a Procurement Policy Board, an agency of the State of Illinois.

(b) Authority and duties. The Board shall have the authority and responsibility to review, comment upon, and recommend, consistent with this Code, rules and practices governing the procurement, management, control, and disposal of supplies, services, professional or artistic services, construction, and real property and capital improvement leases procured by the State. The Board shall also have the authority to recommend a program for professional development and provide opportunities for training in procurement practices and policies to chief procurement officers and their staffs in order to ensure that all procurement is conducted in an efficient, professional, and appropriately transparent manner.

Upon a three-fifths vote of its members, the Board may review a contract. Upon a three-fifths vote of its members, the Board may propose procurement rules for consideration by chief procurement officers. These proposals shall be published in each volume of the Procurement Bulletin. Except as otherwise provided by law, the Board shall act upon the vote of a majority of its members who have been appointed and are serving.

(b-5) Reviews, studies, and hearings. The Board may review, study, and hold public hearings concerning the implementation and administration of this Code. Each chief procurement officer, State purchasing officer, procurement compliance monitor, and State agency shall cooperate with the Board, provide information to the Board, and be responsive to the Board in the Board's conduct of its reviews, studies, and hearings.

(c) Members. The Board shall consist of 5 members appointed one each by the 4 legislative leaders and the Governor. Each member shall have demonstrated sufficient business or professional experience in the area of procurement to perform the functions of the Board. No member may be a member of the General Assembly.

(d) Terms. Of the initial appointees, the Governor shall designate one member, as Chairman, to serve a one-year term, the President of the Senate and the Speaker of the House shall each appoint one member to serve 3-year terms, and the Minority Leader of the House and the Minority Leader of the Senate shall each appoint one member to serve 2-year terms. Subsequent terms shall be 4 years. Members may be reappointed for succeeding terms.

(e) Reimbursement. Members shall receive no compensation but shall be reimbursed for any expenses reasonably incurred in the performance of their duties.

(f) Staff support. Upon a three-fifths vote of its members, the Board may employ an executive director. Subject to appropriation, the Board also may employ a reasonable and necessary number of staff persons.

(g) Meetings. Meetings of the Board may be conducted telephonically, electronically, or through the use of other telecommunications. Written minutes of such meetings shall be created and available for public inspection and copying.

(h) Procurement recommendations. Upon a three-fifths vote of its members, the Board may review a proposal, bid, or contract and issue a recommendation to void a contract or reject a proposal or bid based on any violation of this Code or the existence of a conflict of interest as described in subsections (b) and (d) of Section 50-35. A chief procurement officer or State purchasing officer shall notify the Board if an alleged conflict of interest or violation of the Code is identified, discovered, or reasonably suspected to exist. Any person or entity may notify the Board of an alleged conflict of interest or violation of the Code. A recommendation of the Board shall be delivered to the appropriate chief procurement officer and Executive Ethics Commission within 7 calendar ~~5~~ days and must be published in the next volume of the Procurement Bulletin. In the event that an alleged conflict of interest or violation of the Code that was not originally disclosed with the bid, offer, or proposal is identified and filed with the Board, the Board shall provide written notice of the alleged conflict of interest or violation to the bidder, offeror, potential contractor, contractor, or subcontractor on that contract. If the alleged conflict of interest or violation is by the subcontractor, written notice shall also be provided to the bidder, offeror, potential contractor, or contractor. The bidder, offeror, potential contractor, contractor, or subcontractor shall have 15 calendar days to provide a written response to the notice, and a hearing before the Board on the alleged conflict of interest or violation shall be held upon request by the bidder, offeror, potential contractor, contractor, or subcontractor. The requested hearing date and time shall be determined by the Board, but in no event shall the hearing occur later than 15 calendar days after the date of the request.

(i) After providing notice and a hearing as required by subsection (h), the Board shall refer any alleged violations of this Code to the Executive Inspector General in addition to or instead of issuing a recommendation to void a contract.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 97-895, eff. 8-3-12.)

(30 ILCS 500/5-25)

Sec. 5-25. Rulemaking authority; agency policy; agency response.

(a) Rulemaking. A chief procurement officer authorized to make procurements under this Code shall have the authority to promulgate rules to carry out that authority. ~~The That~~ rulemaking on specific procurement topics is mentioned in specific Sections of this Code shall not be construed as prohibiting or limiting rulemaking on other procurement topics.

All rules shall be promulgated in accordance with the Illinois Administrative Procedure Act. Contractual provisions, specifications, and procurement descriptions are not rules and are not subject to the Illinois Administrative Procedure Act. All rules other than those promulgated by the Board shall be presented in writing to the Board ~~and the Executive Procurement Officer~~ for review and comment. The Board ~~and the Executive Procurement Officer~~ shall express their opinions and recommendations in writing. The proposed rules and recommendations shall be made available for public review. The rules shall also be approved by the Joint Committee on Administrative Rules.

(b) Policy. Each chief procurement officer shall promptly notify the Procurement Policy Board in writing of any proposed new procurement rule or policy or any proposed change in an existing procurement rule or policy.

(c) Response. Each State agency must respond promptly in writing to all inquiries and comments of the Procurement Policy Board ~~or Executive Procurement Officer.~~

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/5-30)

Sec. 5-30. Proposed contracts; Procurement Policy Board.

(a) Except as provided in subsection (c), within 30 calendar days after notice of the awarding or letting of a contract has appeared in the Procurement Bulletin in accordance with subsection (b) of Section 15-25, the Board may request in writing from the contracting agency and the contracting agency shall promptly, but in no event later than 7 calendar ~~5-business~~ days after receipt of the request, provide to the Board, by electronic or other means satisfactory to the Board, documentation in the possession of the contracting agency concerning the proposed contract. Nothing in this subsection is intended to waive or abrogate any privilege or right of confidentiality authorized by law.

(b) No contract subject to this Section may be entered into until the 30-day period described in subsection (a) has expired, unless the contracting agency requests in writing that the Board waive the period and the Board grants the waiver in writing.

(c) This Section does not apply to (i) contracts entered into under this Code for small and emergency procurements as those procurements are defined in Article 20 and (ii) contracts for professional and artistic services that are nonrenewable, one year or less in duration, and have a value of less than \$20,000. If requested in writing by the Board, however, the contracting agency must promptly, but in no event later than 10 calendar ~~8-business~~ days after receipt of the request, transmit to the Board a copy of the contract for an emergency procurement and documentation in the possession of the contracting agency concerning the contract.

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

(30 ILCS 500/10-20)

Sec. 10-20. Independent chief procurement officers.

(a) Appointment. Within 60 calendar days after the effective date of this amendatory Act of the 96th General Assembly, the Executive Ethics Commission, with the advice and consent of the Senate shall appoint or approve 4 chief procurement officers, one for each of the following categories:

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

(2) for procurements for all construction, construction-related services, operation of any facility, and the provision of any service or activity committed by law to the jurisdiction or responsibility of the Illinois Department of Transportation, including the direct or reimbursable expenditure of all federal funds for which the Department of Transportation is responsible or accountable for the use thereof in accordance with federal law, regulation, or procedure, the chief procurement officer recommended for approval under this item appointed by the Secretary of Transportation after consent by the Executive Ethics Commission;

(3) for all procurements made by a public institution of higher education; and

(4) for all other procurement needs of State agencies.

A chief procurement officer shall be responsible to the Executive Ethics Commission but must be located within the agency that the officer provides with procurement services. The chief procurement officer for higher education shall have an office located within the Board of Higher Education, unless otherwise designated by the Executive Ethics Commission. The chief procurement officer for all other procurement needs of the State shall have an office located within the Department of Central Management Services, unless otherwise designated by the Executive Ethics Commission.

(b) Terms and independence. Each chief procurement officer appointed under this Section shall serve for a term of 5 years beginning on the date of the officer's appointment. The chief procurement officer may be removed for cause after a hearing by the Executive Ethics Commission. The Governor or the director of a State agency directly responsible to the Governor may institute a complaint against the officer by filing such complaint with the Commission. The Commission shall have a hearing based on the complaint. The officer and the complainant shall receive reasonable notice of the hearing and shall be permitted to present their respective arguments on the complaint. After the hearing, the Commission shall make a finding on the complaint and may take disciplinary action, including but not limited to removal of the officer.

The salary of a chief procurement officer shall be established by the Executive Ethics Commission and may not be diminished during the officer's term. The salary may not exceed the salary of the director of a State agency for which the officer serves as chief procurement officer.

(c) Qualifications. In addition to any other requirement or qualification required by State law, each chief procurement officer must within 12 months of employment be a Certified Professional Public Buyer or a Certified Public Purchasing Officer, pursuant to certification by the Universal Public Purchasing Certification Council, and must reside in Illinois.

(d) Fiduciary duty. Each chief procurement officer owes a fiduciary duty to the State.

(e) Vacancy. In case of a vacancy in one or more of the offices of a chief procurement officer under this Section during the recess of the Senate, the Executive Ethics Commission shall make a temporary appointment until the next meeting of the Senate, when the Executive Ethics Commission shall nominate some person to fill the office, and any person so nominated who is confirmed by the Senate shall hold office during the remainder of the term and until his or her successor is appointed and qualified. If the Senate is not in session at the time this amendatory Act of the 96th General Assembly takes effect, the Executive Ethics Commission shall make a temporary appointment as in the case of a vacancy.

(f) ~~(Blank). Acting chief procurement officers. Prior to August 31, 2010, the Executive Ethics Commission may, until an initial chief procurement officer is appointed and qualified, designate some~~

[May 29, 2014]

person as an acting chief procurement officer to execute the powers and discharge the duties vested by law in that chief procurement officer. An acting chief procurement officer shall serve no later than the appointment of the initial chief procurement officer pursuant to subsection (a) of this Section. Nothing in this subsection shall prohibit the Executive Ethics Commission from appointing an acting chief procurement officer as a chief procurement officer.

(g) (Blank). Transition schedule. Notwithstanding any other provision of this Act or this amendatory Act of the 96th General Assembly, the chief procurement officers on the effective date of Public Act 96-793 shall continue to serve as chief procurement officers until August 31, 2010 and shall retain their powers and duties pertaining to procurements, provided the chief procurement officer appointed or approved by the Executive Ethics Commission shall approve any rules promulgated to implement this Code or the provisions of this amendatory Act of the 96th General Assembly. The chief procurement officers appointed or approved by the Executive Ethics Commission shall assume the position of chief procurement officer upon appointment and work in collaboration with the current chief procurement officer and staff. On September 1, 2010, the chief procurement officers appointed by the Executive Ethics Commission shall assume the powers and duties of the chief procurement officers. (Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of P.A. 96-795); 96-920, eff. 7-1-10.)

(30 ILCS 500/15-20)

Sec. 15-20. Qualified bidders or offerors. Subscription to the Illinois Procurement Bulletin shall not be required to qualify as a bidder or offeror under this Code. (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/15-25)

Sec. 15-25. Bulletin content.

(a) Invitations for bids. Notice of each and every contract that is offered, including renegotiated contracts and change orders, shall be published in the Bulletin. All ~~and all~~ businesses listed on the Department of Transportation Disadvantaged Business Enterprise Directory, the Department of Central Management Services Business Enterprise Program, and the Chief Procurement Office's Small Business Vendors Directory ~~and the Capital Development Board's Directory of Certified Minority and Female Business Enterprises~~ shall be furnished written instructions and information on how to register on each Procurement Bulletin maintained by the State. Such information shall be provided to each business within 30 calendar days after the business' notice of certification. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least the date first offered, the date submission of offers is due, the location that offers are to be submitted to, the purchasing State agency, the responsible State purchasing officer, a brief purchase description, the method of source selection, information of how to obtain a comprehensive purchase description and any disclosure and contract forms, and encouragement to potential contractors prospective vendors ~~to hire qualified veterans, as defined by Section 45-67 of this Code, and qualified Illinois minorities, women, persons with disabilities, and residents discharged from any Illinois adult correctional center.~~

(b) Contracts let. Notice of each and every contract that is let, including renegotiated contracts and change orders, shall be issued electronically to those bidders ~~or offerors~~ submitting responses to the solicitations, inclusive of the unsuccessful bidders, immediately upon contract let. Failure of any chief procurement officer to give such notice shall result in tolling the time for filing a bid protest up to 7 calendar 5-business days.

For purposes of this subsection (b), "contracts let" means a construction agency's act of advertising an invitation for bids for one or more construction projects. The apparent low bidder's award and all other bids from bidders responding to solicitations shall be posted on the agency's website the next business day.

(b-5) Contracts awarded. Notice of each and every contract that is awarded, including renegotiated contracts and change orders, shall be issued electronically to the successful responsible bidder, ~~or offeror, or contractor posted on the agency's website the next business day,~~ and published in the next available subsequent Bulletin. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least all of the information specified in subsection (a) as well as the name of the successful responsible bidder, ~~or offeror,~~ the contract price, the number of unsuccessful ~~responsive~~ bidders or offerors ~~and any other disclosure specified in any Section of this Code. This notice must be posted in the online electronic Bulletin prior to execution of the contract.~~

For purposes of this subsection (b-5), "contract award" means the determination that a particular bidder or offeror has been selected from among other bidders or offerors to receive a contract, subject to the successful completion of final negotiations. "Contract award" is evidenced by the posting of a Notice of Award or a Notice of Intent to Award to the respective volume of the Illinois Procurement Bulletin.

(c) Emergency purchase disclosure. Any chief procurement officer or State purchasing officer exercising emergency purchase authority under this Code shall publish a written description and reasons and the total cost, if known, or an estimate if unknown and the name of the responsible chief procurement officer and State purchasing officer, and the business or person contracted with for all emergency purchases in the next timely, practicable Bulletin. This notice must be posted in the online electronic Bulletin no later than 5 calendar ~~3-business~~ days after the contract is awarded. Notice of a hearing to extend an emergency contract must be posted in the online electronic Procurement Bulletin no later than 14 calendar ~~5-business~~ days prior to the hearing.

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

(c-10) Renewals. Notice of each contract renewal shall be posted in the online electronic Bulletin within 14 calendar ~~10-business~~ days of the determination to renew the contract and the next available subsequent Bulletin. The notice shall include at least all of the information required in subsection (b).

(c-15) Sole source procurements. Before entering into a sole source contract, a chief procurement officer exercising sole source procurement authority under this Code shall publish a written description of intent to enter into a sole source contract along with a description of the item to be procured and the intended sole source contractor. This notice must be posted in the online electronic Procurement Bulletin before a sole source contract is awarded and at least 14 calendar days before the hearing required by Section 20-25.

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

(e) The changes to subsections (b), (c), (c-5), (c-10), and (c-15) of this Section made by this amendatory Act of the 96th General Assembly apply to reports submitted, offers made, and notices on contracts executed on or after its effective date.

(f) Each chief procurement officer shall, in consultation with the agencies under his or her jurisdiction, provide the Procurement Policy Board with the information and resources necessary, and in a manner, to effectuate the purpose of this amendatory Act of the 96th General Assembly.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-1444, eff. 8-20-10; 97-895, eff. 8-3-12.)

(30 ILCS 500/15-30)

Sec. 15-30. Electronic Bulletin clearinghouse.

(a) The Procurement Policy Board shall maintain on its official website a searchable database containing all information required to be included in the Illinois Procurement Bulletin under subsections (b), (c), (c-10), and (c-15) of Section 15-25 and all information required to be disclosed under Section 50-41. The posting of procurement information on the website is subject to the same posting requirements as the online electronic Bulletin.

(b) For the purposes of this Section, searchable means searchable and sortable by successful responsible bidder, ~~or offeror~~, potential contractor, or contractor, for emergency purchases, business or person contracted with; the contract price or total cost; the service or good; the purchasing State agency; and the date first offered or announced.

(c) The applicable chief procurement officer shall provide the Procurement Policy Board the information and resources necessary, and in a manner, to effectuate the purpose of this Section.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 97-895, eff. 8-3-12.)

(30 ILCS 500/15-35)

Sec. 15-35. Vendor portal. Each chief procurement officer may, in consultation with the agencies under his or her jurisdiction and the Procurement Policy Board, establish a vendor portal. The vendor portal shall allow a potential prospective vendor to provide certifications, disclosures, registrations, and other documentation needed to do business with a State agency in advance of any particular procurement. A potential prospective vendor who registers with the vendor portal and provides this information may submit its registration number, with a confirmation that the portal information remains current, as part of its response to a competitive selection or a contracting process, rather than submit the same information in full. One or more chief procurement officers may jointly operate a vendor portal if a single portal would better serve the needs of the State agencies and the vendor community. A chief procurement officer may accept, for use on procurements and contracts under his or her jurisdiction, the registration from another

chief procurement officer's vendor portal. This Section applies notwithstanding any laws to the contrary except for later enacted laws that specifically refer to this Section.

Nothing in this Section shall preclude a State agency from implementing its own pre-qualification, certification, disclosure, and registration requirements necessary to conduct and manage its program operation.

This Section does not apply to any contract for any project as to which federal funds are available for expenditure when its provisions may be in conflict with federal law or federal regulation. (Source: P.A. 97-895, eff. 8-3-12.)

(30 ILCS 500/15-40 new)

Sec. 15-40. Method of notices and reports. Notices and reports required by any Section of this Code may be made by either paper or electronic means.

(30 ILCS 500/15-45 new)

Sec. 15-45. Computation of days. The time within which any act provided in this Code is to be done shall be computed by excluding the first day and including the last, unless the last day is Saturday or Sunday or is a holiday, and then it shall also be excluded. If the day succeeding a Saturday, Sunday, or holiday is also a holiday, a Saturday, or a Sunday, then that succeeding day shall also be excluded. For the purposes of this Code, "holiday" means: New Year's Day; Dr. Martin Luther King, Jr.'s Birthday; Lincoln's Birthday; President's Day; Memorial Day; Independence Day; Labor Day; Columbus Day; Veterans' Day; Thanksgiving Day; Christmas Day; and any other day from time to time declared by the President of the United States or the Governor of Illinois to be a day during which the agencies of the State of Illinois that are ordinarily open to do business with the public shall be closed for business.

(30 ILCS 500/20-5)

Sec. 20-5. Method of source selection. Unless otherwise authorized by law, all State contracts shall be awarded by competitive sealed bidding, in accordance with Section 20-10, except as provided in Sections 20-15, 20-20, 20-25, 20-30, 20-35, 30-15, and 40-20. The chief procurement officers appointed pursuant to Section 10-20 may determine the method of solicitation and contract for all procurements pursuant to this Code.

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

(30 ILCS 500/20-10)

(Text of Section from P.A. 96-159, 96-588, 97-96, and 97-895)

Sec. 20-10. Competitive sealed bidding; reverse auction.

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

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

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

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

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

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

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

[May 29, 2014]

- (1) a description of the agency's needs;
- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, the total contract price, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

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

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

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under subsection (a) of Section 1-75 and subsection (d) of Section 1-78 of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c).

Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 calendar days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects, including design professional services.

(Source: P.A. 96-159, eff. 8-10-09; 96-588, eff. 8-18-09; 97-96, eff. 7-13-11; 97-895, eff. 8-3-12.)

(Text of Section from P.A. 96-159, 96-795, 97-96, and 97-895)
Sec. 20-10. Competitive sealed bidding; reverse auction.

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

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

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

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

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth

in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

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

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

- (1) a description of the agency's needs;
- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, the total contract price, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

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

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

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under subsection (a) of Section 1-75 and subsection (d) of Section 1-78 of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c). Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 calendar days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects, including design professional services.

(Source: P.A. 96-159, eff. 8-10-09; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 97-96, eff. 7-13-11; 97-895, eff. 8-3-12.)

(30 ILCS 500/20-15)

Sec. 20-15. Competitive sealed proposals.

(a) Conditions for use. When provided under this Code or under rules, or when the purchasing agency determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the State, a contract may be entered into by competitive sealed proposals.

(b) Request for proposals. Proposals shall be solicited through a request for proposals.

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

(d) Receipt of proposals. Proposals shall be opened publicly in the presence of one or more witnesses at the time and place designated in the request for proposals, but proposals shall be opened in a manner to avoid disclosure of contents to competing offerors during the process of negotiation. A record of proposals shall be prepared and shall be open for public inspection after contract award.

(e) Evaluation factors. The requests for proposals shall state the relative importance of price and other evaluation factors. Proposals shall be submitted in 2 parts: the first, covering items except price; and the second, covering price. The first part of all proposals shall be evaluated and ranked independently of the second part of all proposals.

(f) Discussion with responsible offerors and revisions of offers or proposals. As provided in the request for proposals and under rules, discussions may be conducted with responsible offerors who submit offers or proposals determined to be reasonably susceptible of being selected for award for the purpose of clarifying and assuring full understanding of and responsiveness to the solicitation requirements. Those offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals. Revisions may be permitted after submission and before award for the purpose of obtaining best and final offers. In conducting discussions there shall be no disclosure of any information derived from proposals submitted by competing offerors. If information is disclosed to any offeror, it shall be provided to all competing offerors.

(g) Award. Awards shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the State, taking into consideration price and the evaluation factors set forth in the request for proposals. The contract file shall contain the basis on which the award is made.

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

(30 ILCS 500/20-25)

Sec. 20-25. Sole source procurements.

(a) In accordance with standards set by rule, contracts may be awarded without use of the specified method of source selection when there is only one economically feasible source for the item. A State contract may be awarded as a sole source procurement unless an interested party submits a written request for a public hearing at which the chief procurement officer and purchasing agency present written justification for the procurement method. Any interested party may present testimony. A sole source contract where a hearing was requested by an interested party may be awarded after the hearing is conducted with the approval of the chief procurement officer.

(b) This Section may not be used as a basis for amending a contract for professional or artistic services if the amendment would result in an increase in the amount paid under the contract of more than 5% of the initial award, or would extend the contract term beyond the time reasonably needed for a competitive procurement, not to exceed 2 months.

(c) Notice of intent to enter into a sole source contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 calendar days before the public hearing required in subsection (a). The notice shall include the sole source procurement justification form prescribed by the Board, a description of the item to be procured, the intended sole source contractor, and the date, time, and location of the public hearing. A copy of the notice and all documents provided at the hearing shall be included in the subsequent Procurement Bulletin.

(d) By August 1 each year, each chief procurement officer shall file a report with the General Assembly identifying each contract the officer sought under the sole source procurement method and providing the justification given for seeking sole source as the procurement method for each of those contracts.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-920, eff. 7-1-10; 97-895, eff. 8-3-12.)

(30 ILCS 500/20-30)

Sec. 20-30. Emergency purchases.

(a) Conditions for use. In accordance with standards set by rule, a purchasing agency may make emergency procurements without competitive sealed bidding or prior notice when there exists a threat to

public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or to ensure the integrity of State records; provided, however, that the term of the emergency purchase shall be limited to the time reasonably needed for a competitive procurement, not to exceed 90 calendar days. A contract may be extended beyond 90 calendar days if the chief procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency. Prior to execution of the extension, the chief procurement officer must hold a public hearing and provide written justification for all emergency contracts. Members of the public may present testimony. Emergency procurements shall be made with as much competition as is practicable under the circumstances. A written description of the basis for the emergency and reasons for the selection of the particular contractor shall be included in the contract file.

(b) Notice. Notice of all emergency procurements shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than 5 calendar ~~3 business~~ days after the contract is awarded. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 calendar days before the public hearing. Notice shall include at least a description of the need for the emergency purchase, the contractor, and if applicable, the date, time, and location of the public hearing. A copy of this notice and all documents provided at the hearing shall be included in the subsequent Procurement Bulletin. Before the next appropriate volume of the Illinois Procurement Bulletin, the purchasing agency shall publish in the Illinois Procurement Bulletin a copy of each written description and reasons and the total cost of each emergency procurement made during the previous month. When only an estimate of the total cost is known at the time of publication, the estimate shall be identified as an estimate and published. When the actual total cost is determined, it shall also be published in like manner before the 10th day of the next succeeding month.

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

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

(e) The changes to this Section made by this amendatory Act of the 96th General Assembly apply to procurements executed on or after its effective date.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/20-35)

Sec. 20-35. Competitive selection procedures.

(a) Conditions for use. The services specified in Article 35 shall be procured in accordance with this Section, except as authorized under Sections 20-25 and 20-30 of this Article.

(b) Statement of qualifications. Respondents ~~Potential contractors~~ shall submit statements of qualifications and expressions of interest. The chief procurement officer shall specify a uniform format for statements of qualifications. Persons may amend these statements at any time by filing a new statement.

(c) Public announcement and form of request for proposals. Public notice of the need for the procurement shall be given in the form of a request for proposals and published in the Illinois Procurement Bulletin at least 14 calendar days before the date set in the request for proposals for the opening of proposals. The request for proposals shall describe the services required, list the type of information and data required of each respondent ~~offeror~~, and state the relative importance of particular qualifications.

(d) Discussions. The purchasing agency may conduct discussions with any respondent ~~offeror~~ who has submitted a response ~~proposal~~ to determine the respondent's ~~offeror's~~ qualifications for further consideration. Discussions shall not disclose any information derived from proposals submitted by other respondents ~~offerors~~.

(e) Award. Award shall be made to the respondent ~~offeror~~ determined in writing by the purchasing agency to be best qualified based on the evaluation factors set forth in the request for proposals and negotiation of compensation determined to be fair and reasonable.

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

(30 ILCS 500/20-40)

Sec. 20-40. Cancellation of invitations for bids or requests for proposals. An invitation for bids, a request for proposals, or any other solicitation may be cancelled without penalty, or any and all bids, offers, or proposals, or any other solicitation may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interests of the State in accordance with rules. The reasons for cancellation or rejection shall be made part of the contract file.

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

(30 ILCS 500/20-43)

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

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of P.A. 96-795).)

(30 ILCS 500/20-50)

Sec. 20-50. Specifications. Specifications shall be prepared in accordance with consistent standards that are promulgated by the chief procurement officer and reviewed by the Board and the Joint Committee on Administrative Rules. Those standards shall include a prohibition against the use of brand-name only products, except for products intended for retail sale or as specified by rule. All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the State's needs and shall not be unduly restrictive.

A solicitation or specification for a contract or a contract, including ~~a contract~~ but not limited to of a college, university, or institution under the jurisdiction of a governing board listed in Section 1-15.100, may not require, stipulate, suggest, or encourage a monetary or other financial contribution or donation, cash bonus or incentive, or economic investment, or other prohibited conduct as an explicit or implied term or condition for awarding or completing the contract. The contract, solicitation, or specification also may not include a requirement that an individual or individuals employed by such a college, university, or institution receive a consulting contract for professional services.

As used in this Section, "prohibited conduct" includes requested payments or other consideration by a third party to the university or State agency that is not part of the solicitation or that is unrelated to the subject matter or purpose of the solicitation. "Prohibited conduct" does not include a payment from the vendor that is supported by additional consideration (such as exclusive rights to sell items or rights to advertise), other than the consideration of the State's awarding a contract to purchase of goods and services.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/20-80)

Sec. 20-80. Contract files.

(a) Written determinations. All written determinations required under this Article shall be placed in the contract file maintained by the chief procurement officer.

(b) Filing with Comptroller. Whenever a grant, defined pursuant to accounting standards established by the Comptroller, or a contract liability, except for: (1) contracts paid from personal services, or (2) contracts between the State and its employees to defer compensation in accordance with Article 24 of the Illinois Pension Code, exceeding \$20,000 is incurred by any State agency, a copy of the contract, purchase order, grant, or lease shall be filed with the Comptroller within 30 calendar days thereafter. Beginning January 1, 2013, the Comptroller may require that contracts and grants required to be filed with the Comptroller under this Section shall be filed electronically, unless the agency is incapable of filing the contract or grant electronically because it does not possess the necessary technology or equipment. Any agency that is incapable of electronically filing its contracts or grants shall submit a written statement to the Governor and to the Comptroller attesting to the reasons for its inability to comply. This statement shall include a discussion of what the agency needs in order to effectively comply with this Section. Prior to requiring electronic filing, the Comptroller shall consult with the Governor as to the feasibility of establishing mutually agreeable technical standards for the electronic document imaging, storage, and transfer of contracts and grants, taking into consideration the technology available to that agency, best practices, and the technological capabilities of State agencies. Nothing in this amendatory Act of the 97th General Assembly shall be construed to impede the implementation of an Enterprise Resource Planning (ERP) system. For each State contract for goods, supplies, or services awarded on or after July 1, 2010, the contracting agency shall provide the applicable rate and unit of measurement of the goods, supplies, or services on the contract obligation document as required by the Comptroller. If the contract obligation document that is submitted to the Comptroller contains the rate and unit of measurement of the goods,

[May 29, 2014]

supplies, or services, the Comptroller shall provide that information on his or her official website. Any cancellation or modification to any such contract liability shall be filed with the Comptroller within 30 calendar days of its execution.

(c) Late filing affidavit. When a contract, purchase order, grant, or lease required to be filed by this Section has not been filed within 30 calendar days of execution, the Comptroller shall refuse to issue a warrant for payment thereunder until the agency files with the Comptroller the contract, purchase order, grant, or lease and an affidavit, signed by the chief executive officer of the agency or his or her designee, setting forth an explanation of why the contract liability was not filed within 30 calendar days of execution. A copy of this affidavit shall be filed with the Auditor General.

(d) Timely execution of contracts. No voucher shall be submitted to the Comptroller for a warrant to be drawn for the payment of money from the State treasury or from other funds held by the State Treasurer on account of any contract unless the contract is reduced to writing before the services are performed and filed with the Comptroller. Vendors shall not be paid for any goods that were received or services that were rendered before the contract was reduced to writing and signed by all necessary parties. A chief procurement officer may request an exception to this subsection by submitting a written statement to the Comptroller and Treasurer setting forth the circumstances and reasons why the contract could not be reduced to writing before the supplies were received or services were performed. A waiver of this subsection must be approved by the Comptroller and Treasurer. This Section shall not apply to emergency purchases if notice of the emergency purchase is filed with the Procurement Policy Board and published in the Bulletin as required by this Code.

(e) Method of source selection. When a contract is filed with the Comptroller under this Section, the Comptroller's file shall identify the method of source selection used in obtaining the contract.

(Source: P.A. 96-794, eff. 1-1-10; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-1000, eff. 7-2-10; 97-932, eff. 8-10-12.)

(30 ILCS 500/20-95)

Sec. 20-95. Donations. Nothing in this Code or in the rules promulgated under this Code shall prevent any State agency from complying with the terms and conditions of any grant, gift, or bequest that calls for the procurement of a particular good or service or the use of a particular vendor contractor, provided that the grant, gift, or bequest provides majority funding for the contract.

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

(30 ILCS 500/20-120)

Sec. 20-120. Subcontractors.

(a) Any contract granted under this Code shall state whether the services of a subcontractor will be used. The contract shall include the names and addresses of all known subcontractors with subcontracts with an annual value of more than \$50,000, the general type of work to be performed by these subcontractors, and the expected amount of money each will receive under the contract. Upon the request of the chief procurement officer appointed pursuant to paragraph (2) of subsection (a) of Section 10-20, the contractor shall provide the chief procurement officer a copy of a subcontract so identified within 15 calendar days after the request is made. A subcontractor, or contractor on behalf of a subcontractor, may identify information that is deemed proprietary or confidential. If the chief procurement officer determines the information is not relevant to the primary contract, the chief procurement officer may excuse the inclusion of the information. If the chief procurement officer determines the information is proprietary or could harm the business interest of the subcontractor, the chief procurement officer may, in his or her discretion, redact the information. Redacted information shall not become part of the public record.

(b) If at any time during the term of a contract, a contractor adds or changes any subcontractors, he or she shall promptly notify, in writing, the chief procurement officer, State purchasing officer, or their designee of the names and addresses of each new or replaced subcontractor and the general type of work to be performed. Upon the request of the chief procurement officer appointed pursuant to paragraph (2) of subsection (a) of Section 10-20, the contractor shall provide the chief procurement officer a copy of any new or amended subcontract so identified within 15 calendar days after the request is made.

(c) In addition to any other requirements of this Code, a subcontract subject to this Section must include all of the subcontractor's certifications required by Article 50 of the Code.

(d) This Section applies to procurements solicited on or after the effective date of this amendatory Act of the 96th General Assembly. The changes made to this Section by this amendatory Act of the 97th General Assembly apply to procurements solicited on or after the effective date of this amendatory Act of the 97th General Assembly.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of P.A. 96-795); 96-920, eff. 7-1-10; 97-895, eff. 8-3-12.)

(30 ILCS 500/20-155)

Sec. 20-155. Solicitation and contract documents.

(a) Each chief procurement officer appointed pursuant to Section 10-20 shall have the sole authority in their respective jurisdiction to develop and distribute uniform documents for the solicitation, review, and acceptance of all bids, offers, and responses and the award of contracts pursuant to this Code. If a chief procurement officer appointed pursuant to Section 10-20 exercises the authority to develop and distribute uniform documents for the solicitation, review and acceptance of all bids, offers and responses and the award of contracts, then the State agency shall use the uniform documents.

(b) ~~(a)~~ After award of a contract and subject to provisions of the Freedom of Information Act, the procuring agency shall make available for public inspection and copying all pre-award, post-award, administration, and close-out documents relating to that particular contract.

(c) ~~(b)~~ A procurement file shall be maintained for all contracts, regardless of the method of procurement. The procurement file shall contain the basis on which the award is made, all submitted bids and proposals, all evaluation materials, score sheets and all other documentation related to or prepared in conjunction with evaluation, negotiation, and the award process. The procurement file shall contain a written determination, signed by the chief procurement officer or State purchasing officer, setting forth the reasoning for the contract award decision. The procurement file shall not include trade secrets or other competitively sensitive, confidential, or proprietary information. The procurement file shall be open to public inspection within 7 calendar 7-business days following award of the contract.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 97-895, eff. 8-3-12.)

(30 ILCS 500/20-160)

Sec. 20-160. Business entities; certification; registration with the State Board of Elections.

(a) For purposes of this Section, the terms "business entity", "contract", "State contract", "contract with a State agency", "State agency", "affiliated entity", and "affiliated person" have the meanings ascribed to those terms in Section 50-37.

(b) Every bid and offer submitted to and every contract executed by the State on or after January 1, 2009 (the effective date of Public Act 95-971) and every submission to a vendor portal shall contain (1) a certification by the bidder, offeror, vendor, or contractor that either (i) the bidder, offeror, vendor, or contractor is not required to register as a business entity with the State Board of Elections pursuant to this Section or (ii) the bidder, offeror, vendor, or contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration and (2) a statement that the contract is voidable under Section 50-60 for the bidder's, offeror's, vendor's, or contractor's failure to comply with this Section.

(c) Within 30 days after the effective date of this amendatory Act of the 95th General Assembly, each ~~Each~~ business entity (i) whose aggregate bids and proposals on State contracts annually total more than \$50,000, (ii) whose aggregate bids and proposals on State contracts combined with the business entity's aggregate annual total value of State contracts exceed \$50,000, or (iii) whose contracts with State agencies, in the aggregate, annually total more than \$50,000 shall register with the State Board of Elections in accordance with Section 9-35 of the Election Code. ~~A business entity required to register under this subsection shall submit a copy of the certificate of registration to the applicable chief procurement officer within 90 days after the effective date of this amendatory Act of the 95th General Assembly.~~ A business entity required to register under this subsection due to item (i) or (ii) has a continuing duty to ensure that the registration is accurate during the period beginning on the date of registration and ending on the day after the date the contract is awarded; any change in information must be reported to the State Board of Elections 5 business days following such change or no later than a day before the contract is awarded, whichever date is earlier. A business entity required to register under this subsection due to item (iii) has a continuing duty to ensure that the registration is accurate in accordance with subsection (e).

(d) Any business entity, not required under subsection (c) to register ~~within 30 days after the effective date of this amendatory Act of the 95th General Assembly,~~ whose aggregate bids and proposals on State contracts annually total more than \$50,000, or whose aggregate bids and proposals on State contracts combined with the business entity's aggregate annual total value of State contracts exceed \$50,000, shall register with the State Board of Elections in accordance with Section 9-35 of the Election Code prior to submitting to a State agency the bid or proposal whose value causes the business entity to fall within the monetary description of this subsection. A business entity required to register under this subsection has a continuing duty to ensure that the registration is accurate during the period beginning on the date of registration and ending on the day after the date the contract is awarded. Any change in information must be reported to the State Board of Elections within 5 business days following such change or no later than a day before the contract is awarded, whichever date is earlier.

(e) A business entity whose contracts with State agencies, in the aggregate, annually total more than \$50,000 must maintain its registration under this Section and has a continuing duty to ensure that the registration is accurate for the duration of the term of office of the incumbent officeholder awarding the contracts or for a period of 2 years following the expiration or termination of the contracts, whichever is longer. A business entity, required to register under this subsection, has a continuing duty to report any changes on a quarterly basis to the State Board of Elections within 14 calendar ~~10 business~~ days following the last day of January, April, July, and October of each year. Any update pursuant to this paragraph that is received beyond that date is presumed late and the civil penalty authorized by subsection (e) of Section 9-35 of the Election Code (10 ILCS 5/9-35) may be assessed.

Also, if a business entity required to register under this subsection has a pending bid or offer proposal, any change in information shall be reported to the State Board of Elections within 7 calendar ~~5 business~~ days following such change or no later than a day before the contract is awarded, whichever date is earlier.

(f) A business entity's continuing duty under this Section to ensure the accuracy of its registration includes the requirement that the business entity notify the State Board of Elections of any change in information, including but not limited to changes of affiliated entities or affiliated persons.

(g) For any bid or offer proposal for a contract with a State agency by a business entity required to register under this Section, the chief procurement officer shall verify that the business entity is required to register under this Section and is in compliance with the registration requirements on the date the bid or offer proposal is due. A chief procurement officer shall not accept a bid or offer proposal if the business entity is not in compliance with the registration requirements as of the date bids or offers proposals are due.

(h) A registration, and any changes to a registration, must include the business entity's verification of accuracy and subjects the business entity to the penalties of the laws of this State for perjury.

In addition to any penalty under Section 9-35 of the Election Code, intentional, willful, or material failure to disclose information required for registration shall render the contract, bid, offer proposal, or other procurement relationship voidable by the chief procurement officer if he or she deems it to be in the best interest of the State of Illinois.

(i) This Section applies regardless of the method of source selection used in awarding the contract. (Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-848, eff. 1-1-10; 97-333, eff. 8-12-11; 97-895, eff. 8-3-12.)

(30 ILCS 500/25-60)

Sec. 25-60. Prevailing wage requirements.

(a) All services furnished under service contracts of \$2,000 or more or \$200 or more per month and under printing contracts shall be subject to the following prevailing wage requirements:

(1) Not less than the general prevailing wage rate of hourly wages for work of a similar character in the locality in which the work is produced shall be paid by the successful bidder, offeror, or potential contractor ~~vendor~~ to its employees who perform the work on the State contracts. The bidder, ~~offeror, potential contractor, or contractor~~ in order to be considered to be a responsible bidder, ~~offeror, potential contractor, or contractor~~ for the purposes of this Code, shall certify to the purchasing agency that wages to be paid to its employees are no less, and fringe benefits and working conditions of employees are not less favorable, than those prevailing in the locality where the contract is to be performed. Prevailing wages and working conditions shall be determined by the Director of the Illinois Department of Labor.

(2) Whenever a collective bargaining agreement is in effect between an employer, other than a governmental body, and service or printing employees as defined in this Section who are represented by a responsible organization that is in no way influenced or controlled by the management, that agreement and its provisions shall be considered as conditions prevalent in that locality and shall be the minimum requirements taken into consideration by the Director of Labor.

(b) As used in this Section, "services" means janitorial cleaning services, window cleaning services, building and grounds services, site technician services, natural resources services, food services, and security services. "Printing" means and includes all processes and operations involved in printing, including but not limited to letterpress, offset, and gravure processes, the multilith method, photographic or other duplicating process, the operations of composition, platemaking, presswork, and binding, and the end products of those processes, methods, and operations. As used in this Code "printing" does not include photocopiers used in the course of normal business activities, photographic equipment used for geographic mapping, or printed matter that is commonly available to the general public from contractor inventory.

(c) The terms "general prevailing rate of hourly wages", "general prevailing rate of wages", or "prevailing rate of wages" when used in this Section mean the hourly cash wages plus fringe benefits for

health and welfare, insurance, vacations, and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character.

(d) "Locality" shall have the meaning established by rule.

(e) This Section does not apply to services furnished under contracts for professional or artistic services.

(f) This Section does not apply to vocational programs of training for physically or mentally handicapped persons or to sheltered workshops for the severely disabled.

(Source: P.A. 93-370, eff. 1-1-04.)

(30 ILCS 500/25-65)

Sec. 25-65. Contracts performed outside the United States. Prior to contracting or as a requirement of solicitation of any State contracts for services as defined in Section 1-15.90, whichever is appropriate, ~~potential contractors prospective vendors~~ shall disclose in a statement of work where services will be performed under that contract, including any subcontracts, and whether any services under that contract, including any subcontracts, are anticipated to be performed outside the United States.

In awarding the contract or evaluating the bid or offer, the chief procurement officer may consider such disclosure and the economic impact to the State of Illinois and its residents.

If the chief procurement officer awards a contract to a vendor based upon disclosure that work will be performed in the United States and during the term of the contract the contractor or a subcontractor proceeds to shift work outside of the United States, the contractor shall be deemed in breach of contract, unless the chief procurement officer shall have first determined in writing that circumstances require the shift of work or that termination of the contract would not be in the State's best interest.

Nothing in this Section is intended to contravene any existing treaty, law, agreement, or regulation of the United States.

The chief procurement officer appointed pursuant to paragraph (4) of subsection (a) of Section 10-20 shall prepare and deliver to the General Assembly, no later than September 1, 2015, a report on the impact of outsourcing services for State agencies subject to the jurisdiction of the chief procurement officer. The report shall include the State's cost of procurement and shall identify those contracts where it was disclosed that services were provided outside of the United States, including a description and value of those services. Each State agency subject to the jurisdiction of the chief procurement officer appointed pursuant to paragraph (4) of subsection (a) of Section 10-20 must provide the chief procurement officer the information necessary to comply with this Section on or before June 1, 2015. The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report in the manner provided by Section 3.1 of the General Assembly Organization Act.

~~The Department of Central Management Services shall prepare and deliver to the General Assembly, no later than September 1, 2007, a report on the impact of outsourcing services on the State's cost of procurement that identifies those contracts where it was disclosed that services were provided outside of the United States and a description and value of those services.~~

(Source: P.A. 93-1081, eff. 6-1-05.)

(30 ILCS 500/25-80)

Sec. 25-80. Successor ~~contractor vendor~~. All service contracts shall include a clause requiring the bidder or offeror, in order to be considered a responsible bidder or offeror for the purposes of this Code, to certify to the purchasing agency (i) that it shall offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer, and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed by the successor vendor.

This Section does not apply to heating and air conditioning service contracts, plumbing service contracts, and electrical service contracts.

(Source: P.A. 95-314, eff. 1-1-08.)

(30 ILCS 500/30-22)

Sec. 30-22. Construction contracts; responsible bidder requirements. To be considered a responsible bidder on a construction contract for purposes of this Code, a bidder must comply with all of the following requirements and must present satisfactory evidence of that compliance to the appropriate construction agency:

- (1) The bidder must comply with all applicable laws concerning the bidder's entitlement to conduct business in Illinois.
- (2) The bidder must comply with all applicable provisions of the Prevailing Wage Act.
- (3) The bidder must comply with Subchapter VI ("Equal Employment Opportunities") of

Chapter 21 of Title 42 of the United States Code (42 U.S.C. 2000e and following) and with Federal Executive Order No. 11246 as amended by Executive Order No. 11375.

(4) The bidder must have a valid Federal Employer Identification Number or, if an individual, a valid Social Security Number.

(5) The bidder must have a valid certificate of insurance showing the following coverages: general liability, professional liability, product liability, workers' compensation, completed operations, hazardous occupation, and automobile.

(6) The bidder and all bidder's subcontractors must participate in applicable apprenticeship and training programs approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training.

(7) For contracts with the Illinois Power Agency, the Director of the Illinois Power Agency may establish additional requirements for responsible bidders. These additional requirements, if established, shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(8) The bidder must certify ~~submit a signed affidavit stating~~ that the bidder will maintain an Illinois office as the primary

place of employment for persons employed in the construction authorized by the contract.

The provisions of this Section shall not apply to federally funded construction projects if such application would jeopardize the receipt or use of federal funds in support of such a project.

(Source: P.A. 97-369, eff. 8-15-11.)

(30 ILCS 500/30-30)

Sec. 30-30. Contracts in excess of \$250,000. For building construction contracts in excess of \$250,000, separate specifications shall be prepared for all equipment, labor, and materials in connection with the following 5 subdivisions of the work to be performed:

- (1) plumbing;
- (2) heating, piping, refrigeration, and automatic temperature control systems, including the testing and balancing of those systems;
- (3) ventilating and distribution systems for conditioned air, including the testing and balancing of those systems;
- (4) electric wiring; and
- (5) general contract work.

The specifications must be so drawn as to permit separate and independent bidding upon each of the 5 subdivisions of work. All contracts awarded for any part thereof shall award the 5 subdivisions of work separately to responsible and reliable persons, firms, or corporations engaged in these classes of work. The contracts, at the discretion of the construction agency, may be assigned to the successful bidder on the general contract work or to the successful bidder on the subdivision of work designated by the construction agency before the bidding as the prime subdivision of work, provided that all payments will be made directly to the contractors for the 5 subdivisions of work upon compliance with the conditions of the contract.

Until a date 4 years after July 1, 2011, the requirements of this Section do not apply to a construction project for which the Capital Development Board is the construction agency if: (i) the project budget is at least \$15,000,000; (ii) the Capital Development Board has submitted to the Procurement Policy Board a written request for a public hearing on waiver of the application of the requirements of this Section to that project, including its reasons for seeking the waiver and why the waiver is in the best interest of the State; (iii) the Capital Development Board has posted notice of the waiver hearing on its procurement web page and on the online Procurement Bulletin at least 15 ~~calendar working~~ days before the hearing; (iv) the Procurement Policy Board, after conducting the public hearing on the waiver request, reviews and approves the request in writing before the award of the contract; (v) the successful low bidder has prequalified with the Capital Development Board; (vi) the bid of the successful low bidder identifies the name of the subcontractor, if any, and the bid proposal costs for each of the 5 subdivisions of work set forth in this Section; and (vii) the contract entered into with the successful bidder provides that no identified subcontractor may be terminated without the written consent of the Capital Development Board. With respect to any construction project described in this paragraph, the Capital Development Board shall: (i) provide to the Auditor General an affidavit that the waiver of the application of the requirements of this Section is in the best interest of the State; (ii) specify in writing as a public record that the project shall comply with the disadvantaged business practices of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act and the equal employment practices of Section 2-105 of the Illinois Human Rights Act; and (iii) report annually to the Governor and the General Assembly on the bidding, award, and performance. On and after January 1, 2009 (the effective date of Public Act 95-758), the Capital

[May 29, 2014]

Development Board may award in each year contracts with an aggregate total value of no more than \$200,000,000 with respect to construction projects described in this paragraph.

Until a date 11 years after November 29, 2005 (the effective date of Public Act 94-699), the requirements of this Section do not apply to the Capitol Building HVAC upgrade project if (i) the bid of the successful bidder identifies the name of the subcontractor, if any, and the bid proposal costs for each of the 5 subdivisions of work set forth in this Section, and (ii) the contract entered into with the successful bidder provides that no identified subcontractor may be terminated without the written consent of the Capital Development Board.

(Source: P.A. 97-182, eff. 7-22-11; 98-431, eff. 8-16-13.)

(30 ILCS 500/35-30)

Sec. 35-30. Awards.

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

(b) For each contract offered, the chief procurement officer, State purchasing officer, or his or her designee shall use the appropriate standard solicitation forms available from the chief procurement officer for matters other than construction or the higher education chief procurement officer.

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

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

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

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

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

(Source: P.A. 95-331, eff. 8-21-07; 95-481, eff. 8-28-07; 96-920, eff. 7-1-10.)

(30 ILCS 500/35-40)

Sec. 35-40. Subcontractors.

(a) Any contract granted under this Article shall state whether the services of a subcontractor will be used. The contract shall include the names and addresses of all subcontractors with an annual value of more than \$50,000, the general type of work to be performed by these subcontractors, and the expected amount of money each will receive under the contract. Upon the request of the chief procurement officer appointed pursuant to paragraph (2) of subsection (a) of Section 10-20, the contractor shall provide the

chief procurement officer a copy of a subcontract so identified within 15 calendar days after the request is made. A subcontractor, or contractor on behalf of a subcontractor, may identify information that is deemed proprietary or confidential. If the chief procurement officer determines the information is not relevant to the primary contract, the chief procurement officer may excuse the inclusion of the information. If the chief procurement officer determines the information is proprietary or could harm the business interest of the subcontractor, the chief procurement officer may, in his or her discretion, redact the information. Redacted information shall not become part of the public record.

(b) If at any time during the term of a contract, a contractor adds or changes any subcontractors, he or she shall promptly notify, in writing, the chief procurement officer for matters other than construction or the higher education chief procurement officer, whichever is appropriate, and the responsible State purchasing officer, or their designee of the names and addresses and the expected amount of money each new or replaced subcontractor will receive. Upon request of the chief procurement officer appointed pursuant to paragraph (2) of subsection (a) of Section 10-20, the contractor shall provide the chief procurement officer a copy of any new or amended subcontract so identified within 15 calendar days after the request is made.

(c) In addition to any other requirements of this Code, a subcontract subject to this Section must include all of the subcontractor's certifications required by Article 50 of this Code.

(d) For purposes of this Section, the changes made by this amendatory Act of the 98th General Assembly apply to procurements solicited on or after the effective date of this amendatory Act of the 98th General Assembly.

(Source: P.A. 95-481, eff. 8-28-07; 96-920, eff. 7-1-10.)

(30 ILCS 500/40-5)

Sec. 40-5. Applicability. All leases for real property or capital improvements, including office and storage space, buildings, and other facilities for State agencies where the State is the lessee, shall be procured in accordance with the provisions of this Article. All State agencies, with the exception of public institutions of higher education, shall, in consultation with the Department of Central Management Services, evaluate the State's existing lease portfolio prior to engaging in a procurement for real property or capital improvements.

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

(30 ILCS 500/40-15)

Sec. 40-15. Method of source selection.

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

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

- (1) Property of less than 10,000 square feet with rent of less than \$100,000 per year.
- (2) (Blank).
- (3) Duration of less than one year that cannot be renewed.
- (4) Specialized space available at only one location.
- (5) Renewal or extension of a lease; provided that: (i) the chief procurement officer

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

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

(Source: P.A. 95-647, eff. 10-11-07; 96-920, eff. 7-1-10.)

(30 ILCS 500/40-20)

Sec. 40-20. Request for information.

(a) Conditions for use. Leases shall be procured by request for information except as otherwise provided in Section 40-15.

(b) Form. A request for information shall be issued and shall include:

- (1) the type of property to be leased;
- (2) the proposed uses of the property;
- (3) the duration of the lease;
- (4) the preferred location of the property; and

(5) a general description of the configuration desired.

(c) Public notice. Public notice of the request for information for the availability of real property to lease shall be published in the appropriate volume of the Illinois Procurement Bulletin at least 14 calendar days before the date set forth in the request for receipt of responses and shall also be published in similar manner in a newspaper of general circulation in the community or communities where the using agency is seeking space.

(d) Response. The request for information response shall consist of written information sufficient to show that the respondent can meet minimum criteria set forth in the request. State purchasing officers may enter into discussions with respondents for the purpose of clarifying State needs and the information supplied by the respondents. On the basis of the information supplied and discussions, if any, a State purchasing officer shall make a written determination identifying the responses that meet the minimum criteria set forth in the request for information. Negotiations shall be entered into with all qualified respondents for the purpose of securing a lease that is in the best interest of the State. A written report of the negotiations shall be retained in the lease files and shall include the reasons for the final selection. All leases shall be reduced to writing; one copy shall be filed with the Comptroller in accordance with the provisions of Section 20-80, and one copy shall be filed with the Board.

When the lowest response by price is not selected, the State purchasing officer shall forward to the chief procurement officer, along with the lease, notice of the identity of the lowest respondent by price and written reasons for the selection of a different response. The chief procurement officer shall publish the written reasons in the next volume of the Illinois Procurement Bulletin.

(e) Board review. Upon receipt of (1) any proposed lease of real property of 10,000 or more square feet or (2) any proposed lease of real property with annual rent payments of \$100,000 or more, the Procurement Policy Board shall have 30 calendar days to review the proposed lease. If the Board does not object in writing within 30 calendar days, then the proposed lease shall become effective according to its terms as submitted. The leasing agency shall make any and all materials available to the Board to assist in the review process.

(Source: P.A. 96-1521, eff. 2-14-11.)

(30 ILCS 500/40-25)

Sec. 40-25. Length of leases.

(a) Maximum term. Leases shall be for a term not to exceed 10 years inclusive, beginning January, 1, 2010, of proposed contract renewals and shall include a termination option in favor of the State after 5 years.

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

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

(d) Holdover. Beginning January 1, 2010, no lease may continue on a month-to-month or other holdover basis for a total of more than 6 months. Beginning July 1, 2010, the Comptroller shall withhold payment of leases beyond this holdover period.

(Source: P.A. 96-15, eff. 6-22-09; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/40-55)

Sec. 40-55. Lessor's failure to make improvements. Each lease must provide for actual or liquidated damages a penalty upon the lessor's failure to make improvements agreed upon in the lease. The actual or liquidated damages penalty shall consist of a reduction in lease payments equal to the corresponding percentage of the improvement value to the lease value. The actual or liquidated damages penalty shall continue until the lessor complies with the lease and the improvements are certified by the chief procurement officer and the leasing State agency.

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

(30 ILCS 500/45-10)

Sec. 45-10. Resident bidders and offerors.

(a) Amount of preference. When a contract is to be awarded to the lowest responsible bidder or offeror, a resident bidder or offeror shall be allowed a preference as against a non-resident bidder or offeror from any state that gives or requires a preference to bidders or offerors from that state. The preference shall be equal to the preference given or required by the state of the non-resident bidder or offeror. Further, if only non-resident bidders or offerors are bidding, the purchasing agency is within its right to specify that Illinois

labor and manufacturing locations be used as a part of the manufacturing process, if applicable. This specification may be negotiated as part of the solicitation process.

(b) Residency. A resident bidder or offeror is a person authorized to transact business in this State and having a bona fide establishment for transacting business within this State where it was actually transacting business on the date when any bid for a public contract is first advertised or announced. A resident bidder or offeror includes a foreign corporation duly authorized to transact business in this State that has a bona fide establishment for transacting business within this State where it was actually transacting business on the date when any bid for a public contract is first advertised or announced.

(c) Federal funds. This Section does not apply to any contract for any project as to which federal funds are available for expenditure when its provisions may be in conflict with federal law or federal regulation. (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/45-20)

Sec. 45-20. Recycled supplies. When a public contract is to be awarded to the lowest responsible bidder or offeror, an otherwise qualified bidder or offeror who will fulfill the contract through the use of products made of recycled supplies may be given preference over other bidders or offerors unable to do so, provided that the cost included in the bid of supplies made of recycled materials does not constitute an undue economic or practical hardship.

(Source: P.A. 96-197, eff. 1-1-10.)

(30 ILCS 500/45-30)

Sec. 45-30. Illinois Correctional industries. Notwithstanding anything to the contrary in other law, the chief procurement officer appointed pursuant to paragraph (4) of subsection (a) of Section 10-20 of the Department of Central Management Services shall, in consultation with Illinois Correctional Industries, a division of the Illinois Department of Corrections (referred to as the "Illinois Correctional Industries" or "ICI") determine for all State agencies which articles, materials, industry related services, food stuffs, and finished goods that are produced or manufactured by persons confined in institutions and facilities of the Department of Corrections who are participating in Illinois Correctional Industries programs shall be purchased from Illinois Correctional Industries. The chief procurement officer appointed pursuant to paragraph (4) of subsection (a) of Section 10-20 of Central Management Services shall develop and distribute to the various purchasing and using agencies a listing of all Illinois Correctional Industries products and procedures for implementing this Section.

(Source: P.A. 96-877, eff. 7-1-10; 96-943, eff. 7-1-10.)

(30 ILCS 500/45-35)

Sec. 45-35. Facilities for persons with severe disabilities.

(a) Qualification. Supplies and services may be procured without advertising or calling for bids from any qualified not-for-profit agency for persons with severe disabilities that:

- (1) complies with Illinois laws governing private not-for-profit organizations;
- (2) is certified as a sheltered workshop by the Wage and Hour Division of the United

States Department of Labor or is an accredited vocational program that provides transition services to youth between the ages of 14 1/2 and 22 in accordance with individualized education plans under Section 14-8.03 of the School Code and that provides residential services at a child care institution, as defined under Section 2.06 of the Child Care Act of 1969, or at a group home, as defined under Section 2.16 of the Child Care Act of 1969; and

- (3) meets the applicable Illinois Department of Human Services just standards.

(b) Participation. To participate, the not-for-profit agency must have indicated an interest in providing the supplies and services, must meet the specifications and needs of the using agency, and must set a fair market price.

(c) Committee. There is created within the Department of Central Management Services a committee to facilitate the purchase of products and services of persons so severely disabled by a physical, developmental, or mental disability or a combination of any of those disabilities that they cannot engage in normal competitive employment. This committee is called the State Use Committee. The committee shall consist of the Director of the Department of Central Management Services or his or her designee, the Director of the Department of Human Services or his or her designee, one public member representing private business who is knowledgeable of the employment needs and concerns of persons with developmental disabilities, one public member representing private business who is knowledgeable of the needs and concerns of rehabilitation facilities, one public member who is knowledgeable of the employment needs and concerns of persons with developmental disabilities, one public member who is knowledgeable of the needs and concerns of rehabilitation facilities, and 2 public members from a statewide association that represents community-based rehabilitation facilities, all appointed by the Governor. The public members shall serve 2 year terms, commencing upon appointment and every 2 years

thereafter. A public member may be reappointed, and vacancies shall be filled by appointment for the completion of the term. In the event there is a vacancy on the Committee, the Governor must make an appointment to fill that vacancy within 30 calendar days after the notice of vacancy. The members shall serve without compensation but shall be reimbursed for expenses at a rate equal to that of State employees on a per diem basis by the Department of Central Management Services. All members shall be entitled to vote on issues before the committee.

The committee shall have the following powers and duties:

- (1) To request from any State agency information as to product specification and service requirements in order to carry out its purpose.
 - (2) To meet quarterly or more often as necessary to carry out its purposes.
 - (3) To request a quarterly report from each participating qualified not-for-profit agency for persons with severe disabilities describing the volume of sales for each product or service sold under this Section.
 - (4) To prepare a report for the Governor and General Assembly no later than December 31 of each year annually. The requirement for reporting to the General Assembly shall be satisfied by following the procedures set forth in Section 3.1 of the General Assembly Organization Act.
 - (5) To prepare a publication that lists all supplies and services currently available from any qualified not-for-profit agency for persons with severe disabilities. This list and any revisions shall be distributed to all purchasing agencies.
 - (6) To encourage diversity in supplies and services provided by qualified not-for-profit agencies for persons with severe disabilities and discourage unnecessary duplication or competition among facilities.
 - (7) To develop guidelines to be followed by qualifying agencies for participation under the provisions of this Section. The guidelines shall be developed within 6 months after the effective date of this Code and made available on a nondiscriminatory basis to all qualifying agencies.
 - (8) To review all bids submitted under the provisions of this Section and reject any bid for any purchase that is determined to be substantially more than the purchase would have cost had it been competitively bid.
 - (9) To develop a 5-year plan for increasing the number of products and services purchased from qualified not-for-profit agencies for persons with severe disabilities, including the feasibility of developing mandatory set-aside contracts. This 5-year plan must be developed no later than 180 calendar days after the effective date of this amendatory Act of the 96th General Assembly.
- (c-5) Conditions for Use. Each chief procurement officer shall, in consultation with the State Use Committee, determine which articles, materials, services, food stuffs, and supplies that are produced, manufactured, or provided by persons with severe disabilities in qualified not-for-profit agencies shall be given preference by purchasing agencies procuring those items.
- (d) Former committee. The committee created under subsection (c) shall replace the committee created under Section 7-2 of the Illinois Purchasing Act, which shall continue to operate until the appointments under subsection (c) are made.

(Source: P.A. 96-634, eff. 8-24-09; 97-895, eff. 8-3-12.)

(30 ILCS 500/45-45)

Sec. 45-45. Small businesses.

(a) Set-asides. ~~Each~~ The chief procurement officer has authority to designate as small business set-asides a fair proportion of construction, supply, and service contracts for award to small businesses in Illinois. Advertisements for bids or offers for those contracts shall specify designation as small business set-asides. In awarding the contracts, only bids or offers from qualified small businesses shall be considered.

(b) Small business. "Small business" means a business that is independently owned and operated and that is not dominant in its field of operation. The chief procurement officer shall establish a detailed definition by rule, using in addition to the foregoing criteria other criteria, including the number of employees and the dollar volume of business. When computing the size status of a potential contractor bidder, annual sales and receipts of the potential contractor bidder and all of its affiliates shall be included. The maximum number of employees and the maximum dollar volume that a small business may have under the rules promulgated by the chief procurement officer may vary from industry to industry to the extent necessary to reflect differing characteristics of those industries, subject to the following limitations:

(1) No wholesale business is a small business if its annual sales for its most recently completed fiscal year exceed ~~\$13,000,000~~ \$10,000,000.

(2) No retail business or business selling services is a small business if its annual sales and receipts exceed ~~\$8,000,000~~ \$6,000,000.

(3) No manufacturing business is a small business if it employs more than 250 persons.

(4) No construction business is a small business if its annual sales and receipts exceed \$14,000,000 ~~\$10,000,000~~.

(c) Fair proportion. For the purpose of subsection (a), for State agencies of the executive branch, a fair proportion of construction contracts shall be no less than 25% nor more than 40% of the annual total contracts for construction.

(d) Withdrawal of designation. A small business set-aside designation may be withdrawn by the purchasing agency when deemed in the best interests of the State. Upon withdrawal, all bids or offers shall be rejected, and the bidders or offerors shall be notified of the reason for rejection. The contract shall then be awarded in accordance with this Code without the designation of small business set-aside.

(e) Small business specialist. The chief procurement officer shall designate a State purchasing officer who will be responsible for engaging an experienced contract negotiator to serve as its small business specialist, whose duties shall include:

(1) Compiling and maintaining a comprehensive ~~bidders~~ list of potential small contractors ~~businesses~~. In this duty, he or she shall cooperate with the Federal Small Business Administration in locating potential sources for various products and services.

(2) Assisting small businesses in complying with the procedures for bidding on State contracts.

(3) Examining requests from State agencies for the purchase of property or services to help determine which invitations to bid are to be designated small business set-asides.

(4) Making recommendations to the chief procurement officer for the simplification of specifications and terms in order to increase the opportunities for small business participation.

(5) Assisting in investigations by purchasing agencies to determine the responsibility of bidders or offerors on small business set-asides.

(f) Small business annual report. The State purchasing officer designated under subsection (e) shall annually before December 1 report in writing to the General Assembly concerning the awarding of contracts to small businesses. The report shall include the total value of awards made in the preceding fiscal year under the designation of small business set-aside. The report shall also include the total value of awards made to businesses owned by minorities, females, and persons with disabilities, as defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act, in the preceding fiscal year under the designation of small business set-aside.

The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report as required by Section 3.1 of the General Assembly Organization Act.

(Source: P.A. 92-60, eff. 7-12-01; 93-769, eff. 1-1-05.)

(30 ILCS 500/45-57)

Sec. 45-57. Veterans.

(a) Set-aside goal. It is the goal of the State to promote and encourage the continued economic development of small businesses owned and controlled by qualified veterans and that qualified service-disabled veteran-owned small businesses (referred to as SDVOSB) and veteran-owned small businesses (referred to as VOSB) participate in the State's procurement process as both prime contractors and subcontractors. Not less than 3% of the total dollar amount of State contracts, as defined by the Director of Central Management Services, shall be established as a goal to be awarded to SDVOSB and VOSB. That portion of a contract under which the contractor subcontracts with a SDVOSB or VOSB may be counted toward the goal of this subsection. The Department of Central Management Services shall adopt rules to implement compliance with this subsection by all State agencies.

(b) Fiscal year reports. By each September 1, each chief procurement officer shall report to the Department of Central Management Services on all of the following for the immediately preceding fiscal year, and by each March 1 the Department of Central Management Services shall compile and report that information to the General Assembly:

(1) The total number of VOSB, and the number of SDVOSB, who submitted bids for contracts under this Code.

(2) The total number of VOSB, and the number of SDVOSB, who entered into contracts with the State under this Code and the total value of those contracts.

(c) Yearly review and recommendations. Each year, each chief procurement officer shall review the progress of all State agencies under its jurisdiction in meeting the goal described in subsection (a), with input from statewide veterans' service organizations and from the business community, including businesses owned by qualified veterans, and shall make recommendations to be included in the Department of Central Management Services' report to the General Assembly regarding continuation,

increases, or decreases of the percentage goal. The recommendations shall be based upon the number of businesses that are owned by qualified veterans and on the continued need to encourage and promote businesses owned by qualified veterans.

(d) Governor's recommendations. To assist the State in reaching the goal described in subsection (a), the Governor shall recommend to the General Assembly changes in programs to assist businesses owned by qualified veterans.

(e) Definitions. As used in this Section:

"Armed forces of the United States" means the United States Army, Navy, Air Force, Marine Corps, Coast Guard, or service in active duty as defined under 38 U.S.C. Section 101. Service in the Merchant Marine that constitutes active duty under Section 401 of federal Public Act 95-202 shall also be considered service in the armed forces for purposes of this Section.

"Certification" means a determination made by the Illinois Department of Veterans' Affairs and the Department of Central Management Services that a business entity is a qualified service-disabled veteran-owned small business or a qualified veteran-owned small business for whatever purpose. A SDVOSB or VOSB owned and controlled by females, minorities, or persons with disabilities, as those terms are defined in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act, may also select and designate whether that business is to be certified as a "female-owned business", "minority-owned business", or "business owned by a person with a disability", as defined in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

"Control" means the exclusive, ultimate, majority, or sole control of the business, including but not limited to capital investment and all other financial matters, property, acquisitions, contract negotiations, legal matters, officer-director-employee selection and comprehensive hiring, operation responsibilities, cost-control matters, income and dividend matters, financial transactions, and rights of other shareholders or joint partners. Control shall be real, substantial, and continuing, not pro forma. Control shall include the power to direct or cause the direction of the management and policies of the business and to make the day-to-day as well as major decisions in matters of policy, management, and operations. Control shall be exemplified by possessing the requisite knowledge and expertise to run the particular business, and control shall not include simple majority or absentee ownership.

"Qualified service-disabled veteran" means a veteran who has been found to have 10% or more service-connected disability by the United States Department of Veterans Affairs or the United States Department of Defense.

"Qualified service-disabled veteran-owned small business" or "SDVOSB" means a small business (i) that is at least 51% owned by one or more qualified service-disabled veterans living in Illinois or, in the case of a corporation, at least 51% of the stock of which is owned by one or more qualified service-disabled veterans living in Illinois; (ii) that has its home office in Illinois; and (iii) for which items (i) and (ii) are factually verified annually by the Department of Central Management Services.

"Qualified veteran-owned small business" or "VOSB" means a small business (i) that is at least 51% owned by one or more qualified veterans living in Illinois or, in the case of a corporation, at least 51% of the stock of which is owned by one or more qualified veterans living in Illinois; (ii) that has its home office in Illinois; and (iii) for which items (i) and (ii) are factually verified annually by the Department of Central Management Services.

"Service-connected disability" means a disability incurred in the line of duty in the active military, naval, or air service as described in 38 U.S.C. 101(16).

"Small business" means a business that has annual gross sales of less than \$75,000,000 as evidenced by the federal income tax return of the business. A firm with gross sales in excess of this cap may apply to the Department of Central Management Services for certification for a particular contract if the firm can demonstrate that the contract would have significant impact on SDVOSB or VOSB as suppliers or subcontractors or in employment of veterans or service-disabled veterans.

"State agency" has the same meaning as in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

"Time of hostilities with a foreign country" means any period of time in the past, present, or future during which a declaration of war by the United States Congress has been or is in effect or during which an emergency condition has been or is in effect that is recognized by the issuance of a Presidential proclamation or a Presidential executive order and in which the armed forces expeditionary medal or other campaign service medals are awarded according to Presidential executive order.

"Veteran" means a person who (i) has been a member of the armed forces of the United States or, while a citizen of the United States, was a member of the armed forces of allies of the United States in time of hostilities with a foreign country and (ii) has served under one or more of the following conditions: (a) the veteran served a total of at least 6 months; (b) the veteran served for the duration of hostilities regardless

of the length of the engagement; (c) the veteran was discharged on the basis of hardship; or (d) the veteran was released from active duty because of a service connected disability and was discharged under honorable conditions.

(f) Certification program. The Illinois Department of Veterans' Affairs and the Department of Central Management Services shall work together to devise a certification procedure to assure that businesses taking advantage of this Section are legitimately classified as qualified service-disabled veteran-owned small businesses or qualified veteran-owned small businesses.

(g) Penalties.

(1) Administrative penalties. The chief procurement officers appointed pursuant to Section 10-20 Department of Central Management Services shall suspend any person who commits a violation of Section 17-10.3 or subsection (d) of Section 33E-6 of the ~~Criminal Code of 1961~~ or the Criminal Code of 2012 relating to this Section from bidding on, or participating as a contractor, subcontractor, or supplier in, any State contract or project for a period of not less than 3 years, and, if the person is certified as a service-disabled veteran-owned small business or a veteran-owned small business, then the Department shall revoke the business's certification for a period of not less than 3 years. An additional or subsequent violation shall extend the periods of suspension and revocation for a period of not less than 5 years. The suspension and revocation shall apply to the principals of the business and any subsequent business formed or financed by, or affiliated with, those principals.

(2) Reports of violations. Each State agency shall report any alleged violation of Section 17-10.3 or subsection (d) of Section 33E-6 of the Criminal Code of ~~1961~~ or the Criminal Code of 2012 relating to this Section to the chief procurement officers appointed pursuant to Section 10-20 Department of Central Management Services. The chief procurement officers appointed pursuant to Section 10-20 Department of Central Management Services shall subsequently report all such alleged violations to the Attorney General, who shall determine whether to bring a civil action against any person for the violation.

(3) List of suspended persons. The chief procurement officers appointed pursuant to Section 10-20 Department of Central Management Services shall monitor the status of all reported violations of Section 17-10.3 or subsection (d) of Section 33E-6 of the Criminal Code of 1961 or the Criminal Code of 2012 relating to this Section and shall maintain and make available to all State agencies a central listing of all persons that committed violations resulting in suspension.

(4) Use of suspended persons. During the period of a person's suspension under paragraph (1) of this subsection, a State agency shall not enter into any contract with that person or with any contractor using the services of that person as a subcontractor.

(5) Duty to check list. Each State agency shall check the central listing provided by the chief procurement officers appointed pursuant to Section 10-20 Department of Central Management Services under paragraph (3) of this subsection to verify that a person being awarded a contract by that State agency, or to be used as a subcontractor or supplier on a contract being awarded by that State agency, is not under suspension pursuant to paragraph (1) of this subsection.

(Source: P.A. 97-260, eff. 8-5-11; 97-1150, eff. 1-25-13; 98-307, eff. 8-12-13.)

(30 ILCS 500/45-67)

Sec. 45-67. Encouragement to hire qualified veterans. A chief procurement officer may, as part of any solicitation, encourage potential contractors prospective vendors to consider hiring qualified veterans and to notify them of any available financial incentives or other advantages associated with hiring such persons. In establishing internal guidelines in furtherance of this Section, the Department of Central Management Services may work with an interagency advisory committee consisting of representatives from the Department of Veterans Affairs, the Department of Employment Security, the Department of Commerce and Economic Opportunity, and the Department of Revenue and consisting of 8 members of the General Assembly, 2 of whom are appointed by the Speaker of the House of Representatives, 2 of whom are appointed by the President of the Senate, 2 of whom are appointed by the Minority Leader of the House of Representatives, and 2 of whom are appointed by the Minority Leader of the Senate.

For the purposes of this Section, "qualified veteran" means an Illinois resident who: (i) was a member of the Armed Forces of the United States, a member of the Illinois National Guard, or a member of any reserve component of the Armed Forces of the United States; (ii) served on active duty in connection with Operation Desert Storm, Operation Enduring Freedom, or Operation Iraqi Freedom; and (iii) was honorably discharged.

The Department of Central Management Services must report to the Governor and to the General Assembly by December 31 of each year on the activities undertaken by chief procurement officers and the Department of Central Management Services to encourage potential contractors prospective vendors to

consider hiring qualified veterans. The report must include the number of vendors who have hired qualified veterans.

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

(30 ILCS 500/45-70)

Sec. 45-70. Encouragement to hire ex-offenders. A chief procurement officer may, as part of any solicitation, encourage potential contractors ~~prospective vendors~~ to consider hiring Illinois residents discharged from any Illinois adult correctional center, in appropriate circumstances, and to notify them of any available financial incentives or other advantages associated with hiring such persons. In establishing internal guidelines in furtherance of this Section, the Department of Central Management Services may work with an interagency advisory committee consisting of representatives from the Department of Corrections, the Department of Employment Security, the Department of Juvenile Justice, the Department of Commerce and Economic Opportunity, and the Department of Revenue and consisting of 8 members of the General Assembly, 2 of whom are appointed by the Speaker of the House of Representatives, 2 of whom are appointed by the President of the Senate, 2 of whom are appointed by the Minority Leader of the House of Representatives, and 2 of whom are appointed by the Minority Leader of the Senate.

The Department of Central Management Services must report to the Governor and to the General Assembly by December 31 of each year on the activities undertaken by chief procurement officers and the Department of Central Management Services to encourage potential contractors ~~prospective vendors~~ to consider hiring Illinois residents who have been discharged from an Illinois adult correctional center. The report must include the number of vendors who have hired Illinois residents who have been discharged from any Illinois adult correctional center.

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

(30 ILCS 500/50-5)

Sec. 50-5. Bribery.

(a) Prohibition. No person or business shall be awarded a contract or subcontract under this Code who:

(1) has been convicted under the laws of Illinois or any other state of bribery or attempting to bribe an officer or employee of the State of Illinois or any other state in that officer's or employee's official capacity; or

(2) has made an admission of guilt of that conduct that is a matter of record but has not been prosecuted for that conduct.

(b) Businesses. No business shall be barred from contracting with any unit of State or local government, or subcontracting under such a contract, as a result of a conviction under this Section of any employee or agent of the business if the employee or agent is no longer employed by the business and:

(1) the business has been finally adjudicated not guilty; or

(2) the business demonstrates to the governmental entity with which it seeks to contract or which is a signatory to the contract to which the subcontract relates, and that entity finds that the commission of the offense was not authorized, requested, commanded, or performed by a director, officer, or high managerial agent on behalf of the business as provided in paragraph (2) of subsection (a) of Section 5-4 of the Criminal Code of 2012.

(c) Conduct on behalf of business. For purposes of this Section, when an official, agent, or employee of a business committed the bribery or attempted bribery on behalf of the business and in accordance with the direction or authorization of a responsible official of the business, the business shall be chargeable with the conduct.

(d) Certification. Every bid or offer submitted to every ~~to and~~ contract executed by the State, and every subcontract subject to Section 20-120 of this Code, and every vendor's submission to a vendor portal shall contain a certification by the bidder, offeror, potential contractor, contractor, or the subcontractor, respectively, that the bidder, offeror, potential contractor, contractor or subcontractor is not barred from being awarded a contract or subcontract under this Section and acknowledges that the chief procurement officer may declare the related contract void if any certifications required by this Section are false. If the false certification is made by a subcontractor, then the contractor's submitted bid or offer and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false. A bidder, offeror, potential contractor, contractor, or subcontractor who makes a false statement, material to the certification, commits a Class 3 felony.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 97-895, eff. 8-3-12; 97-1150, eff. 1-25-13.)

(30 ILCS 500/50-10)

Sec. 50-10. Felons.

(a) Unless otherwise provided, no person or business convicted of a felony shall do business with the State of Illinois or any State agency, or enter into a subcontract, from the date of conviction until 5 years after the date of completion of the sentence for that felony, unless no person held responsible by a prosecutorial office for the facts upon which the conviction was based continues to have any involvement with the business.

(b) Every bid or offer submitted to the State, every and contract executed by the State , and every vendor's submission to a vendor portal shall contain a certification by the bidder, offeror, potential contractor, ~~or~~ contractor , or subcontractor, respectively, that the bidder, offeror, potential contractor, contractor, or subcontractor is not barred from being awarded a contract or subcontract under this Section and acknowledges that the chief procurement officer may declare the related contract void if any of the certifications required by this Section are false. If the false certification is made by a subcontractor, then the contractor's submitted bid or offer and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 97-895, eff. 8-3-12.)

(30 ILCS 500/50-10.5)

Sec. 50-10.5. Prohibited bidders, offerors, potential contractors, and contractors.

(a) Unless otherwise provided, no business shall bid, offer, ~~or~~ enter into a contract or subcontract under this Code , or make a submission to a vendor portal if the business or any officer, director, partner, or other managerial agent of the business has been convicted of a felony under the Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 for a period of 5 years from the date of conviction.

(b) Every bid and offer submitted to the State, every and contract executed by the State , every vendor's submission to a vendor portal, and every subcontract subject to Section 20-120 of this Code shall contain a certification by the bidder, offeror, potential contractor, contractor, or subcontractor, respectively, that the bidder, offeror, potential contractor, contractor, or subcontractor is not barred from being awarded a contract or subcontract under this Section and acknowledges that the chief procurement officer shall declare the related contract void if any of the certifications completed pursuant to this subsection (b) are false. If the false certification is made by a subcontractor, then the contractor's submitted bid or offer and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false.

(c) If a business is not a natural person, the prohibition in subsection (a) applies only if:

(1) the business itself is convicted of a felony referenced in subsection (a); or

(2) the business is ordered to pay punitive damages based on the conduct of any officer, director, partner, or other managerial agent who has been convicted of a felony referenced in subsection (a).

(d) A natural person who is convicted of a felony referenced in subsection (a) remains subject to Section 50-10.

(e) No person or business shall bid, offer, make a submission to a vendor portal, or enter into a contract under this Code if the person or business assisted an employee of the State of Illinois, who, by the nature of his or her duties, has the authority to participate personally and substantially in the decision to award a State contract, by reviewing, drafting, directing, or preparing any invitation for bids, a request for proposal, or request for information or provided similar assistance except as part of a publicly issued opportunity to review drafts of all or part of these documents.

This subsection does not prohibit a person or business from submitting a bid or offer ~~or proposal~~ or entering into a contract if the person or business: (i) initiates a communication with an employee to provide general information about products, services, or industry best practices and, if applicable, that communication is documented in accordance with Section 50-39 or (ii) responds to a communication initiated by an employee of the State for the purposes of providing information to evaluate new products, trends, services, or technologies.

Nothing in this Section prohibits a vendor developing technology, goods, or services from bidding or offering to supply that technology or those goods or services if the subject demonstrated to the State represents industry trends and innovation and is not specifically designed to meet the State's needs.

For purposes of this subsection (e), "business" includes all individuals with whom a business is affiliated, including, but not limited to, any officer, agent, employee, consultant, independent contractor, director, partner, or manager ~~or shareholder~~ of a business.

No person or business shall submit specifications to a State agency unless requested to do so by an employee of the State. No person or business who contracts with a State agency to write specifications for

a particular procurement need shall submit a bid or proposal or receive a contract for that procurement need.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-920, eff. 7-1-10; 97-895, eff. 8-3-12.)

(30 ILCS 500/50-11)

Sec. 50-11. Debt delinquency.

(a) No person shall submit a bid or offer for, ~~or~~ enter into a contract or subcontract under this Code or make a submission to a vendor portal if that person knows or should know that he or she or any affiliate is delinquent in the payment of any debt to the State, unless the person or affiliate has entered into a deferred payment plan to pay off the debt. For purposes of this Section, the phrase "delinquent in the payment of any debt" shall be determined by the Debt Collection Bureau. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this subsection (a), a person controls an entity if the person owns, directly or individually, more than 10% of the voting securities of that entity. As used in this subsection (a), the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

(b) Every bid and offer submitted to the State, every vendor's submission to a vendor portal, every ~~and~~ contract executed by the State and every subcontract subject to Section 20-120 of this Code shall contain a certification by the bidder, offeror, potential contractor, contractor, or subcontractor, respectively, that the bidder, offeror, respondent, potential contractor, contractor or the subcontractor and its affiliate is not barred from being awarded a contract or subcontract under this Section and acknowledges that the chief procurement officer may declare the related contract void if any of the certifications completed pursuant to this subsection (b) are false. If the false certification is made by a subcontractor, then the contractor's submitted bid or offer and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false.

(Source: P.A. 96-493, eff. 1-1-10; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for effective date of changes made by P.A. 96-795); 96-1000, eff. 7-2-10; 97-895, eff. 8-3-12.)

(30 ILCS 500/50-12)

Sec. 50-12. Collection and remittance of Illinois Use Tax.

(a) No person shall enter into a contract with a State agency or enter into a subcontract under this Code unless the person and all affiliates of the person collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of the Illinois Use Tax Act regardless of whether the person or affiliate is a "retailer maintaining a place of business within this State" as defined in Section 2 of the Use Tax Act. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this subsection (a), an entity controls another entity if it owns, directly or individually, more than 10% of the voting securities of that entity. As used in this subsection (a), the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

(b) Every bid and offer submitted to the State, every submission to a vendor portal, every ~~and~~ contract executed by the State and every subcontract subject to Section 20-120 of this Code shall contain a certification by the bidder, offeror, potential contractor, contractor, or subcontractor, respectively, that the bidder, offeror, respondent, potential contractor, contractor, or subcontractor is not barred from bidding for or entering into a contract under subsection (a) of this Section and acknowledges that the chief procurement officer may declare the related contract void if any of the certifications completed pursuant to this subsection (b) are false. If the false certification is made by a subcontractor, then the contractor's submitted bid or offer and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 97-895, eff. 8-3-12.)

(30 ILCS 500/50-13)

[May 29, 2014]

Sec. 50-13. Conflicts of interest.

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

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

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

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

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

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

(f) Exceptions.

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

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

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

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

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

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

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

(30 ILCS 500/50-14)

Sec. 50-14. Environmental Protection Act violations.

(a) Unless otherwise provided, no person or business found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act shall do business with the State of Illinois or any State agency or enter into a subcontract that is subject to this Code from

the date of the order containing the finding of violation until 5 years after that date, unless the person or business can show that no person involved in the violation continues to have any involvement with the business.

(b) A person or business otherwise barred from doing business with the State of Illinois or any State agency or subcontracting under this Code by subsection (a) may be allowed to do business with the State of Illinois or any State agency if it is shown that there is no practicable alternative to the State to contracting with that person or business.

(c) Every bid or offer submitted to the State, every and contract executed by the State, every submission to a vendor portal, and every subcontract subject to Section 20-120 of this Code shall contain a certification by the bidder, offeror, potential contractor, contractor, or subcontractor, respectively, that the bidder, offeror, potential contractor, contractor, or subcontractor is not barred from being awarded a contract or subcontract under this Section and acknowledges that the contracting State agency may declare the related contract void if any of the certifications completed pursuant to this subsection (c) are false. If the false certification is made by a subcontractor, then the contractor's submitted bid or offer and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 97-895, eff. 8-3-12.)

(30 ILCS 500/50-20)

Sec. 50-20. Exemptions. The appropriate chief procurement officer may file a request with the Executive Ethics Commission to exempt named individuals from the prohibitions of Section 50-13 when, in his or her judgment, the public interest in having the individual in the service of the State outweighs the public policy evidenced in that Section. The Executive Ethics Commission may grant an exemption after a public hearing at which any person may present testimony. The chief procurement officer shall publish notice of the date, time, and location of the hearing in the online electronic Bulletin at least 14 calendar days prior to the hearing and provide notice to the individual subject to the waiver and the Procurement Policy Board. The Executive Ethics Commission shall also provide public notice of the date, time, and location of the hearing on its website. If the Commission grants an exemption, the exemption is effective only if it is filed with the Secretary of State and the Comptroller prior to the execution of any contract and includes a statement setting forth the name of the individual and all the pertinent facts that would make that Section applicable, setting forth the reason for the exemption, and declaring the individual exempted from that Section. Notice of each exemption shall be published in the Illinois Procurement Bulletin. A contract for which a waiver has been issued but has not been filed in accordance with this Section is voidable by the State. The changes to this Section made by this amendatory Act of the 96th General Assembly shall apply to exemptions granted on or after its effective date.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/50-25)

Sec. 50-25. Inducement. Any person who offers or pays any money or other valuable thing to any person to induce him or her not to provide a submission to a vendor portal, bid, or submit an offer for a State contract or as recompense for not having bid on or submitted an offer for a State contract or provided a submission to a vendor portal is guilty of a Class 4 felony. Any person who accepts any money or other valuable thing for not bidding or submitting an offer for a State contract, not making a submission to a vendor portal, or who withholds a bid, offer, or submission to vendor portal in consideration of the promise for the payment of money or other valuable thing is guilty of a Class 4 felony.

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

(30 ILCS 500/50-35)

Sec. 50-35. Financial disclosure and potential conflicts of interest.

(a) All bids and offers from responsive bidders, ~~or~~ offerors, vendors, or contractors with an annual value of more than \$50,000, and all submissions to a vendor portal, ~~\$25,000~~ shall be accompanied by disclosure of the financial interests of the ~~contractor~~, bidder, offeror, potential contractor, or contractor ~~or proposer~~ and each subcontractor to be used. In addition, all subcontracts identified as provided by Section 20-120 of this Code with an annual value of more than \$50,000 shall be accompanied by disclosure of the financial interests of each subcontractor. The financial disclosure of each successful bidder, offeror, potential contractor, or contractor ~~bidder or offeror~~ and its subcontractors shall be incorporated as a material term of the contract and shall become part of the publicly available contract or procurement file maintained by the appropriate chief procurement officer. Each disclosure under this Section shall be signed and made under penalty of perjury by an authorized officer or employee on behalf of the bidder, offeror,

potential contractor, contractor, or subcontractor bidder or offeror, and must be filed with the Procurement Policy Board.

(b) Disclosure shall include any ownership or distributive income share that is in excess of 5%, or an amount greater than 60% of the annual salary of the Governor, of the disclosing entity or its parent entity, whichever is less, unless the ~~contractor, bidder, offeror,~~ potential contractor, contractor, or subcontractor (i) is a publicly traded entity subject to Federal 10K reporting, in which case it may submit its 10K disclosure in place of the prescribed disclosure, or (ii) is a privately held entity that is exempt from Federal 10k reporting but has more than ~~100~~ 200 shareholders, in which case it may submit the information that Federal 10k reporting companies are required to report under 17 CFR 229.401 and list the names of any person or entity holding any ownership share that is in excess of 5% in place of the prescribed disclosure. The form of disclosure shall be prescribed by the applicable chief procurement officer and must include at least the names, addresses, and dollar or proportionate share of ownership of each person identified in this Section, their instrument of ownership or beneficial relationship, and notice of any potential conflict of interest resulting from the current ownership or beneficial relationship of each individual person identified in this Section having in addition any of the following relationships:

(1) State employment, currently or in the previous 3 years, including contractual employment of services.

(2) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years.

(3) Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous 3 years.

(4) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter.

(5) Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years.

(6) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter.

(7) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government.

(8) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter.

(9) Compensated employment, currently or in the previous 3 years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections.

(10) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections.

(b-1) The disclosure required under this Section must also include the name and address of each lobbyist required to register under the Lobbyist Registration Act and other agent of the bidder ~~or offeror,~~ potential contractor, contractor, or subcontractor who is not identified under subsections (a) and (b) and who has communicated, is communicating, or may communicate with any State officer or employee concerning the bid or offer. The disclosure under this subsection is a continuing obligation and must be promptly supplemented for accuracy throughout the process and throughout the term of the contract if the bid or offer is successful.

(b-2) The disclosure required under this Section must also include, for each of the persons identified in subsection (b) or (b-1), each of the following that occurred within the previous 10 years: suspension or debarment from contracting with any governmental entity; professional licensure discipline; bankruptcies; adverse civil judgments and administrative findings; and criminal felony convictions. The disclosure under this subsection is a continuing obligation and must be promptly supplemented for accuracy throughout the process and throughout the term of the contract if the bid or offer is successful.

(c) The disclosure in subsection (b) is not intended to prohibit or prevent any contract. The disclosure is meant to fully and publicly disclose any potential conflict to the chief procurement officers, State

purchasing officers, their designees, and executive officers so they may adequately discharge their duty to protect the State.

(d) When a potential for a conflict of interest is identified, discovered, or reasonably suspected, the chief procurement officer or State procurement officer shall send the contract to the Procurement Policy Board. In accordance with the objectives of subsection (c), if the Procurement Policy Board finds evidence of a potential conflict of interest not originally disclosed by the bidder, offeror, potential contractor, contractor, or subcontractor, the Board shall provide written notice to the bidder, offeror, potential contractor, contractor, or subcontractor that is identified, discovered, or reasonably suspected of having a potential conflict of interest. The bidder, offeror, potential contractor, contractor, or subcontractor shall have 15 calendar days to respond in writing to the Board, and a hearing before the Board will be granted upon request by the bidder, offeror, potential contractor, contractor, contractor's or subcontractor subcontractor's request, at a date and time to be determined by the Board, but which in no event shall occur later than 15 calendar days after the date of the request. Upon consideration, the Board shall recommend, in writing, whether to allow or void the contract, bid, offer, or subcontract weighing the best interest of the State of Illinois. All recommendations shall be submitted to the Executive Ethics Commission. The Executive Ethics Commission must hold a public hearing within 30 calendar days after receiving the Board's recommendation if the Procurement Policy Board makes a recommendation to (i) void a contract or (ii) void a bid or offer and the chief procurement officer selected or intends to award the contract to the bidder, offeror, or potential contractor. A chief procurement officer is prohibited from awarding a contract before a hearing if the Board recommendation does not support a bid or offer. The recommendation and proceedings of any hearing, if applicable, shall be available to the public.

(e) These thresholds and disclosure do not relieve the chief procurement officer, the State purchasing officer, or their designees from reasonable care and diligence for any contract, bid, offer, or submission to a vendor portal or proposal. The chief procurement officer, the State purchasing officer, or their designees shall be responsible for using any reasonably known and publicly available information to discover any undisclosed potential conflict of interest and act to protect the best interest of the State of Illinois.

(f) Inadvertent or accidental failure to fully disclose shall render the contract, bid, offer, proposal, subcontract, or relationship voidable by the chief procurement officer if he or she deems it in the best interest of the State of Illinois and, at his or her discretion, may be cause for barring from future contracts, bids, offers, proposals, subcontracts, or relationships with the State for a period of up to 2 years.

(g) Intentional, willful, or material failure to disclose shall render the contract, bid, offer, proposal, subcontract, or relationship voidable by the chief procurement officer if he or she deems it in the best interest of the State of Illinois and shall result in debarment from future contracts, bids, offers, proposals, subcontracts, or relationships for a period of not less than 2 years and not more than 10 years. Reinstatement after 2 years and before 10 years must be reviewed and commented on in writing by the Governor of the State of Illinois, or by an executive ethics board or commission he or she might designate. The comment shall be returned to the responsible chief procurement officer who must rule in writing whether and when to reinstate.

(h) In addition, all disclosures shall note any other current or pending contracts, bids, offers, proposals, subcontracts, leases, or other ongoing procurement relationships the bidder bidding, offeror, potential contractor, contractor proposing, offering, or subcontractor subcontracting entity has with any other unit of State government and shall clearly identify the unit and the contract, offer, proposal, lease, or other relationship.

(i) The ~~contractor or bidder~~, offeror, potential contractor, or contractor has a continuing obligation to supplement the disclosure required by this Section throughout the bidding process or during the term of any contract, and during the vendor portal registration process.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-920, eff. 7-1-10; 97-490, eff. 8-22-11; 97-895, eff. 8-3-12.)

(30 ILCS 500/50-36)

Sec. 50-36. Disclosure of business in Iran.

(a) As used in this Section:

"Business operations" means engaging in commerce in any form in Iran, including, but not limited to, acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

"Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent

companies, or affiliates of those entities or business associations, that exists for the purpose of making profit.

"Mineral-extraction activities" include exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides (ore), including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc.

"Oil-related activities" include, but are not limited to, owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; and constructing, maintaining, or operating a pipeline, refinery, or other oil-field infrastructure. The mere retail sale of gasoline and related consumer products is not considered an oil-related activity.

"Petroleum resources" means petroleum, petroleum byproducts, or natural gas.

"Substantial action" means adopting, publicizing, and implementing a formal plan to cease scrutinized business operations within one year and to refrain from any such new business operations.

(b) Each bid ~~or~~ ~~offer~~, ~~or~~ ~~proposal~~ submitted for a State contract, other than a small purchase defined in Section 20-20, shall include a disclosure of whether or not the bidder, offeror, or ~~proposing entity~~, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid ~~or~~ ~~offer~~, ~~or~~ ~~proposal~~ had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran, or companies involved in consortiums or projects commissioned by the Government of Iran and:

(1) more than 10% of the company's revenues produced in or assets located in Iran

involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral-extraction products or services to the Government of Iran or a project or consortium created exclusively by that government; and the company has failed to take substantial action; or

(2) the company has, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12-month period, that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

(c) A bid ~~or~~ ~~offer~~, ~~or~~ ~~proposal~~ that does not include the disclosure required by subsection (b) may be given a period after the bid or offer is submitted to cure non-disclosure shall not be considered responsive. A chief procurement officer may consider the disclosure when evaluating the bid ~~or~~ ~~offer~~, ~~or~~ ~~proposal~~ or awarding the contract.

(d) Each chief procurement officer shall provide the State Comptroller with the name of each entity disclosed under subsection (b) as doing business or having done business in Iran. The State Comptroller shall post that information on his or her official website.

(Source: P.A. 95-616, eff. 1-1-08.)

(30 ILCS 500/50-37)

Sec. 50-37. Prohibition of political contributions.

(a) As used in this Section:

The terms "contract", "State contract", and "contract with a State agency" each mean any contract, as defined in this Code, between a business entity and a State agency let or awarded pursuant to this Code. The terms "contract", "State contract", and "contract with a State agency" do not include cost reimbursement contracts; purchase of care agreements as defined in Section 1-15.68 of this Code; contracts for projects eligible for full or partial federal-aid funding reimbursements authorized by the Federal Highway Administration; grants, including but are not limited to grants for job training or transportation; and grants, loans, or tax credit agreements for economic development purposes.

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

"Declared candidate" means a person who has filed a statement of candidacy and petition for nomination or election in the principal office of the State Board of Elections.

"State agency" means and includes all boards, commissions, agencies, institutions, authorities, and bodies politic and corporate of the State, created by or in accordance with the Illinois Constitution or State statute, of the executive branch of State government and does include colleges, universities, public employee retirement systems, and institutions under the jurisdiction of the governing boards of the University of Illinois, Southern Illinois University, Illinois State University, Eastern Illinois University, Northern Illinois University, Western Illinois University, Chicago State University, Governors State University, Northeastern Illinois University, and the Illinois Board of Higher Education.

"Officeholder" means the Governor, Lieutenant Governor, Attorney General, Secretary of

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

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

"Affiliated person" means (i) any person with any ownership interest or distributive share of the bidding or contracting business entity in excess of 7.5%, (ii) executive employees of the bidding or contracting business entity, and (iii) the spouse of any such persons. "Affiliated person" does not include a person prohibited by federal law from making contributions or expenditures in connection with a federal, state, or local election.

"Affiliated entity" means (i) any corporate parent and each operating subsidiary of the bidding or contracting business entity, (ii) each operating subsidiary of the corporate parent of the bidding or contracting business entity, (iii) any organization recognized by the United States Internal Revenue Service as a tax-exempt organization described in Section 501(c) of the Internal Revenue Code of 1986 (or any successor provision of federal tax law) established by the bidding or contracting business entity, any affiliated entity of that business entity, or any affiliated person of that business entity, or (iv) any political committee for which the bidding or contracting business entity, or any 501(c) organization described in item (iii) related to that business entity, is the sponsoring entity. "Affiliated entity" does not include an entity prohibited by federal law from making contributions or expenditures in connection with a federal, state, or local election.

"Business entity" means any entity doing business for profit, whether organized as a corporation, partnership, sole proprietorship, limited liability company or partnership, or otherwise.

"Executive employee" means (i) the President, Chairman, or Chief Executive Officer of a business entity and any other individual that fulfills equivalent duties as the President, Chairman of the Board, or Chief Executive Officer of a business entity; and (ii) any employee of a business entity whose compensation is determined directly, in whole or in part, by the award or payment of contracts by a State agency to the entity employing the employee. A regular salary that is paid irrespective of the award or payment of a contract with a State agency shall not constitute "compensation" under item (ii) of this definition. "Executive employee" does not include any person prohibited by federal law from making contributions or expenditures in connection with a federal, state, or local election.

(b) Any business entity whose contracts with State agencies, in the aggregate, annually total more than \$50,000, and any affiliated entities or affiliated persons of such business entity, are prohibited from making any contributions to any political committees established to promote the candidacy of (i) the officeholder responsible for awarding the contracts or (ii) any other declared candidate for that office. This prohibition shall be effective for the duration of the term of office of the incumbent officeholder awarding the contracts or for a period of 2 years following the expiration or termination of the contracts, whichever is longer.

(c) Any business entity whose aggregate pending bids ~~and offers and proposals~~ on State contracts total more than \$50,000, or whose aggregate pending bids ~~and offers on and proposals on~~ State contracts combined with the business entity's aggregate annual total value of State contracts exceed \$50,000, and any affiliated entities or affiliated persons of such business entity, are prohibited from making any contributions to any political committee established to promote the candidacy of the officeholder responsible for awarding the contract on which the business entity has submitted a bid ~~or offer or proposal~~ during the period beginning on the date the invitation for bids ~~or~~ request for proposals ~~or any other procurement opportunity~~ is issued and ending on the day after the date the contract is awarded.

(c-5) For the purposes of the prohibitions under subsections (b) and (c) of this Section, (i) any contribution made to a political committee established to promote the candidacy of the Governor or a declared candidate for the office of Governor shall also be considered as having been made to a political committee established to promote the candidacy of the Lieutenant Governor, in the case of the Governor, or the declared candidate for Lieutenant Governor having filed a joint petition, or write-in declaration of intent, with the declared candidate for Governor, as applicable, and (ii) any contribution made to a political committee established to promote the candidacy of the Lieutenant Governor or a declared candidate for the office of Lieutenant Governor shall also be considered as having been made to a political committee established to promote the candidacy of the Governor, in the case of the Lieutenant Governor, or the declared candidate for Governor having filed a joint petition, or write-in declaration of intent, with the declared candidate for Lieutenant Governor, as applicable.

(d) All contracts between State agencies and a business entity that violate subsection (b) or (c) shall be voidable under Section 50-60. If a business entity violates subsection (b) 3 or more times within a 36-

month period, then all contracts between State agencies and that business entity shall be void, and that business entity shall not bid or respond to any invitation to bid or request for proposals from any State agency or otherwise enter into any contract with any State agency for 3 years from the date of the last violation. A notice of each violation and the penalty imposed shall be published in both the Procurement Bulletin and the Illinois Register.

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

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-848, eff. 1-1-10; 97-411, eff. 8-16-11.)

(30 ILCS 500/50-38)

Sec. 50-38. Lobbying restrictions.

(a) A person or business that is let or awarded a contract is not entitled to receive any payment, compensation, or other remuneration from the State to compensate the person or business for any expenses related to travel, lodging, or meals that are paid by the person or business to any officer, agent, employee, consultant, independent contractor, director, partner, manager, or shareholder.

(b) Any bidder, ~~or offeror~~, potential contractor, or contractor on a State contract that hires a person required to register under the Lobbyist Registration Act to assist in obtaining a contract shall (i) disclose all costs, fees, compensation, reimbursements, and other remunerations paid or to be paid to the lobbyist related to the contract, (ii) not bill or otherwise cause the State of Illinois to pay for any of the lobbyist's costs, fees, compensation, reimbursements, or other remuneration, and (iii) sign a verification certifying that none of the lobbyist's costs, fees, compensation, reimbursements, or other remuneration were billed to the State. This information, along with all supporting documents, shall be filed with the agency awarding the contract and with the Secretary of State. The chief procurement officer shall post this information, together with the contract award notice, in the online Procurement Bulletin.

(c) Ban on contingency fee. No person or entity shall retain a person or entity required to register under the Lobbyist Registration Act to attempt to influence the outcome of a procurement decision made under this Code for compensation contingent in whole or in part upon the decision or procurement. Any person who violates this subsection is guilty of a business offense and shall be fined not more than \$10,000.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of P.A. 96-795); 96-920, eff. 7-1-10.)

(30 ILCS 500/50-39)

Sec. 50-39. Procurement communications reporting requirement.

(a) Any written or oral communication received by a State employee who, by the nature of his or her duties, has the authority to participate personally and substantially in the decision to award a State contract and that imparts or requests material information or makes a material argument regarding potential action concerning an active procurement matter, including, but not limited to, an application, a contract, or a project, shall be reported to the Procurement Policy Board, and, with respect to the Illinois Power Agency, by the initiator of the communication, and may be reported also by the recipient.

Any person communicating orally, in writing, electronically, or otherwise with the Director or any person employed by, or associated with, the Illinois Power Agency to impart, solicit, or transfer any information related to the content of any power procurement plan, the manner of conducting any power procurement process, the procurement of any power supply, or the method or structure of contracting with power suppliers must disclose to the Procurement Policy Board the full nature, content, and extent of any such communication in writing by submitting a report with the following information:

- (1) The names of any party to the communication.
- (2) The date on which the communication occurred.
- (3) The time at which the communication occurred.
- (4) The duration of the communication.
- (5) The method (written, oral, etc.) of the communication.
- (6) A summary of the substantive content of the communication.

These communications do not include the following: (i) statements by a person publicly made in a public forum; (ii) statements regarding matters of procedure and practice, such as format, the number of copies required, the manner of filing, and the status of a matter; (iii) statements made by a State employee of the agency to the agency head or other employees of that agency, to the employees of the Executive Ethics Commission, or to an employee of another State agency who, through the communication, is either (a) exercising his or her experience or expertise in the subject matter of the particular procurement in the normal course of business, for official purposes, and at the initiation of the purchasing agency or the

appropriate State purchasing officer, or (b) exercising oversight, supervisory, or management authority over the procurement in the normal course of business and as part of official responsibilities; (iv) unsolicited communications providing general information about products, services, or industry best practices before those products or services become involved in a procurement matter; (v) communications received in response to procurement solicitations, including, but not limited to, vendor responses to a request for information, request for proposal, request for qualifications, invitation for bid, or a small purchase, sole source, or emergency solicitation, or questions and answers posted to the Illinois Procurement Bulletin to supplement the procurement action, provided that the communications are made in accordance with the instructions contained in the procurement solicitation, procedures, or guidelines; (vi) communications that are privileged, protected, or confidential under law; and (vii) communications that are part of a formal procurement process as set out by statute, rule, or the solicitation, guidelines, or procedures, including, but not limited to, the posting of procurement opportunities, the process for approving a procurement business case or its equivalent, fiscal approval, submission of bids, the finalizing of contract terms and conditions with an awardee or apparent awardee, and similar formal procurement processes. The provisions of this Section shall not apply to communications regarding the administration and implementation of an existing contract, except communications regarding change orders or the renewal or extension of a contract.

(b) The report required by subsection (a) shall be submitted monthly and include at least the following: (i) the date and time of each communication; (ii) the identity of each person from whom the written or oral communication was received, the individual or entity represented by that person, and any action the person requested or recommended; (iii) the identity and job title of the person to whom each communication was made; (iv) if a response is made, the identity and job title of the person making each response; (v) a detailed summary of the points made by each person involved in the communication; (vi) the duration of the communication; (vii) the location or locations of all persons involved in the communication and, if the communication occurred by telephone, the telephone numbers for the callers and recipients of the communication; and (viii) any other pertinent information. No trade secrets or other proprietary or confidential information shall be included in any communication reported to the Procurement Policy Board.

(c) Additionally, when an oral communication made by a person required to register under the Lobbyist Registration Act is received by a State employee that is covered under this Section, all individuals who initiate or participate in the oral communication shall submit a written report to that State employee that memorializes the communication and includes, but is not limited to, the items listed in subsection (b).

(d) The Procurement Policy Board shall make each report submitted pursuant to this Section available on its website within 7 calendar days after its receipt of the report. The Procurement Policy Board may promulgate rules to ensure compliance with this Section.

(e) The reporting requirements shall also be conveyed through ethics training under the State Officials and Employees Ethics Act. An employee who knowingly and intentionally violates this Section shall be subject to suspension or discharge. The Executive Ethics Commission shall promulgate rules, including emergency rules, to implement this Section.

(f) This Section becomes operative on January 1, 2011.

(g) For purposes of this Section:

"Active procurement matter" means a procurement process beginning with requisition or determination of need by an agency and continuing through the publication of an award notice or other completion of a final procurement action, the resolution of any protests, and the expiration of any protest or Procurement Policy Board review period, if applicable. "Active procurement matter" also includes communications relating to change orders, renewals, or extensions.

"Material information" means information that a reasonable person would deem important in determining his or her course of action and pertains to significant issues, including, but not limited to, price, quantity, and terms of payment or performance.

"Material argument" means a communication that a reasonable person would believe was made for the purpose of influencing a decision relating to a procurement matter. "Material argument" does not include general information about products, services, or industry best practices or a response to a communication initiated by an employee of the State for the purposes of providing information to evaluate new products, trends, services, or technologies.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-920, eff. 7-1-10; 97-333, eff. 8-12-11; 97-618, eff. 10-26-11; 97-895, eff. 8-3-12.)

(30 ILCS 500/50-40)

Sec. 50-40. Reporting anticompetitive practices. When, for any reason, any vendor, bidder, offeror, potential contractor, contractor, chief procurement officer, State purchasing officer, designee, elected

official, or State employee suspects collusion or other anticompetitive practice among any bidders, offerors, potential contractors, contractors, ~~proposers~~, or employees of the State, a notice of the relevant facts shall be transmitted to the Attorney General and the chief procurement officer.

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

(30 ILCS 500/50-45)

Sec. 50-45. Confidentiality. Any chief procurement officer, State purchasing officer, designee, or executive officer who willfully uses or allows the use of specifications, competitive solicitation bid documents, proprietary competitive information, ~~proposals~~, contracts, or selection information to compromise the fairness or integrity of the procurement, ~~bidding~~, or contract process shall be subject to immediate dismissal, regardless of the Personnel Code, any contract, or any collective bargaining agreement, and may in addition be subject to criminal prosecution.

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

(30 ILCS 500/50-70)

Sec. 50-70. Additional provisions. This Code is subject to applicable provisions of the following Acts:

- (1) Article 33E of the Criminal Code of 2012;
 - (2) the Illinois Human Rights Act;
 - (3) the Discriminatory Club Act;
 - (4) the Illinois Governmental Ethics Act;
 - (5) the State Prompt Payment Act;
 - (6) the Public Officer Prohibited Activities Act;
 - (7) the Drug Free Workplace Act;
 - (8) the Illinois Power Agency Act;
 - (9) the Employee Classification Act; and
 - (10) the State Officials and Employees Ethics Act.
- (11) the Department of Employment Security Law.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 97-1150, eff. 1-25-13.)

(30 ILCS 500/55-10)

Sec. 55-10. Exclusive exercise of powers. On and after 120 calendar days following the effective date of this Act, the powers granted under this Code shall be exercised exclusively as granted under this Code, and no State agency may concurrently exercise any such power, unless specifically authorized otherwise by a later enacted law. This Code is not intended to impair any contract entered into before the effective date of this Act.

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

Section 10. The Small Business Contracts Act is amended by changing Section 5 and by adding Sections 12 and 25 as follows:

(30 ILCS 503/5)

Sec. 5. Definitions. For the purposes of this Act, the following terms shall have the following definitions:

"Small business" means a small business as defined in the Illinois Procurement Code.

"State contract" means a State contract, as defined in the Illinois Procurement Code, funded with State or federal funds, whether competitively bid or negotiated.

"State official or agency" means a department, officer, board, commission, institution, or body politic or corporate of the State.

"Subcontract" means a subcontract, as defined in the Illinois Procurement Code, funded with State or federal funds, whether competitively bid or negotiated.

(Source: P.A. 97-307, eff. 8-11-11.)

(30 ILCS 503/12 new)

Sec. 12. Chief procurement officers; presentation. During each fiscal year, the chief procurement officers appointed pursuant to Section 10-20 of the Illinois Procurement Code, individually or as a group, may provide presentations at which small businesses may learn about the contracting process and how to apply for contracts.

(30 ILCS 503/25 new)

Sec. 25. Rulemaking. Subject to the rule making provision of the Illinois Administrative Procedure Act, each chief procurement officer may adopt rules to implement and administer this Act.

Section 15. The Governmental Joint Purchasing Act is amended by changing Sections 1, 3, and 4 as follows:

(30 ILCS 525/1) (from Ch. 85, par. 1601)

Sec. 1. For the purposes of this Act, "governmental unit" means State of Illinois, any State agency as defined in Section 1-15.100 of the Illinois Procurement Code, officers of the State of Illinois, any public authority which has the power to tax, or any other public entity created by statute. (Source: P.A. 86-769.)

(30 ILCS 525/3) (from Ch. 85, par. 1603)

Sec. 3. Conduct of competitive procurement selection. Under any agreement of governmental units that desire to make joint purchases pursuant to subsection (a) of Section 2, one of the governmental units shall conduct the competitive procurement selection process. Where the State of Illinois is a party to the joint purchase agreement, the appropriate chief procurement officer shall conduct or authorize the competitive procurement selection process. Expenses of such competitive procurement selection process may be shared by the participating governmental units in proportion to the amount of personal property, supplies or services each unit purchases.

When the State of Illinois is a party to the joint purchase agreement pursuant to subsection (a) of Section 2, the acceptance of responses to the competitive procurement selection process shall be in accordance with the Illinois Procurement Code and rules promulgated under that Code. When the State of Illinois is not a party to the joint purchase agreement, the acceptance of responses to the competitive procurement selection process shall be governed by the agreement.

When the State of Illinois is a party to a joint purchase agreement pursuant to subsection (a-5) of Section 2, the State may act as the lead state or as a participant state. When the State of Illinois is the lead state, all such joint purchases shall be conducted in accordance with the Illinois Procurement Code. When Illinois is a participant state, all such joint purchases shall be conducted in accordance with the procurement laws of the lead state; provided that all such joint procurements must be by competitive solicitation process. All resulting awards shall be published in the appropriate volume of the Illinois Procurement Bulletin as may be required by Illinois law governing publication of the solicitation, protest, and award of Illinois State contracts. Contracts resulting from a joint purchase shall contain all provisions required by Illinois law and rule.

The personal property, supplies or services involved shall be distributed or rendered directly to each governmental unit taking part in the purchase. The person selling the personal property, supplies or services may bill each governmental unit separately for its proportionate share of the cost of the personal property, supplies or services purchased.

The credit or liability of each governmental unit shall remain separate and distinct. Disputes between bidders and governmental units shall be resolved between the immediate parties.

(Source: P.A. 96-584, eff. 1-1-10; 97-895, eff. 8-3-12.)

(30 ILCS 525/4) (from Ch. 85, par. 1604)

Sec. 4. Bids, offers, and small purchases and proposals. The purchases of all personal property, supplies and services under this Act, except for small purchases, shall be based on competitive solicitations and shall follow the same procedures used for competitive solicitations made pursuant to the Illinois Procurement Code. For purchases pursuant to subsection (a) of Section 2, bids and offers and proposals shall be solicited by public notice inserted at least once in a newspaper of general circulation in one of the counties where the materials are to be used and at least 5 calendar days before the final date of submitting bids or offers or proposals. Where the State of Illinois is a party to the joint purchase agreement, public notice soliciting the bids or offers shall be published in the appropriate volume of the Illinois Procurement Bulletin. Such notice shall include a general description of the personal property, supplies or services to be purchased and shall state where all blanks and specifications may be obtained and the time and place for the opening of bids and offers and proposals. The governmental unit conducting the competitive procurement selection process may also solicit sealed bids or offers or proposals by sending requests by mail to potential contractors prospective suppliers and by posting notices on a public bulletin board in its office. Small purchases pursuant to this Section shall follow the same procedure used for small purchases in Section 20-20 of the Illinois Procurement Code.

All purchases, orders or contracts shall be awarded to the lowest responsible bidder or highest-ranked offeror proposer, taking into consideration the qualities of the articles or services supplied, their conformity with the specifications, their suitability to the requirements of the participating governmental units and the delivery terms.

Where the State of Illinois is not a party, all bids or offers or proposals may be rejected and new bids or offers or proposals solicited if one or more of the participating governmental units believes the public interest may be served thereby. Each bid or offer, or proposal, with the name of the bidder or offeror, or proposer, shall be entered on a record, which record with the successful bid or offer, or proposal indicated thereon shall, after the award of the purchase or order or contract, be open to public inspection. A copy of

all contracts shall be filed with the purchasing office or clerk or secretary of each participating governmental unit.

(Source: P.A. 96-584, eff. 1-1-10; 97-895, eff. 8-3-12.)

Section 20. The Discriminatory Club Act is amended by changing Section 2 as follows:
(775 ILCS 25/2) (from Ch. 68, par. 102)

Sec. 2. No private organization which sells goods or services to the State pursuant to ~~the~~ The Illinois Procurement Code Purchasing Act, nor any private organization which receives any award or grant from the State, nor any public body may pay any dues or fees on behalf of its employees or agents or may subsidize or otherwise reimburse them for payments of their dues or fees to any discriminating club. The Illinois Department of Human Rights shall enforce this Section.

(Source: P.A. 85-909.)

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 January 1, 2015."

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Biss, **House Bill No. 5491** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 55; NAYS None.

The following voted in the affirmative:

Althoff	Duffy	Lightford	Oberweis
Barickman	Forby	Link	Radogno
Bertino-Tarrant	Frerichs	Luechtefeld	Raoul
Biss	Harris	Manar	Righter
Bivins	Hastings	Martinez	Rose
Brady	Holmes	McCann	Sandoval
Bush	Hunter	McCarter	Stadelman
Clayborne	Hutchinson	McConnaughay	Steans
Collins	Jacobs	McGuire	Sullivan
Connelly	Jones, E.	Morrison	Syverson
Cullerton, T.	Koehler	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 in the Senate Amendment adopted thereto.

[May 29, 2014]

On motion of Senator McGuire, **House Bill No. 3942** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Righter
Barickman	Frerichs	Manar	Rose
Bertino-Tarrant	Harmon	Martinez	Sandoval
Biss	Harris	McCann	Stadelman
Bivins	Hastings	McConnaughay	Steans
Brady	Hunter	McGuire	Sullivan
Bush	Hutchinson	Morrison	Syverson
Clayborne	Jacobs	Mulroe	Trotter
Collins	Jones, E.	Muñoz	Van Pelt
Connelly	Koehler	Murphy	Mr. President
Cullerton, T.	Kotowski	Noland	
Cunningham	LaHood	Oberweis	
Delgado	Landek	Radogno	
Dillard	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.

On motion of Senator Martinez, **House Bill No. 3963** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Radogno
Barickman	Frerichs	Link	Raoul
Bertino-Tarrant	Harmon	Luechtefeld	Righter
Biss	Harris	Manar	Rose
Brady	Hastings	Martinez	Sandoval
Bush	Holmes	McCann	Stadelman
Clayborne	Hunter	McConnaughay	Steans
Collins	Hutchinson	McGuire	Sullivan
Connelly	Jacobs	Morrison	Syverson
Cullerton, T.	Jones, E.	Mulroe	Trotter
Cunningham	Koehler	Muñoz	Van Pelt
Delgado	Kotowski	Murphy	Mr. President
Dillard	LaHood	Noland	
Duffy	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.

[May 29, 2014]

On motion of Senator Cunningham, **House Bill No. 4113** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Raoul
Barickman	Frerichs	Luechtefeld	Righter
Bertino-Tarrant	Harmon	Manar	Rose
Biss	Harris	Martinez	Sandoval
Bivins	Hastings	McCann	Stadelman
Brady	Holmes	McCarter	Steans
Bush	Hunter	McConaughay	Sullivan
Clayborne	Hutchinson	McGuire	Syverson
Collins	Jacobs	Morrison	Trotter
Connelly	Jones, E.	Mulroe	Van Pelt
Cullerton, T.	Koehler	Muñoz	Mr. President
Cunningham	Kotowski	Murphy	
Delgado	LaHood	Noland	
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.

On motion of Senator Stadelman, **House Bill No. 4286** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Raoul
Barickman	Frerichs	Luechtefeld	Righter
Bertino-Tarrant	Harmon	Manar	Rose
Biss	Harris	Martinez	Sandoval
Bivins	Hastings	McCann	Stadelman
Brady	Holmes	McCarter	Steans
Bush	Hunter	McConaughay	Sullivan
Clayborne	Hutchinson	McGuire	Syverson
Collins	Jacobs	Morrison	Trotter
Connelly	Jones, E.	Mulroe	Van Pelt
Cullerton, T.	Koehler	Muñoz	Mr. President
Cunningham	Kotowski	Murphy	
Delgado	LaHood	Noland	
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.

COMMITTEE MEETING ANNOUNCEMENT

The Chair announced the following committee to meet at 2:00 o'clock p.m.:

Executive in Room 212

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Martinez, **House Bill No. 4593** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Raoul
Barickman	Frerichs	Luechtefeld	Righter
Bertino-Tarrant	Harmon	Manar	Rose
Biss	Harris	Martinez	Sandoval
Bivins	Hastings	McCann	Stadelman
Brady	Holmes	McCarter	Steans
Bush	Hunter	McConnaughay	Sullivan
Clayborne	Hutchinson	McGuire	Syverson
Collins	Jacobs	Morrison	Trotter
Connelly	Jones, E.	Mulroe	Van Pelt
Cullerton, T.	Koehler	Muñoz	Mr. President
Cunningham	Kotowski	Murphy	
Delgado	LaHood	Noland	
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.

On motion of Senator Steans, **House Bill No. 5307** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Raoul
Barickman	Frerichs	Luechtefeld	Righter
Bertino-Tarrant	Harmon	Manar	Rose
Biss	Harris	Martinez	Sandoval
Bivins	Hastings	McCann	Stadelman
Brady	Holmes	McCarter	Steans
Bush	Hunter	McConnaughay	Sullivan
Clayborne	Hutchinson	McGuire	Syverson

[May 29, 2014]

Collins	Jacobs	Morrison	Trotter
Connelly	Jones, E.	Mulroe	Van Pelt
Cullerton, T.	Koehler	Muñoz	Mr. President
Cunningham	Kotowski	Murphy	
Delgado	LaHood	Noland	
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.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator Steans, **House Bill No. 6060** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Kotowski, as chief co-sponsor pursuant to Senate Rule 5-1(b)(ii), **House Bill No. 6093** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Kotowski, as chief co-sponsor pursuant to Senate Rule 5-1(b)(ii), **House Bill No. 6094** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Kotowski, as chief co-sponsor pursuant to Senate Rule 5-1(b)(ii), **House Bill No. 6095** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Steans, as chief co-sponsor pursuant to Senate Rule 5-1(b)(ii), **House Bill No. 6096** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Steans, as chief co-sponsor pursuant to Senate Rule 5-1(b)(ii), **House Bill No. 6097** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Steans, **House Bill No. 3793** was taken up, read by title a second time and ordered to a third reading.

HOUSE BILL RECALLED

On motion of Senator Mulroe, **House Bill No. 5512** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 1 was postponed in the Committee on Judiciary.

Senator Mulroe offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO HOUSE BILL 5512

AMENDMENT NO. 2. Amend House Bill 5512 by replacing everything after the enacting clause with the following:

"Section 5. The Code of Civil Procedure is amended by changing Sections 13-211, 13-212, and 13-214.3 as follows:

(735 ILCS 5/13-211) (from Ch. 110, par. 13-211)

Sec. 13-211. Minors and persons under legal disability.

(a) If the person entitled to bring an action, specified in Sections 13-201 through 13-210 of this Code Aet., at the time the cause of action accrued, is under the age of 18 years; or is under a legal disability, then he or she may bring the action within 2 years after the person attains the age of 18 years, or the disability is removed.

(b) If the person entitled to bring an action specified under Sections 13-201 through 13-210 of this Code is not under a legal disability at the time the cause of action accrues, but becomes under a legal disability as a result of something other than or unrelated to the original cause of action, before the period of

[May 29, 2014]

limitations otherwise runs, the period of limitations is stayed until the disability is removed. This subsection (b) does not invalidate any statute of repose provisions contained in Sections 13-201, 13-202, 13-202.1, 13-202.2, 13-202.3, 13-203, 13-203.1, 13-204, 13-207, 13-208, 13-209, and 13-210 of this Code. In no event shall the period of limitations for a cause of action under Section 13-205 or 13-206 of this Code be stayed in excess of 10 years from the date of the adjudication of legal disability. This subsection (b) applies to actions commenced or pending on or after the effective date of this amendatory Act of the 98th General Assembly.

(Source: P.A. 85-18; 85-907; 86-1329.)

(735 ILCS 5/13-212) (from Ch. 110, par. 13-212)

Sec. 13-212. Physician or hospital.

(a) Except as provided in Section 13-215 of this Act, no action for damages for injury or death against any physician, dentist, registered nurse or hospital duly licensed under the laws of this State, whether based upon tort, or breach of contract, or otherwise, arising out of patient care shall be brought more than 2 years after the date on which the claimant knew, or through the use of reasonable diligence should have known, or received notice in writing of the existence of the injury or death for which damages are sought in the action, whichever of such date occurs first, but in no event shall such action be brought more than 4 years after the date on which occurred the act or omission or occurrence alleged in such action to have been the cause of such injury or death.

(b) Except as provided in Section 13-215 of this Act, no action for damages for injury or death against any physician, dentist, registered nurse or hospital duly licensed under the laws of this State, whether based upon tort, or breach of contract, or otherwise, arising out of patient care shall be brought more than 8 years after the date on which occurred the act or omission or occurrence alleged in such action to have been the cause of such injury or death where the person entitled to bring the action was, at the time the cause of action accrued, under the age of 18 years; provided, however, that in no event may the cause of action be brought after the person's 22nd birthday. If the person was under the age of 18 years when the cause of action accrued and, as a result of this amendatory Act of 1987, the action is either barred or there remains less than 3 years to bring such action, then he or she may bring the action within 3 years of July 20, 1987.

(c) If the person entitled to bring an action described in this Section is, at the time the cause of action accrued, under a legal disability other than being under the age of 18 years, then the period of limitations does not begin to run until the disability is removed.

(d) If the person entitled to bring an action described in this Section is not under a legal disability at the time the cause of action accrues, but becomes under a legal disability as a result of something other than or unrelated to the original cause of action, before the period of limitations otherwise runs, the period of limitations is stayed until the disability is removed. This subsection (d) does not invalidate any statute of repose provisions contained in this Section. This subsection (d) applies to actions commenced or pending on or after the effective date of this amendatory Act of the 98th General Assembly.

(Source: P.A. 85-18; 85-907; 86-1329.)

(735 ILCS 5/13-214.3) (from Ch. 110, par. 13-214.3)

(Text of Section WITHOUT the changes made by P.A. 89-7, which has been held unconstitutional)

Sec. 13-214.3. Attorneys.

(a) In this Section: "attorney" includes (i) an individual attorney, together with his or her employees who are attorneys, (ii) a professional partnership of attorneys, together with its employees, partners, and members who are attorneys, and (iii) a professional service corporation of attorneys, together with its employees, officers, and shareholders who are attorneys; and "non-attorney employee" means a person who is not an attorney but is employed by an attorney.

(b) An action for damages based on tort, contract, or otherwise (i) against an attorney arising out of an act or omission in the performance of professional services or (ii) against a non-attorney employee arising out of an act or omission in the course of his or her employment by an attorney to assist the attorney in performing professional services must be commenced within 2 years from the time the person bringing the action knew or reasonably should have known of the injury for which damages are sought.

(c) Except as provided in subsection (d), an action described in subsection (b) may not be commenced in any event more than 6 years after the date on which the act or omission occurred.

(d) When the injury caused by the act or omission does not occur until the death of the person for whom the professional services were rendered, the action may be commenced within 2 years after the date of the person's death unless letters of office are issued or the person's will is admitted to probate within that 2 year period, in which case the action must be commenced within the time for filing claims against the estate or a petition contesting the validity of the will of the deceased person, whichever is later, as provided in the Probate Act of 1975.

(e) If the person entitled to bring the action is under the age of majority or under other legal disability at the time the cause of action accrues, the period of limitations shall not begin to run until majority is attained or the disability is removed.

(f) If the person entitled to bring an action described in this Section is not under a legal disability at the time the cause of action accrues, but becomes under a legal disability as a result of something other than or unrelated to the original cause of action, before the period of limitations otherwise runs, the period of limitations is stayed until the disability is removed. This subsection (f) does not invalidate any statute of repose provisions contained in this Section. This subsection (f) applies to actions commenced or pending on or after the effective date of this amendatory Act of the 98th General Assembly.

(g) (f) This Section applies to all causes of action accruing on or after its effective date.
(Source: P.A. 86-1371.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Mulroe offered the following amendment and moved its adoption:

AMENDMENT NO. 3 TO HOUSE BILL 5512

AMENDMENT NO. 3. Amend House Bill 5512, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 2, on page 2, lines 1 and 2, by deleting the following:

"as a result of something other than or unrelated to the original cause of action."; and

on page 4, lines 3 and 4, by deleting the following:

"as a result of something other than or unrelated to the original cause of action."; and

on page 6, lines 4 and 5, by deleting the following:

"as a result of something other than or unrelated to the original cause of action.".

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Mulroe, **House Bill No. 5512** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Duffy	Lightford	Oberweis
Barickman	Forby	Link	Radogno
Bertino-Tarrant	Frerichs	Luechtefeld	Raoul
Biss	Harmon	Manar	Righter
Bivins	Harris	Martinez	Rose
Brady	Hastings	McCann	Sandoval
Bush	Holmes	McCarter	Stadelman
Clayborne	Hunter	McConaughay	Steans
Collins	Hutchinson	McGuire	Sullivan
Connelly	Jacobs	Morrison	Syverson
Cullerton, T.	Jones, E.	Mulroe	Trotter
Cunningham	Koehler	Muñoz	Mr. President
Delgado	Kotowski	Murphy	
Dillard	LaHood	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 in the Senate Amendments adopted thereto.

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

May 29, 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 Ira Silverstein as a member of the Senate Executive Committee. This appointment 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

COMMUNICATIONS

**ILLINOIS STATE SENATE
DON HARMON
PRESIDENT PRO TEMPORE
39TH DISTRICT**

DISCLOSURE TO THE SENATE

Date: 5/28/14

Legislative Measure(s): HB 5491 (SFA1)

Venue:

Committee on Executive
Full Senate

X Due to a potential conflict of interest (or the potential appearance thereof), I abstained from voting (or voted "present") on the above legislative measure(s).

Notwithstanding a potential conflict of interest (or the potential appearance thereof), I voted in favor of or against the above legislative measure(s) because I believe doing so is in the best interests of the State.

[May 29, 2014]

s/Don Harmon
Senator Don Harmon

**ILLINOIS STATE SENATE
DON HARMON
PRESIDENT PRO TEMPORE
39TH DISTRICT**

DISCLOSURE TO THE SENATE

Date: 5/29/14

Legislative Measure(s): HB 5491

Venue:

Committee on _____
X Full Senate

X Due to a potential conflict of interest (or the potential appearance thereof), I abstained from voting (or voted "present") on the above legislative measure(s).

Notwithstanding a potential conflict of interest (or the potential appearance thereof), I voted in favor of or against the above legislative measure(s) because I believe doing so is in the best interests of the State.

s/Don Harmon
Senator Don Harmon

At the hour of 2:03 o'clock p.m., the Chair announced the Senate stand at recess subject to the call of the Chair.

RECESS

At the hour of 3:46 o'clock p.m., the Senate resumed consideration of business.
Senator Sullivan, presiding.

PREPRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 1261

Offered by Senator Lightford and all Senators:
Mourns the death of Maya Angelou.

SENATE RESOLUTION NO. 1262

Offered by Senator Harmon and all Senators:
Mourns the death of Donna L. Cervini (nee Bost) of Oak Park.

SENATE RESOLUTION NO. 1263

Offered by Senator Koehler and all Senators:
Mourns the death of Derrick Booth, Jr., of Peoria.

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

MESSAGES FROM THE HOUSE

A message from the House by

[May 29, 2014]

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 4677

A bill for AN ACT concerning insurance.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4677

Non-concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

Under the rules, the foregoing **House Bill No. 4677**, with Senate Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5416

A bill for AN ACT concerning transportation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5416

Non-concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

Under the rules, the foregoing **House Bill No. 5416**, with Senate Amendment No. 1, was referred to the Secretary's Desk.

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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 4329

A bill for AN ACT concerning wildlife.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4329

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 4745

A bill for AN ACT concerning liquor.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4745

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

[May 29, 2014]

HOUSE BILL 4781

A bill for AN ACT concerning corrections.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4781

Senate Amendment No. 2 to HOUSE BILL NO. 4781

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 4783.

A bill for AN ACT concerning civil law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4783.

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 4910

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4910

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 4916

A bill for AN ACT concerning children.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4916

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 4956

A bill for AN ACT concerning civil law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4956

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, Clerk:

[May 29, 2014]

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

HOUSE BILL 5085

A bill for AN ACT concerning agriculture.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5085

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5326

A bill for AN ACT concerning transportation.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 5326

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5410

A bill for AN ACT concerning public health.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5410

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5412

A bill for AN ACT concerning public health.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5412

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5397

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5397

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

[May 29, 2014]

Mr. Mapes, Clerk:

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

HOUSE BILL 5523

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5523

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 5666

A bill for AN ACT concerning local government.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5666

Senate Amendment No. 3 to HOUSE BILL NO. 5666

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5685

A bill for AN ACT concerning regulation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5685

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5686

A bill for AN ACT concerning civil law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5686

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 5689

A bill for AN ACT concerning safety.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5689

Senate Amendment No. 2 to HOUSE BILL NO. 5689

Concurred in by the House, May 29, 2014.

[May 29, 2014]

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 5701

A bill for AN ACT concerning employment.

Which amendments are as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 5701

Senate Amendment No. 3 to HOUSE BILL NO. 5701

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 5707

A bill for AN ACT concerning education.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5707

Senate Amendment No. 2 to HOUSE BILL NO. 5707

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5785

A bill for AN ACT concerning local government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5785

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5812

A bill for AN ACT concerning local government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5812

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5815

A bill for AN ACT concerning State government.

Which amendment is as follows:

[May 29, 2014]

Senate Amendment No. 1 to HOUSE BILL NO. 5815
Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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. 1681

A bill for AN ACT concerning local government.

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

House Amendment No. 2 to SENATE BILL NO. 1681

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 2 TO SENATE BILL 1681

AMENDMENT NO. 2. Amend Senate Bill 1681 as follows:

on page 2, immediately below line 4, by inserting the following:

"Section 7. Application. This Act does not apply to any unit of local government that has entered into a consolidation agreement with one or more units of local government that includes the consolidation of the delivery of fire protection or emergency medical services under a single chain of command. Additionally, this Act does not apply to any unit of local government that has adopted a resolution declaring the intent to consolidate the delivery of fire protection or emergency medical services under a single chain of command with one or more units of local government. The resolution shall exempt the local government from the provisions of this Act for one year following its passage. The existence of an automatic aid agreement or mutual aid agreements does not constitute a consolidation for the purposes of this Section."; and

on page 5, by replacing lines 8 through 10 with the following:

"(i) at least 8% of the total votes cast for candidates for Governor in the preceding gubernatorial election in each of the units of local governments included in the Regional Fire Protection Agency; or (ii) at least 500 legal voters in each of the units of local government to be included"; and

on page 13, by deleting lines 6 through 17; and

on page 20, by deleting lines 14 through 16.

Under the rules, the foregoing **Senate Bill No. 1681**, with House Amendment No. 2, was referred to the Secretary's Desk.

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. 2187

A bill for AN ACT concerning regulation.

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

House Amendment No. 1 to SENATE BILL NO. 2187

House Amendment No. 5 to SENATE BILL NO. 2187

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2187

[May 29, 2014]

AMENDMENT NO. 1. Amend Senate Bill 2187 by replacing everything after the enacting clause with the following:

"Section 5. The Clinical Psychologist Licensing Act is amended by changing Section 1 as follows:
(225 ILCS 15/1) (from Ch. 111, par. 5351)
(Section scheduled to be repealed on January 1, 2017)

Sec. 1. The practice of clinical psychology in Illinois is hereby declared to affect ~~the~~ the public health, safety and welfare, and to be subject to regulations in the public interest to protect the public from persons who are unauthorized or unqualified to represent themselves as clinical psychologists or as being able to render clinical psychological services as herein defined, and from unprofessional conduct by persons licensed to practice clinical psychology. This Act shall be known and may be cited as the "Clinical Psychologist Licensing Act".
(Source: P.A. 85-1305)."

AMENDMENT NO. 5 TO SENATE BILL 2187

AMENDMENT NO. 5. Amend Senate Bill 2187, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Clinical Psychologist Licensing Act is amended by changing Sections 2, 7, and 15 and by adding Sections 4.2, 4.3, and 4.5 as follows:

(225 ILCS 15/2) (from Ch. 111, par. 5352)
(Section scheduled to be repealed on January 1, 2017)

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

- (1) "Department" means the Department of Financial and Professional Regulation.
- (2) "Secretary" means the Secretary of Financial and Professional Regulation.
- (3) "Board" means the Clinical Psychologists Licensing and Disciplinary Board appointed by the Secretary.
- (4) "Person" means an individual, association, partnership or corporation.

(5) "Clinical psychology" means the independent evaluation, classification and treatment of mental, emotional, behavioral or nervous disorders or conditions, developmental disabilities, alcoholism and substance abuse, disorders of habit or conduct, the psychological aspects of physical illness. The practice of clinical psychology includes psychoeducational evaluation, therapy, remediation and consultation, the use of psychological and neuropsychological testing, assessment, psychotherapy, psychoanalysis, hypnosis, biofeedback, and behavioral modification when any of these are used for the purpose of preventing or eliminating psychopathology, or for the amelioration of psychological disorders of individuals or groups. "Clinical psychology" does not include the use of hypnosis by unlicensed persons pursuant to Section 3.

(6) A person represents himself to be a "clinical psychologist" or "psychologist" within the meaning of this Act when he or she holds himself out to the public by any title or description of services incorporating the words "psychological", "psychologic", "psychologist", "psychology", or "clinical psychologist" or under such title or description offers to render or renders clinical psychological services as defined in paragraph (7) of this Section to individuals, corporations, or the public for remuneration.

(7) "Clinical psychological services" refers to any services under paragraph (5) of this Section if the words "psychological", "psychologic", "psychologist", "psychology" or "clinical psychologist" are used to describe such services by the person or organization offering to render or rendering them.

(8) "Collaborating physician" means a physician licensed to practice medicine in all of its branches in Illinois who generally prescribes medications for the treatment of mental health disease or illness to his or her patients in the normal course of his or her clinical medical practice.

(9) "Prescribing psychologist" means a licensed, doctoral level psychologist who has undergone specialized training, has passed an examination as determined by rule, and has received a current license granting prescriptive authority under Section 4.2 of this Act that has not been revoked or suspended from the Department.

(10) "Prescriptive authority" means the authority to prescribe, administer, discontinue, or distribute drugs or medicines.

(11) "Prescription" means an order for a drug, laboratory test, or any medicines, including controlled substances as defined in the Illinois Controlled Substances Act.

(12) "Drugs" has the meaning given to that term in the Pharmacy Practice Act.

[May 29, 2014]

(13) "Medicines" has the meaning given to that term in the Pharmacy Practice Act.

This Act shall not apply to persons lawfully carrying on their particular profession or business under any valid existing regulatory Act of the State.

(Source: P.A. 94-870, eff. 6-16-06.)

(225 ILCS 15/4.2 new)

Sec. 4.2. Prescribing psychologist license.

(a) A psychologist may apply to the Department for a prescribing psychologist license. The application shall be made on a form approved by the Department, include the payment of any required fees, and be accompanied by evidence satisfactory to the Department that the applicant:

(1) holds a current license to practice clinical psychology in Illinois;

(2) has successfully completed the following minimum educational and training requirements either during the doctoral program required for licensure under this Section or in an accredited undergraduate or master level program prior to or subsequent to the doctoral program required under this Section:

(A) specific minimum undergraduate biomedical prerequisite coursework, including, but not limited to: Medical Terminology (class or proficiency); Chemistry or Biochemistry with lab (2 semesters); Human Physiology (one semester); Human Anatomy (one semester); Anatomy and Physiology; Microbiology with lab (one semester); and General Biology for science majors or Cell and Molecular Biology (one semester);

(B) a minimum of 60 credit hours of didactic coursework, including, but not limited to: Pharmacology; Clinical Psychopharmacology; Clinical Anatomy and Integrated Science; Patient Evaluation; Advanced Physical Assessment; Research Methods; Advanced Pathophysiology; Diagnostic Methods; Problem Based Learning; and Clinical and Procedural Skills; and

(C) a full-time practicum of 14 months supervised clinical training of at least 36 credit hours, including a research project; during the clinical rotation phase, students complete rotations in Emergency Medicine, Family Medicine, Geriatrics, Internal Medicine, Obstetrics and Gynecology, Pediatrics, Psychiatrics, Surgery, and one elective of the students' choice; program approval standards addressing faculty qualifications, regular competency evaluation and length of clinical rotations, and instructional settings, including hospitals, hospital outpatient clinics, community mental health clinics, and correctional facilities, in accordance with those of the Accreditation Review Commission on Education for the Physician Assistant shall be set by Department by rule;

(3) has completed a National Certifying Exam, as determined by rule; and

(4) meets all other requirements for obtaining a prescribing psychologist license, as determined by rule.

(b) The Department may issue a prescribing psychologist license if it finds that the applicant has met the requirements of subsection (a) of this Section.

(c) A prescribing psychologist may only prescribe medication pursuant to the provisions of this Act if the prescribing psychologist:

(1) continues to hold a current license to practice psychology in Illinois;

(2) satisfies the continuing education requirements for prescribing psychologists, including 10 hours of continuing education annually in pharmacology from accredited providers; and

(3) maintains a written collaborative agreement with a collaborating physician pursuant to Section 4.3 of this Act.

(225 ILCS 15/4.3 new)

Sec. 4.3. Written collaborative agreements.

(a) A written collaborative agreement is required for all prescribing psychologists practicing under a prescribing psychologist license issued pursuant to Section 4.2 of this Act.

(b) A written delegation of prescriptive authority by a collaborating physician may only include medications for the treatment of mental health disease or illness the collaborating physician generally provides to his or her patients in the normal course of his or her clinical practice with the exception of the following:

(1) patients who are less than 17 years of age or over 65 years of age;

(2) patients during pregnancy;

(3) patients with serious medical conditions, such as heart disease, cancer, stroke, or seizures, and with developmental disabilities and intellectual disabilities; and

(4) prescriptive authority for benzodiazepine Schedule III controlled substances.

(c) The collaborating physician shall file with the Department notice of delegation of prescriptive authority and termination of the delegation, in accordance with rules of the Department. Upon receipt of this notice delegating authority to prescribe any nonnarcotic Schedule III through V controlled substances,

the licensed clinical psychologist shall be eligible to register for a mid-level practitioner controlled substance license under Section 303.05 of the Illinois Controlled Substances Act.

(d) All of the following shall apply to delegation of prescriptive authority:

(1) Any delegation of Schedule III through V controlled substances shall identify the specific controlled substance by brand name or generic name. No controlled substance to be delivered by injection may be delegated. No Schedule II controlled substance shall be delegated.

(2) A prescribing psychologist shall not prescribe narcotic drugs, as defined in Section 102 of the Illinois Controlled Substances Act.

Any prescribing psychologist who writes a prescription for a controlled substance without having valid and appropriate authority may be fined by the Department not more than \$50 per prescription and the Department may take any other disciplinary action provided for in this Act.

(e) The written collaborative agreement shall describe the working relationship of the prescribing psychologist with the collaborating physician and shall delegate prescriptive authority as provided in this Act. Collaboration does not require an employment relationship between the collaborating physician and prescribing psychologist. Absent an employment relationship, an agreement may not restrict third-party payment sources accepted by the prescribing psychologist. For the purposes of this Section, "collaboration" means the relationship between a prescribing psychologist and a collaborating physician with respect to the delivery of prescribing services in accordance with (1) the prescribing psychologist's training, education, and experience and (2) collaboration and consultation as documented in a jointly developed written collaborative agreement.

(f) The agreement shall promote the exercise of professional judgment by the prescribing psychologist corresponding to his or her education and experience.

(g) The collaborative agreement shall not be construed to require the personal presence of a physician at the place where services are rendered. Methods of communication shall be available for consultation with the collaborating physician in person or by telecommunications in accordance with established written guidelines as set forth in the written agreement.

(h) Collaboration and consultation pursuant to all collaboration agreements shall be adequate if a collaborating physician does each of the following:

(1) participates in the joint formulation and joint approval of orders or guidelines with the prescribing psychologist and he or she periodically reviews the prescribing psychologist's orders and the services provided patients under the orders in accordance with accepted standards of medical practice and prescribing psychologist practice;

(2) provides collaboration and consultation with the prescribing psychologist in person at least once a month for review of safety and quality clinical care or treatment;

(3) is available through telecommunications for consultation on medical problems, complications, emergencies, or patient referral; and

(4) reviews medication orders of the prescribing psychologist no less than monthly, including review of laboratory tests and other tests as available.

(i) The written collaborative agreement shall contain provisions detailing notice for termination or change of status involving a written collaborative agreement, except when the notice is given for just cause.

(j) A copy of the signed written collaborative agreement shall be available to the Department upon request to either the prescribing psychologist or the collaborating physician.

(k) Nothing in this Section shall be construed to limit the authority of a prescribing psychologist to perform all duties authorized under this Act.

(l) A prescribing psychologist shall inform each collaborating physician of all collaborative agreements he or she has signed and provide a copy of these to any collaborating physician.

(m) No collaborating physician shall enter into more than 3 collaborative agreements with prescribing psychologists.

(225 ILCS 15/4.5 new)

Sec. 4.5. Endorsement.

(a) Individuals who are already licensed as medical or prescribing psychologists in another state may apply for an Illinois prescribing psychologist license by endorsement from that state, or acceptance of that state's examination if they meet the requirements set forth in this Act and its rules, including proof of successful completion of the educational, testing, and experience standards. Applicants from other states may not be required to pass the examination required for licensure as a prescribing psychologist in Illinois if they meet requirements set forth in this Act and its rules, such as proof of education, testing, payment of any fees, and experience.

(b) Individuals who graduated from the Department of Defense Psychopharmacology Demonstration Project may apply for an Illinois prescribing psychologist license by endorsement. Applicants from the Department of Defense Psychopharmacology Demonstration Project may not be required to pass the examination required for licensure as a prescribing psychologist in Illinois if they meet requirements set forth in this Act and its rules, such as proof of education, testing, payment of any fees, and experience.

(c) Individuals applying for a prescribing psychologist license by endorsement shall be required to first obtain a clinical psychologist license under this Act.

(225 ILCS 15/7) (from Ch. 111, par. 5357)

(Section scheduled to be repealed on January 1, 2017)

Sec. 7. Board. The Secretary shall appoint a Board that shall serve in an advisory capacity to the Secretary.

The Board shall consist of 11 7 persons ; 4 of whom are licensed clinical psychologists; and actively engaged in the practice of clinical psychology ; 2 of whom are licensed prescribing psychologists; 2 of whom are physicians licensed to practice medicine in all its branches in Illinois who generally prescribe medications for the treatment of mental health disease or illness in the normal course of clinical medical practice, one of whom shall be a psychiatrist and the other a primary care or family physician; ; 2 of whom are licensed clinical psychologists and are full time faculty members of accredited colleges or universities who are engaged in training clinical psychologists ; ; and one of whom is a public member who is not a licensed health care provider. In appointing members of the Board, the Secretary shall give due consideration to the adequate representation of the various fields of health care psychology such as clinical psychology, school psychology and counseling psychology. In appointing members of the Board, the Secretary shall give due consideration to recommendations by members of the profession of clinical psychology and by the State-wide organizations representing the interests of clinical psychologists and organizations representing the interests of academic programs as well as recommendations by approved doctoral level psychology programs in the State of Illinois , and, with respect to the 2 physician members of the Board, the Secretary shall give due consideration to recommendations by the Statewide professional associations or societies representing physicians licensed to practice medicine in all its branches in Illinois. The members shall be appointed for a term of 4 years. No member shall be eligible to serve for more than 2 full terms. Any appointment to fill a vacancy shall be for the unexpired portion of the term. A member appointed to fill a vacancy for an unexpired term for a duration of 2 years or more may be reappointed for a maximum of one term and a member appointed to fill a vacancy for an unexpired term for a duration of less than 2 years may be reappointed for a maximum of 2 terms. The Secretary may remove any member for cause at any time prior to the expiration of his or her term.

The 2 initial appointees to the Board who are licensed prescribing psychologists may hold a medical or prescription license issued by another state so long as the license is deemed by the Secretary to be substantially equivalent to a prescribing psychologist license under this Act and so long as the appointees also maintain an Illinois clinical psychologist license. Such initial appointees shall serve on the Board until the Department adopts rules necessary to implement licensure under Section 4.2 of this Act.

The Board shall annually elect one of its members as chairperson and vice chairperson.

The members of the Board shall be reimbursed for all authorized legitimate and necessary expenses incurred in attending the meetings of the Board.

The Secretary shall give due consideration to all recommendations of the Board. In the event the Secretary disagrees with or takes action contrary to the recommendation of the Board, he or she shall provide the Board with a written and specific explanation of his or her actions.

The Board may make recommendations on all matters relating to continuing education including the number of hours necessary for license renewal, waivers for those unable to meet such requirements and acceptable course content. Such recommendations shall not impose an undue burden on the Department or an unreasonable restriction on those seeking license renewal.

The 2 licensed prescribing psychologist members of the Board and the 2 physician members of the Board shall only deliberate and make recommendations related to the licensure and discipline of prescribing psychologists. Four members shall constitute a quorum, except that all deliberations and recommendations related to the licensure and discipline of prescribing psychologists shall require a quorum of 6 members. A quorum is required for all Board decisions.

Members of the Board shall have no liability in any action based upon any disciplinary proceeding or other activity performed in good faith as a member of the Board.

The Secretary may terminate the appointment of any member for cause which in the opinion of the Secretary reasonably justifies such termination.

(Source: P.A. 96-1050, eff. 1-1-11.)

(225 ILCS 15/15) (from Ch. 111, par. 5365)

(Section scheduled to be repealed on January 1, 2017)

Sec. 15. Disciplinary action; grounds. The Department may refuse to issue, refuse to renew, suspend, or revoke any license, or may place on probation, censure, reprimand, or take other disciplinary action deemed appropriate by the Department, including the imposition of fines not to exceed \$10,000 for each violation, with regard to any license issued under the provisions of this Act for any one or a combination of the following reasons:

(1) Conviction of, or entry of a plea of guilty or nolo contendere to, any crime that is a felony under the laws of the United States or any state or territory thereof or that is a misdemeanor of which an essential element is dishonesty, or any crime that is directly related to the practice of the profession.

(2) Gross negligence in the rendering of clinical psychological services.

(3) Using fraud or making any misrepresentation in applying for a license or in passing the examination provided for in this Act.

(4) Aiding or abetting or conspiring to aid or abet a person, not a clinical psychologist licensed under this Act, in representing himself or herself as so licensed or in applying for a license under this Act.

(5) Violation of any provision of this Act or the rules promulgated thereunder.

(6) Professional connection or association with any person, firm, association, partnership or corporation holding himself, herself, themselves, or itself out in any manner contrary to this Act.

(7) Unethical, unauthorized or unprofessional conduct as defined by rule. In establishing those rules, the Department shall consider, though is not bound by, the ethical standards for psychologists promulgated by recognized national psychology associations.

(8) Aiding or assisting another person in violating any provisions of this Act or the rules promulgated thereunder.

(9) Failing to provide, within 60 days, information in response to a written request made by the Department.

(10) Habitual or excessive use or addiction to alcohol, narcotics, stimulants, or any other chemical agent or drug that results in a clinical psychologist's inability to practice with reasonable judgment, skill or safety.

(11) Discipline by another state, territory, the District of Columbia or foreign country, if at least one of the grounds for the discipline is the same or substantially equivalent to those set forth herein.

(12) Directly or indirectly giving or receiving from any person, firm, corporation, association or partnership any fee, commission, rebate, or other form of compensation for any professional service not actually or personally rendered. Nothing in this paragraph (12) affects any bona fide independent contractor or employment arrangements among health care professionals, health facilities, health care providers, or other entities, except as otherwise prohibited by law. Any employment arrangements may include provisions for compensation, health insurance, pension, or other employment benefits for the provision of services within the scope of the licensee's practice under this Act. Nothing in this paragraph (12) shall be construed to require an employment arrangement to receive professional fees for services rendered.

(13) A finding by the Board that the licensee, after having his or her license placed on probationary status has violated the terms of probation.

(14) Willfully making or filing false records or reports, including but not limited to, false records or reports filed with State agencies or departments.

(15) Physical illness, including but not limited to, deterioration through the aging process, mental illness or disability that results in the inability to practice the profession with reasonable judgment, skill and safety.

(16) Willfully failing to report an instance of suspected child abuse or neglect as required by the Abused and Neglected Child Reporting Act.

(17) Being named as a perpetrator in an indicated report by the Department of Children and Family Services pursuant to the Abused and Neglected Child Reporting Act, and upon proof by clear and convincing evidence that the licensee has caused a child to be an abused child or neglected child as defined in the Abused and Neglected Child Reporting Act.

(18) Violation of the Health Care Worker Self-Referral Act.

(19) Making a material misstatement in furnishing information to the Department, any other State or federal agency, or any other entity.

(20) Failing to report to the Department any adverse judgment, settlement, or award

arising from a liability claim related to an act or conduct similar to an act or conduct that would constitute grounds for action as set forth in this Section.

(21) Failing to report to the Department any adverse final action taken against a licensee or applicant by another licensing jurisdiction, including any other state or territory of the United States or any foreign state or country, or any peer review body, health care institution, professional society or association related to the profession, governmental agency, law enforcement agency, or court for an act or conduct similar to an act or conduct that would constitute grounds for disciplinary action as set forth in this Section.

(22) Prescribing, selling, administering, distributing, giving, or self-administering (A) any drug classified as a controlled substance (designated product) for other than medically accepted therapeutic purposes or (B) any narcotic drug.

(23) Violating state or federal laws or regulations relating to controlled substances, legend drugs, or ephedra as defined in the Ephedra Prohibition Act.

(24) Exceeding the terms of a collaborative agreement or the prescriptive authority delegated to a licensee by his or her collaborating physician or established under a written collaborative agreement.

The entry of an order by any circuit court establishing that any person holding a license under this Act is subject to involuntary admission or judicial admission as provided for in the Mental Health and Developmental Disabilities Code, operates as an automatic suspension of that license. That person may have his or her license restored only upon the determination by a circuit court that the patient is no longer subject to involuntary admission or judicial admission and the issuance of an order so finding and discharging the patient and upon the Board's recommendation to the Department that the license be restored. Where the circumstances so indicate, the Board may recommend to the Department that it require an examination prior to restoring any license so automatically suspended.

The Department may refuse to issue or may suspend the license of any person who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of the tax penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of any such tax Act are satisfied.

In enforcing this Section, the Board upon a showing of a possible violation may compel any person licensed to practice under this Act, or who has applied for licensure or certification pursuant to this Act, to submit to a mental or physical examination, or both, as required by and at the expense of the Department. The examining physicians or clinical psychologists shall be those specifically designated by the Board. The Board or the Department may order the examining physician or clinical psychologist to present testimony concerning this mental or physical examination of the licensee or applicant. No information shall be excluded by reason of any common law or statutory privilege relating to communications between the licensee or applicant and the examining physician or clinical psychologist. The person to be examined may have, at his or her own expense, another physician or clinical psychologist of his or her choice present during all aspects of the examination. Failure of any person to submit to a mental or physical examination, when directed, shall be grounds for suspension of a license until the person submits to the examination if the Board finds, after notice and hearing, that the refusal to submit to the examination was without reasonable cause.

If the Board finds a person unable to practice because of the reasons set forth in this Section, the Board may require that person to submit to care, counseling or treatment by physicians or clinical psychologists approved or designated by the Board, as a condition, term, or restriction for continued, reinstated, or renewed licensure to practice; or, in lieu of care, counseling or treatment, the Board may recommend to the Department to file a complaint to immediately suspend, revoke or otherwise discipline the license of the person. Any person whose license was granted, continued, reinstated, renewed, disciplined or supervised subject to such terms, conditions or restrictions, and who fails to comply with such terms, conditions or restrictions, shall be referred to the Secretary for a determination as to whether the person shall have his or her license suspended immediately, pending a hearing by the Board.

In instances in which the Secretary immediately suspends a person's license under this Section, a hearing on that person's license must be convened by the Board within 15 days after the suspension and completed without appreciable delay. The Board shall have the authority to review the subject person's record of treatment and counseling regarding the impairment, to the extent permitted by applicable federal statutes and regulations safeguarding the confidentiality of medical records.

A person licensed under this Act and affected under this Section shall be afforded an opportunity to demonstrate to the Board that he or she can resume practice in compliance with acceptable and prevailing standards under the provisions of his or her license.

(Source: P.A. 96-1482, eff. 11-29-10.)

Section 10. The Medical Practice Act of 1987 is amended by changing Sections 22 and 54.5 as follows: (225 ILCS 60/22) (from Ch. 111, par. 4400-22)

(Section scheduled to be repealed on December 31, 2014)

Sec. 22. Disciplinary action.

(A) The Department may revoke, suspend, place on probation, reprimand, refuse to issue or renew, or take any other disciplinary or non-disciplinary action as the Department may deem proper with regard to the license or permit of any person issued under this Act to practice medicine, or a chiropractic physician, including imposing fines not to exceed \$10,000 for each violation, upon any of the following grounds:

(1) Performance of an elective abortion in any place, locale, facility, or institution other than:

(a) a facility licensed pursuant to the Ambulatory Surgical Treatment Center Act;

(b) an institution licensed under the Hospital Licensing Act;

(c) an ambulatory surgical treatment center or hospitalization or care facility maintained by the State or any agency thereof, where such department or agency has authority under law to establish and enforce standards for the ambulatory surgical treatment centers, hospitalization, or care facilities under its management and control;

(d) ambulatory surgical treatment centers, hospitalization or care facilities maintained by the Federal Government; or

(e) ambulatory surgical treatment centers, hospitalization or care facilities maintained by any university or college established under the laws of this State and supported principally by public funds raised by taxation.

(2) Performance of an abortion procedure in a wilful and wanton manner on a woman who was not pregnant at the time the abortion procedure was performed.

(3) A plea of guilty or nolo contendere, finding of guilt, jury verdict, or entry of judgment or sentencing, including, but not limited to, convictions, preceding sentences of supervision, conditional discharge, or first offender probation, under the laws of any jurisdiction of the United States of any crime that is a felony.

(4) Gross negligence in practice under this Act.

(5) Engaging in dishonorable, unethical or unprofessional conduct of a character likely to deceive, defraud or harm the public.

(6) Obtaining any fee by fraud, deceit, or misrepresentation.

(7) Habitual or excessive use or abuse of drugs defined in law as controlled substances, of alcohol, or of any other substances which results in the inability to practice with reasonable judgment, skill or safety.

(8) Practicing under a false or, except as provided by law, an assumed name.

(9) Fraud or misrepresentation in applying for, or procuring, a license under this Act or in connection with applying for renewal of a license under this Act.

(10) Making a false or misleading statement regarding their skill or the efficacy or value of the medicine, treatment, or remedy prescribed by them at their direction in the treatment of any disease or other condition of the body or mind.

(11) Allowing another person or organization to use their license, procured under this Act, to practice.

(12) Disciplinary action of another state or jurisdiction against a license or other authorization to practice as a medical doctor, doctor of osteopathy, doctor of osteopathic medicine or doctor of chiropractic, a certified copy of the record of the action taken by the other state or jurisdiction being prima facie evidence thereof.

(13) Violation of any provision of this Act or of the Medical Practice Act prior to the repeal of that Act, or violation of the rules, or a final administrative action of the Secretary, after consideration of the recommendation of the Disciplinary Board.

(14) Violation of the prohibition against fee splitting in Section 22.2 of this Act.

(15) A finding by the Disciplinary Board that the registrant after having his or her license placed on probationary status or subjected to conditions or restrictions violated the terms of the probation or failed to comply with such terms or conditions.

(16) Abandonment of a patient.

(17) Prescribing, selling, administering, distributing, giving or self-administering any drug classified as a controlled substance (designated product) or narcotic for other than medically accepted therapeutic purposes.

(18) Promotion of the sale of drugs, devices, appliances or goods provided for a patient in such manner as to exploit the patient for financial gain of the physician.

(19) Offering, undertaking or agreeing to cure or treat disease by a secret method, procedure, treatment or medicine, or the treating, operating or prescribing for any human condition by a method, means or procedure which the licensee refuses to divulge upon demand of the Department.

(20) Immoral conduct in the commission of any act including, but not limited to, commission of an act of sexual misconduct related to the licensee's practice.

(21) Wilfully making or filing false records or reports in his or her practice as a physician, including, but not limited to, false records to support claims against the medical assistance program of the Department of Healthcare and Family Services (formerly Department of Public Aid) under the Illinois Public Aid Code.

(22) Wilful omission to file or record, or wilfully impeding the filing or recording, or inducing another person to omit to file or record, medical reports as required by law, or wilfully failing to report an instance of suspected abuse or neglect as required by law.

(23) Being named as a perpetrator in an indicated report by the Department of Children and Family Services under the Abused and Neglected Child Reporting Act, and upon proof by clear and convincing evidence that the licensee has caused a child to be an abused child or neglected child as defined in the Abused and Neglected Child Reporting Act.

(24) Solicitation of professional patronage by any corporation, agents or persons, or profiting from those representing themselves to be agents of the licensee.

(25) Gross and wilful and continued overcharging for professional services, including filing false statements for collection of fees for which services are not rendered, including, but not limited to, filing such false statements for collection of monies for services not rendered from the medical assistance program of the Department of Healthcare and Family Services (formerly Department of Public Aid) under the Illinois Public Aid Code.

(26) A pattern of practice or other behavior which demonstrates incapacity or incompetence to practice under this Act.

(27) Mental illness or disability which results in the inability to practice under this Act with reasonable judgment, skill or safety.

(28) Physical illness, including, but not limited to, deterioration through the aging process, or loss of motor skill which results in a physician's inability to practice under this Act with reasonable judgment, skill or safety.

(29) Cheating on or attempt to subvert the licensing examinations administered under this Act.

(30) Wilfully or negligently violating the confidentiality between physician and patient except as required by law.

(31) The use of any false, fraudulent, or deceptive statement in any document connected with practice under this Act.

(32) Aiding and abetting an individual not licensed under this Act in the practice of a profession licensed under this Act.

(33) Violating state or federal laws or regulations relating to controlled substances, legend drugs, or ephedra as defined in the Ephedra Prohibition Act.

(34) Failure to report to the Department any adverse final action taken against them by another licensing jurisdiction (any other state or any territory of the United States or any foreign state or country), by any peer review body, by any health care institution, by any professional society or association related to practice under this Act, by any governmental agency, by any law enforcement agency, or by any court for acts or conduct similar to acts or conduct which would constitute grounds for action as defined in this Section.

(35) Failure to report to the Department surrender of a license or authorization to practice as a medical doctor, a doctor of osteopathy, a doctor of osteopathic medicine, or doctor of chiropractic in another state or jurisdiction, or surrender of membership on any medical staff or in any medical or professional association or society, while under disciplinary investigation by any of those authorities or bodies, for acts or conduct similar to acts or conduct which would constitute grounds for action as defined in this Section.

(36) Failure to report to the Department any adverse judgment, settlement, or award arising from a liability claim related to acts or conduct similar to acts or conduct which would constitute grounds for action as defined in this Section.

(37) Failure to provide copies of medical records as required by law.

(38) Failure to furnish the Department, its investigators or representatives, relevant information, legally requested by the Department after consultation with the Chief Medical Coordinator or the Deputy Medical Coordinator.

(39) Violating the Health Care Worker Self-Referral Act.

(40) Willful failure to provide notice when notice is required under the Parental Notice of Abortion Act of 1995.

(41) Failure to establish and maintain records of patient care and treatment as required by this law.

(42) Entering into an excessive number of written collaborative agreements with licensed advanced practice nurses resulting in an inability to adequately collaborate.

(43) Repeated failure to adequately collaborate with a licensed advanced practice nurse.

(44) Violating the Compassionate Use of Medical Cannabis Pilot Program Act.

(45) Entering into an excessive number of written collaborative agreements with licensed prescribing psychologists resulting in an inability to adequately collaborate.

(46) Repeated failure to adequately collaborate with a licensed prescribing psychologist.

Except for actions involving the ground numbered (26), all proceedings to suspend, revoke, place on probationary status, or take any other disciplinary action as the Department may deem proper, with regard to a license on any of the foregoing grounds, must be commenced within 5 years next after receipt by the Department of a complaint alleging the commission of or notice of the conviction order for any of the acts described herein. Except for the grounds numbered (8), (9), (26), and (29), no action shall be commenced more than 10 years after the date of the incident or act alleged to have violated this Section. For actions involving the ground numbered (26), a pattern of practice or other behavior includes all incidents alleged to be part of the pattern of practice or other behavior that occurred, or a report pursuant to Section 23 of this Act received, within the 10-year period preceding the filing of the complaint. In the event of the settlement of any claim or cause of action in favor of the claimant or the reduction to final judgment of any civil action in favor of the plaintiff, such claim, cause of action or civil action being grounded on the allegation that a person licensed under this Act was negligent in providing care, the Department shall have an additional period of 2 years from the date of notification to the Department under Section 23 of this Act of such settlement or final judgment in which to investigate and commence formal disciplinary proceedings under Section 36 of this Act, except as otherwise provided by law. The time during which the holder of the license was outside the State of Illinois shall not be included within any period of time limiting the commencement of disciplinary action by the Department.

The entry of an order or judgment by any circuit court establishing that any person holding a license under this Act is a person in need of mental treatment operates as a suspension of that license. That person may resume their practice only upon the entry of a Departmental order based upon a finding by the Disciplinary Board that they have been determined to be recovered from mental illness by the court and upon the Disciplinary Board's recommendation that they be permitted to resume their practice.

The Department may refuse to issue or take disciplinary action concerning the license of any person who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of any such tax Act are satisfied as determined by the Illinois Department of Revenue.

The Department, upon the recommendation of the Disciplinary Board, shall adopt rules which set forth standards to be used in determining:

(a) when a person will be deemed sufficiently rehabilitated to warrant the public trust;

(b) what constitutes dishonorable, unethical or unprofessional conduct of a character likely to deceive, defraud, or harm the public;

(c) what constitutes immoral conduct in the commission of any act, including, but not limited to, commission of an act of sexual misconduct related to the licensee's practice; and

(d) what constitutes gross negligence in the practice of medicine.

However, no such rule shall be admissible into evidence in any civil action except for review of a licensing or other disciplinary action under this Act.

In enforcing this Section, the Disciplinary Board or the Licensing Board, upon a showing of a possible violation, may compel, in the case of the Disciplinary Board, any individual who is licensed to practice under this Act or holds a permit to practice under this Act, or, in the case of the Licensing Board, any individual who has applied for licensure or a permit pursuant to this Act, to submit to a mental or physical examination and evaluation, or both, which may include a substance abuse or sexual offender evaluation, as required by the Licensing Board or Disciplinary Board and at the expense of the Department. The Disciplinary Board or Licensing Board shall specifically designate the examining physician licensed to practice medicine in all of its branches or, if applicable, the multidisciplinary team involved in providing the mental or physical examination and evaluation, or both. The multidisciplinary team shall be led by a physician licensed to practice medicine in all of its branches and may consist of one or more or a

combination of physicians licensed to practice medicine in all of its branches, licensed chiropractic physicians, licensed clinical psychologists, licensed clinical social workers, licensed clinical professional counselors, and other professional and administrative staff. Any examining physician or member of the multidisciplinary team may require any person ordered to submit to an examination and evaluation pursuant to this Section to submit to any additional supplemental testing deemed necessary to complete any examination or evaluation process, including, but not limited to, blood testing, urinalysis, psychological testing, or neuropsychological testing. The Disciplinary Board, the Licensing Board, or the Department may order the examining physician or any member of the multidisciplinary team to provide to the Department, the Disciplinary Board, or the Licensing Board any and all records, including business records, that relate to the examination and evaluation, including any supplemental testing performed. The Disciplinary Board, the Licensing Board, or the Department may order the examining physician or any member of the multidisciplinary team to present testimony concerning this examination and evaluation of the licensee, permit holder, or applicant, including testimony concerning any supplemental testing or documents relating to the examination and evaluation. No information, report, record, or other documents in any way related to the examination and evaluation shall be excluded by reason of any common law or statutory privilege relating to communication between the licensee or applicant and the examining physician or any member of the multidisciplinary team. No authorization is necessary from the licensee, permit holder, or applicant ordered to undergo an evaluation and examination for the examining physician or any member of the multidisciplinary team to provide information, reports, records, or other documents or to provide any testimony regarding the examination and evaluation. The individual to be examined may have, at his or her own expense, another physician of his or her choice present during all aspects of the examination. Failure of any individual to submit to mental or physical examination and evaluation, or both, when directed, shall result in an automatic suspension, without hearing, until such time as the individual submits to the examination. If the Disciplinary Board finds a physician unable to practice because of the reasons set forth in this Section, the Disciplinary Board shall require such physician to submit to care, counseling, or treatment by physicians approved or designated by the Disciplinary Board, as a condition for continued, reinstated, or renewed licensure to practice. Any physician, whose license was granted pursuant to Sections 9, 17, or 19 of this Act, or, continued, reinstated, renewed, disciplined or supervised, subject to such terms, conditions or restrictions who shall fail to comply with such terms, conditions or restrictions, or to complete a required program of care, counseling, or treatment, as determined by the Chief Medical Coordinator or Deputy Medical Coordinators, shall be referred to the Secretary for a determination as to whether the licensee shall have their license suspended immediately, pending a hearing by the Disciplinary Board. In instances in which the Secretary immediately suspends a license under this Section, a hearing upon such person's license must be convened by the Disciplinary Board within 15 days after such suspension and completed without appreciable delay. The Disciplinary Board shall have the authority to review the subject physician's record of treatment and counseling regarding the impairment, to the extent permitted by applicable federal statutes and regulations safeguarding the confidentiality of medical records.

An individual licensed under this Act, affected under this Section, shall be afforded an opportunity to demonstrate to the Disciplinary Board that they can resume practice in compliance with acceptable and prevailing standards under the provisions of their license.

The Department may promulgate rules for the imposition of fines in disciplinary cases, not to exceed \$10,000 for each violation of this Act. Fines may be imposed in conjunction with other forms of disciplinary action, but shall not be the exclusive disposition of any disciplinary action arising out of conduct resulting in death or injury to a patient. Any funds collected from such fines shall be deposited in the Medical Disciplinary Fund.

All fines imposed under this Section shall be paid within 60 days after the effective date of the order imposing the fine or in accordance with the terms set forth in the order imposing the fine.

(B) The Department shall revoke the license or permit issued under this Act to practice medicine or a chiropractic physician who has been convicted a second time of committing any felony under the Illinois Controlled Substances Act or the Methamphetamine Control and Community Protection Act, or who has been convicted a second time of committing a Class 1 felony under Sections 8A-3 and 8A-6 of the Illinois Public Aid Code. A person whose license or permit is revoked under this subsection B shall be prohibited from practicing medicine or treating human ailments without the use of drugs and without operative surgery.

(C) The Disciplinary Board shall recommend to the Department civil penalties and any other appropriate discipline in disciplinary cases when the Board finds that a physician willfully performed an abortion with actual knowledge that the person upon whom the abortion has been performed is a minor or an incompetent person without notice as required under the Parental Notice of Abortion Act of 1995. Upon the Board's

recommendation, the Department shall impose, for the first violation, a civil penalty of \$1,000 and for a second or subsequent violation, a civil penalty of \$5,000.

(Source: P.A. 97-622, eff. 11-23-11; 98-601, eff. 12-30-13.)

(225 ILCS 60/54.5)

(Section scheduled to be repealed on December 31, 2014)

Sec. 54.5. Physician delegation of authority to physician assistants, ~~and~~ advanced practice nurses, and prescribing psychologists.

(a) Physicians licensed to practice medicine in all its branches may delegate care and treatment responsibilities to a physician assistant under guidelines in accordance with the requirements of the Physician Assistant Practice Act of 1987. A physician licensed to practice medicine in all its branches may enter into supervising physician agreements with no more than 5 physician assistants as set forth in subsection (a) of Section 7 of the Physician Assistant Practice Act of 1987.

(b) A physician licensed to practice medicine in all its branches in active clinical practice may collaborate with an advanced practice nurse in accordance with the requirements of the Nurse Practice Act. Collaboration is for the purpose of providing medical consultation, and no employment relationship is required. A written collaborative agreement shall conform to the requirements of Section 65-35 of the Nurse Practice Act. The written collaborative agreement shall be for services the collaborating physician generally provides or may provide in his or her clinical medical practice. A written collaborative agreement shall be adequate with respect to collaboration with advanced practice nurses if all of the following apply:

(1) The agreement is written to promote the exercise of professional judgment by the advanced practice nurse commensurate with his or her education and experience. The agreement need not describe the exact steps that an advanced practice nurse must take with respect to each specific condition, disease, or symptom, but must specify those procedures that require a physician's presence as the procedures are being performed.

(2) Practice guidelines and orders are developed and approved jointly by the advanced practice nurse and collaborating physician, as needed, based on the practice of the practitioners. Such guidelines and orders and the patient services provided thereunder are periodically reviewed by the collaborating physician.

(3) The advanced practice nurse provides services the collaborating physician generally provides or may provide in his or her clinical medical practice, except as set forth in subsection (b-5) of this Section. With respect to labor and delivery, the collaborating physician must provide delivery services in order to participate with a certified nurse midwife.

(4) The collaborating physician and advanced practice nurse consult at least once a month to provide collaboration and consultation.

(5) Methods of communication are available with the collaborating physician in person or through telecommunications for consultation, collaboration, and referral as needed to address patient care needs.

(6) The agreement contains provisions detailing notice for termination or change of status involving a written collaborative agreement, except when such notice is given for just cause.

(b-5) An anesthesiologist or physician licensed to practice medicine in all its branches may collaborate with a certified registered nurse anesthetist in accordance with Section 65-35 of the Nurse Practice Act for the provision of anesthesia services. With respect to the provision of anesthesia services, the collaborating anesthesiologist or physician shall have training and experience in the delivery of anesthesia services consistent with Department rules. Collaboration shall be adequate if:

(1) an anesthesiologist or a physician participates in the joint formulation and joint approval of orders or guidelines and periodically reviews such orders and the services provided patients under such orders; and

(2) for anesthesia services, the anesthesiologist or physician participates through discussion of and agreement with the anesthesia plan and is physically present and available on the premises during the delivery of anesthesia services for diagnosis, consultation, and treatment of emergency medical conditions. Anesthesia services in a hospital shall be conducted in accordance with Section 10.7 of the Hospital Licensing Act and in an ambulatory surgical treatment center in accordance with Section 6.5 of the Ambulatory Surgical Treatment Center Act.

(b-10) The anesthesiologist or operating physician must agree with the anesthesia plan prior to the delivery of services.

(c) The supervising physician shall have access to the medical records of all patients attended by a physician assistant. The collaborating physician shall have access to the medical records of all patients attended to by an advanced practice nurse.

(d) (Blank).

[May 29, 2014]

(e) A physician shall not be liable for the acts or omissions of a prescribing psychologist, physician assistant, or advanced practice nurse solely on the basis of having signed a supervision agreement or guidelines or a collaborative agreement, an order, a standing medical order, a standing delegation order, or other order or guideline authorizing a prescribing psychologist, physician assistant, or advanced practice nurse to perform acts, unless the physician has reason to believe the prescribing psychologist, physician assistant, or advanced practice nurse lacked the competency to perform the act or acts or commits willful and wanton misconduct.

(f) A collaborating physician may, but is not required to, delegate prescriptive authority to an advanced practice nurse as part of a written collaborative agreement, and the delegation of prescriptive authority shall conform to the requirements of Section 65-40 of the Nurse Practice Act.

(g) A supervising physician may, but is not required to, delegate prescriptive authority to a physician assistant as part of a written supervision agreement, and the delegation of prescriptive authority shall conform to the requirements of Section 7.5 of the Physician Assistant Practice Act of 1987.

(h) For the purposes of this Section, "generally provides or may provide in his or her clinical medical practice" means categories of care or treatment, not specific tasks or duties, that the physician provides individually or through delegation to other persons so that the physician has the experience and ability to provide collaboration and consultation. This definition shall not be construed to prohibit an advanced practice nurse from providing primary health treatment or care within the scope of his or her training and experience, including, but not limited to, health screenings, patient histories, physical examinations, women's health examinations, or school physicals that may be provided as part of the routine practice of an advanced practice nurse or on a volunteer basis.

(i) A collaborating physician shall delegate prescriptive authority to a prescribing psychologist as part of a written collaborative agreement, and the delegation of prescriptive authority shall conform to the requirements of Section 4.3 of the Clinical Psychologist Licensing Act.

(Source: P.A. 97-358, eff. 8-12-11; 97-1071, eff. 8-24-12; 98-192, eff. 1-1-14.)

Section 15. The Illinois Controlled Substances Act is amended by changing Sections 102 and 303.05 as follows:

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

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

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

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

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

(2) the patient or research subject pursuant to an order, or

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

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

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

(i) 3[beta],17-dihydroxy-5a-androstane,

(ii) 3[alpha],17[beta]-dihydroxy-5a-androstane,

(iii) 5[alpha]-androstan-3,17-dione,

(iv) 1-androstenediol (3[beta],

17[beta]-dihydroxy-5[alpha]-androst-1-ene),

(v) 1-androstenediol (3[alpha],

17[beta]-dihydroxy-5[alpha]-androst-1-ene),

(vi) 4-androstenediol

(3[beta],17[beta]-dihydroxy-androst-4-ene),

(vii) 5-androstenediol

(3[beta],17[beta]-dihydroxy-androst-5-ene),

(viii) 1-androstenedione

([5alpha]-androst-1-en-3,17-dione),

- (ix) 4-androstenedione
(androst-4-en-3,17-dione),
- (x) 5-androstenedione
(androst-5-en-3,17-dione),
- (xi) bolasterone (7[alpha],17a-dimethyl-17[beta]-hydroxyandrost-4-en-3-one),
- (xii) boldenone (17[beta]-hydroxyandrost-1,4,-diene-3-one),
- (xiii) boldione (androsta-1,4-diene-3,17-dione),
- (xiv) calusterone (7[beta],17[alpha]-dimethyl-17[beta]-hydroxyandrost-4-en-3-one),
- (xv) clostebol (4-chloro-17[beta]-hydroxyandrost-4-en-3-one),
- (xvi) dehydrochloromethyltestosterone (4-chloro-17[beta]-hydroxy-17[alpha]-methyl-androst-1,4-dien-3-one),
- (xvii) desoxymethyltestosterone (17[alpha]-methyl-5[alpha]-androst-2-en-17[beta]-ol)(a.k.a., madol),
- (xviii) [delta]1-dihydrotestosterone (a.k.a. '1-testosterone') (17[beta]-hydroxy-5[alpha]-androst-1-en-3-one),
- (xix) 4-dihydrotestosterone (17[beta]-hydroxy-androstan-3-one),
- (xx) drostanolone (17[beta]-hydroxy-2[alpha]-methyl-5[alpha]-androstan-3-one),
- (xxi) ethylestrenol (17[alpha]-ethyl-17[beta]-hydroxyestr-4-ene),
- (xxii) fluoxymesterone (9-fluoro-17[alpha]-methyl-1[beta],17[beta]-dihydroxyandrost-4-en-3-one),
- (xxiii) formebolone (2-formyl-17[alpha]-methyl-11[alpha],17[beta]-dihydroxyandrost-1,4-dien-3-one),
- (xxiv) furazabol (17[alpha]-methyl-17[beta]-hydroxyandrostan[2,3-c]-furazan),
- (xxv) 13[beta]-ethyl-17[beta]-hydroxygon-4-en-3-one)
- (xxvi) 4-hydroxytestosterone (4,17[beta]-dihydroxy-androst-4-en-3-one),
- (xxvii) 4-hydroxy-19-nortestosterone (4,17[beta]-dihydroxy-estr-4-en-3-one),
- (xxviii) mestanolone (17[alpha]-methyl-17[beta]-hydroxy-5-androstan-3-one),
- (xxix) mesterolone (1amethyl-17[beta]-hydroxy-[5a]-androstan-3-one),
- (xxx) methandienone (17[alpha]-methyl-17[beta]-hydroxyandrost-1,4-dien-3-one),
- (xxxI) methandriol (17[alpha]-methyl-3[beta],17[beta]-dihydroxyandrost-5-ene),
- (xxxii) methenolone (1-methyl-17[beta]-hydroxy-5[alpha]-androst-1-en-3-one),
- (xxxiii) 17[alpha]-methyl-3[beta], 17[beta]-dihydroxy-5a-androstane),
- (xxxiv) 17[alpha]-methyl-3[alpha],17[beta]-dihydroxy-5a-androstane),
- (xxxv) 17[alpha]-methyl-3[beta],17[beta]-dihydroxyandrost-4-ene),
- (xxxvi) 17[alpha]-methyl-4-hydroxynandrolone (17[alpha]-methyl-4-hydroxy-17[beta]-hydroxyestr-4-en-3-one),
- (xxxvii) methyldienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9(10)-dien-3-one),

- (xxxviii) methyltrienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9,11-trien-3-one),
- (xxxix) methyltestosterone (17[alpha]-methyl-17[beta]-hydroxyandrost-4-en-3-one),
- (xl) mibolerone (7[alpha],17a-dimethyl-17[beta]-hydroxyestr-4-en-3-one),
- (xli) 17[alpha]-methyl-[delta]1-dihydrotestosterone (17b[beta]-hydroxy-17[alpha]-methyl-5[alpha]-androst-1-en-3-one)(a.k.a. '17-[alpha]-methyl-1-testosterone'),
- (xlii) nandrolone (17[beta]-hydroxyestr-4-en-3-one),
- (xliii) 19-nor-4-androstenediol (3[beta], 17[beta]-dihydroxyestr-4-ene),
- (xliv) 19-nor-4-androstenediol (3[alpha], 17[beta]-dihydroxyestr-4-ene),
- (xlv) 19-nor-5-androstenediol (3[beta], 17[beta]-dihydroxyestr-5-ene),
- (xlvi) 19-nor-5-androstenediol (3[alpha], 17[beta]-dihydroxyestr-5-ene),
- (xlvii) 19-nor-4,9(10)-androstaenedione (estra-4,9(10)-diene-3,17-dione),
- (xlviii) 19-nor-4-androstenedione (estr-4-en-3,17-dione),
- (xlix) 19-nor-5-androstenedione (estr-5-en-3,17-dione),
- (l) norbolethone (13[beta], 17a-diethyl-17[beta]-hydroxygon-4-en-3-one),
- (li) norclostebol (4-chloro-17[beta]-hydroxyestr-4-en-3-one),
- (lii) norethandrolone (17[alpha]-ethyl-17[beta]-hydroxyestr-4-en-3-one),
- (liii) normethandrolone (17[alpha]-methyl-17[beta]-hydroxyestr-4-en-3-one),
- (liv) oxandrolone (17[alpha]-methyl-17[beta]-hydroxy-2-oxa-5[alpha]-androstan-3-one),
- (lv) oxymesterone (17[alpha]-methyl-4,17[beta]-dihydroxyandrost-4-en-3-one),
- (lvi) oxymetholone (17[alpha]-methyl-2-hydroxymethylene-17[beta]-hydroxy-(5[alpha]-androstan-3-one),
- (lvii) stanozolol (17[alpha]-methyl-17[beta]-hydroxy-(5[alpha]-androst-2-enof[3,2-c]-pyrazole),
- (lviii) stenbolone (17[beta]-hydroxy-2-methyl-(5[alpha]-androst-1-en-3-one),
- (lix) testolactone (13-hydroxy-3-oxo-13,17-secoandrosta-1,4-dien-17-oic acid lactone),
- (lx) testosterone (17[beta]-hydroxyandrost-4-en-3-one),
- (lxi) tetrahydrogestrinone (13[beta], 17[alpha]-diethyl-17[beta]-hydroxygon-4,9,11-trien-3-one),
- (lxii) trenbolone (17[beta]-hydroxyestr-4,9,11-trien-3-one).

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

distribute, dispense, deliver, or possess with intent to deliver such anabolic steroid for purposes of this Act.

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

(d-5) "Clinical Director, Prescription Monitoring Program" means a Department of Human Services administrative employee licensed to either prescribe or dispense controlled substances who shall run the clinical aspects of the Department of Human Services Prescription Monitoring Program and its Prescription Information Library.

(d-10) "Compounding" means the preparation and mixing of components, excluding flavorings, (1) as the result of a prescriber's prescription drug order or initiative based on the prescriber-patient-pharmacist relationship in the course of professional practice or (2) for the purpose of, or incident to, research, teaching, or chemical analysis and not for sale or dispensing. "Compounding" includes the preparation of drugs or devices in anticipation of receiving prescription drug orders based on routine, regularly observed dispensing patterns. Commercially available products may be compounded for dispensing to individual patients only if both of the following conditions are met: (i) the commercial product is not reasonably available from normal distribution channels in a timely manner to meet the patient's needs and (ii) the prescribing practitioner has requested that the drug be compounded.

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

(f) "Controlled Substance" means (i) a drug, substance, or immediate precursor in the Schedules of Article II of this Act or (ii) a drug or other substance, or immediate precursor, designated as a controlled substance by the Department through administrative rule. The term does not include distilled spirits, wine, malt beverages, or tobacco, as those terms are defined or used in the Liquor Control Act of 1934 and the Tobacco Products Tax Act of 1995.

(f-5) "Controlled substance analog" means a substance:

(1) the chemical structure of which is substantially similar to the chemical structure of a controlled substance in Schedule I or II;

(2) which has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or II; or

(3) with respect to a particular person, which such person represents or intends to have a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or II.

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

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

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

(j) (Blank).

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

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

(m) "Depressant" means any drug that (i) causes an overall depression of central nervous system functions, (ii) causes impaired consciousness and awareness, and (iii) can be habit-forming or lead to a substance abuse problem, including but not limited to alcohol, cannabis and its active principles and their analogs, benzodiazepines and their analogs, barbiturates and their analogs, opioids (natural and synthetic) and their analogs, and chloral hydrate and similar sedative hypnotics.

(n) (Blank).

(o) "Director" means the Director of the Illinois State Police or his or her designated agents.

(p) "Dispense" means to deliver a controlled substance to an ultimate user or research subject by or pursuant to the lawful order of a prescriber, including the prescribing, administering, packaging, labeling, or compounding necessary to prepare the substance for that delivery.

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

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

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

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

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

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

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

- (1) lack of consistency of prescriber-patient relationship,
- (2) frequency of prescriptions for same drug by one prescriber for large numbers of patients,
- (3) quantities beyond those normally prescribed,
- (4) unusual dosages (recognizing that there may be clinical circumstances where more or less than the usual dose may be used legitimately),
- (5) unusual geographic distances between patient, pharmacist and prescriber,
- (6) consistent prescribing of habit-forming drugs.

(u-0.5) "Hallucinogen" means a drug that causes markedly altered sensory perception leading to hallucinations of any type.

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

(u-5) "Illinois State Police" means the State Police of the State of Illinois, or its successor agency.

(v) "Immediate precursor" means a substance:

- (1) which the Department has found to be and by rule designated as being a principal compound used, or produced primarily for use, in the manufacture of a controlled substance;
- (2) which is an immediate chemical intermediary used or likely to be used in the manufacture of such controlled substance; and
- (3) the control of which is necessary to prevent, curtail or limit the manufacture of such controlled substance.

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

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

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

- (a) statements made by the owner or person in control of the substance concerning its nature, use or effect;
- (b) statements made to the buyer or recipient that the substance may be resold for

profit;

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

(d) whether the distribution or attempted distribution included an exchange of or demand for money or other property as consideration, and whether the amount of the consideration was substantially greater than the reasonable retail market value of the substance.

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

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

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

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

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

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

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

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

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

(z-1) (Blank).

(z-5) "Medication shopping" means the conduct prohibited under subsection (a) of Section 314.5 of this Act.

(z-10) "Mid-level practitioner" means (i) a physician assistant who has been delegated authority to prescribe through a written delegation of authority by a physician licensed to practice medicine in all of its branches, in accordance with Section 7.5 of the Physician Assistant Practice Act of 1987, (ii) an advanced practice nurse who has been delegated authority to prescribe through a written delegation of authority by a physician licensed to practice medicine in all of its branches or by a podiatric physician, in accordance with Section 65-40 of the Nurse Practice Act, ~~or~~ (iii) an animal euthanasia agency, or (iv) a prescribing psychologist.

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

(1) opium, opiates, derivatives of opium and opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of such isomers, esters, ethers, and salts is possible within the specific chemical designation; however the term "narcotic drug" does not include the isoquinoline alkaloids of opium;

(2) (blank);

(3) opium poppy and poppy straw;

(4) coca leaves, except coca leaves and extracts of coca leaves from which substantially all of the cocaine and ecgonine, and their isomers, derivatives and salts, have been removed;

(5) cocaine, its salts, optical and geometric isomers, and salts of isomers;

(6) ecgonine, its derivatives, their salts, isomers, and salts of isomers;

(7) any compound, mixture, or preparation which contains any quantity of any of the substances referred to in subparagraphs (1) through (6).

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

(cc) (Blank).

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

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

(ee-5) "Oral dosage" means a tablet, capsule, elixir, or solution or other liquid form of medication intended for administration by mouth, but the term does not include a form of medication intended for buccal, sublingual, or transmucosal administration.

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

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

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

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

(ii-5) "Pharmacy shopping" means the conduct prohibited under subsection (b) of Section 314.5 of this Act.

(ii-10) "Physician" (except when the context otherwise requires) means a person licensed to practice medicine in all of its branches.

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

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

(ll) "Pre-printed prescription" means a written prescription upon which the designated drug has been indicated prior to the time of issuance; the term does not mean a written prescription that is individually generated by machine or computer in the prescriber's office.

(mm) "Prescriber" means a physician licensed to practice medicine in all its branches, dentist, optometrist, prescribing psychologist licensed under Section 4.2 of the Clinical Psychologist Licensing Act with prescriptive authority delegated under Section 4.3 of the Clinical Psychologist Licensing Act, podiatric physician, or veterinarian who issues a prescription, a physician assistant who issues a prescription for a controlled substance in accordance with Section 303.05, a written delegation, and a written supervision agreement required under Section 7.5 of the Physician Assistant Practice Act of 1987, or an advanced practice nurse with prescriptive authority delegated under Section 65-40 of the Nurse Practice Act and in accordance with Section 303.05, a written delegation, and a written collaborative agreement under Section 65-35 of the Nurse Practice Act.

(nn) "Prescription" means a written, facsimile, or oral order, or an electronic order that complies with applicable federal requirements, of a physician licensed to practice medicine in all its branches, dentist, podiatric physician or veterinarian for any controlled substance, of an optometrist for a Schedule III, IV, or V controlled substance in accordance with Section 15.1 of the Illinois Optometric Practice Act of 1987, of a prescribing psychologist licensed under Section 4.2 of the Clinical Psychologist Licensing Act with prescriptive authority delegated under Section 4.3 of the Clinical Psychologist Licensing Act, of a physician assistant for a controlled substance in accordance with Section 303.05, a written delegation, and a written supervision agreement required under Section 7.5 of the Physician Assistant Practice Act of 1987, or of an advanced practice nurse with prescriptive authority delegated under Section 65-40 of the Nurse Practice Act who issues a prescription for a controlled substance in accordance with Section 303.05, a written delegation, and a written collaborative agreement under Section 65-35 of the Nurse Practice Act when required by law.

(nn-5) "Prescription Information Library" (PIL) means an electronic library that contains reported controlled substance data.

(nn-10) "Prescription Monitoring Program" (PMP) means the entity that collects, tracks, and stores reported data on controlled substances and select drugs pursuant to Section 316.

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

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

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

(qq-5) "Secretary" means, as the context requires, either the Secretary of the Department or the Secretary of the Department of Financial and Professional Regulation, and the Secretary's designated agents.

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

(rr-5) "Stimulant" means any drug that (i) causes an overall excitation of central nervous system functions, (ii) causes impaired consciousness and awareness, and (iii) can be habit-forming or lead to a substance abuse problem, including but not limited to amphetamines and their analogs, methylphenidate and its analogs, cocaine, and phencyclidine and its analogs.

(ss) "Ultimate user" means a person who lawfully possesses a controlled substance for his or her own use or for the use of a member of his or her household or for administering to an animal owned by him or her or by a member of his or her household.

(Source: P.A. 97-334, eff. 1-1-12; 98-214, eff. 8-9-13; revised 11-12-13.)

(720 ILCS 570/303.05)

Sec. 303.05. Mid-level practitioner registration.

(a) The Department of Financial and Professional Regulation shall register licensed physician assistants, ~~and~~ licensed advanced practice nurses, ~~and prescribing psychologists licensed under Section 4.2 of the Clinical Psychologist Licensing Act~~ to prescribe and dispense controlled substances under Section 303 and euthanasia agencies to purchase, store, or administer animal euthanasia drugs under the following circumstances:

(1) with respect to physician assistants,

(A) the physician assistant has been delegated written authority to prescribe any Schedule III through V controlled substances by a physician licensed to practice medicine in all its branches in accordance with Section 7.5 of the Physician Assistant Practice Act of 1987; and the physician assistant has completed the appropriate application forms and has paid the required fees as set by rule; or

(B) the physician assistant has been delegated authority by a supervising physician licensed to practice medicine in all its branches to prescribe or dispense Schedule II controlled substances through a written delegation of authority and under the following conditions:

(i) Specific Schedule II controlled substances by oral dosage or topical or

transdermal application may be delegated, provided that the delegated Schedule II controlled substances are routinely prescribed by the supervising physician. This delegation must identify the specific Schedule II controlled substances by either brand name or generic name. Schedule II controlled substances to be delivered by injection or other route of administration may not be delegated;

(ii) any delegation must be of controlled substances prescribed by the supervising physician;

(iii) all prescriptions must be limited to no more than a 30-day supply, with any continuation authorized only after prior approval of the supervising physician;

(iv) the physician assistant must discuss the condition of any patients for whom a controlled substance is prescribed monthly with the delegating physician;

(v) the physician assistant must have completed the appropriate application forms and paid the required fees as set by rule;

(vi) the physician assistant must provide evidence of satisfactory completion of 45 contact hours in pharmacology from any physician assistant program accredited by the Accreditation Review Commission on Education for the Physician Assistant (ARC-PA), or its predecessor agency, for any new license issued with Schedule II authority after the effective date of this amendatory Act of the 97th General Assembly; and

(vii) the physician assistant must annually complete at least 5 hours of continuing education in pharmacology; -

(2) with respect to advanced practice nurses,

(A) the advanced practice nurse has been delegated authority to prescribe any Schedule III through V controlled substances by a collaborating physician licensed to practice medicine in all its branches or a collaborating podiatric physician in accordance with Section 65-40 of the Nurse Practice Act. The advanced practice nurse has completed the appropriate application forms and has paid the required fees as set by rule; or

(B) the advanced practice nurse has been delegated authority by a collaborating

physician licensed to practice medicine in all its branches or collaborating podiatric physician to prescribe or dispense Schedule II controlled substances through a written delegation of authority and under the following conditions:

(i) specific Schedule II controlled substances by oral dosage or topical or transdermal application may be delegated, provided that the delegated Schedule II controlled substances are routinely prescribed by the collaborating physician or podiatric physician. This delegation must identify the specific Schedule II controlled substances by either brand name or generic name. Schedule II controlled substances to be delivered by injection or other route of administration may not be delegated;

(ii) any delegation must be of controlled substances prescribed by the collaborating physician or podiatric physician;

(iii) all prescriptions must be limited to no more than a 30-day supply, with any continuation authorized only after prior approval of the collaborating physician or podiatric physician;

(iv) the advanced practice nurse must discuss the condition of any patients for whom a controlled substance is prescribed monthly with the delegating physician or podiatric physician or in the course of review as required by Section 65-40 of the Nurse Practice Act;

(v) the advanced practice nurse must have completed the appropriate application forms and paid the required fees as set by rule;

(vi) the advanced practice nurse must provide evidence of satisfactory completion of at least 45 graduate contact hours in pharmacology for any new license issued with Schedule II authority after the effective date of this amendatory Act of the 97th General Assembly; and

(vii) the advanced practice nurse must annually complete 5 hours of continuing education in pharmacology; ~~or~~

(3) with respect to animal euthanasia agencies, the euthanasia agency has obtained a license from the Department of Financial and Professional Regulation and obtained a registration number from the Department; ~~or -~~

(4) with respect to prescribing psychologists, the prescribing psychologist has been delegated authority to prescribe any nonnarcotic Schedule III through V controlled substances by a collaborating physician licensed to practice medicine in all its branches in accordance with Section 4.3 of the Clinical Psychologist Licensing Act, and the prescribing psychologist has completed the appropriate application forms and has paid the required fees as set by rule.

(b) The mid-level practitioner shall only be licensed to prescribe those schedules of controlled substances for which a licensed physician or licensed podiatric physician has delegated prescriptive authority, except that an animal euthanasia agency does not have any prescriptive authority. A physician assistant and an advanced practice nurse are prohibited from prescribing medications and controlled substances not set forth in the required written delegation of authority.

(c) Upon completion of all registration requirements, physician assistants, advanced practice nurses, and animal euthanasia agencies may be issued a mid-level practitioner controlled substances license for Illinois.

(d) A collaborating physician or podiatric physician may, but is not required to, delegate prescriptive authority to an advanced practice nurse as part of a written collaborative agreement, and the delegation of prescriptive authority shall conform to the requirements of Section 65-40 of the Nurse Practice Act.

(e) A supervising physician may, but is not required to, delegate prescriptive authority to a physician assistant as part of a written supervision agreement, and the delegation of prescriptive authority shall conform to the requirements of Section 7.5 of the Physician Assistant Practice Act of 1987.

(f) Nothing in this Section shall be construed to prohibit generic substitution.

(Source: P.A. 97-334, eff. 1-1-12; 97-358, eff. 8-12-11; 97-813, eff. 7-13-12; 98-214, eff. 8-9-13.)

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

Under the rules, the foregoing **Senate Bill No. 2187**, with House Amendments numbered 1 and 5, was referred to the Secretary's Desk.

[May 29, 2014]

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. 2644

A bill for AN ACT concerning liquor.

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. 2644

House Amendment No. 4 to SENATE BILL NO. 2644

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 2 TO SENATE BILL 2644

AMENDMENT NO. 2. Amend Senate Bill 2644 by replacing everything after the enacting clause with the following:

"Section 5. The Liquor Control Act of 1934 is amended by changing Section 6-11 as follows:
(235 ILCS 5/6-11)

Sec. 6-11. Sale near churches, schools, and hospitals.

(a) No license shall be issued for the sale at retail of any alcoholic liquor within 100 feet of any church, school other than an institution of higher learning, hospital, home for aged or indigent persons or for veterans, their spouses or children or any military or naval station, provided, that this prohibition shall not apply to hotels offering restaurant service, regularly organized clubs, or to restaurants, food shops or other places where sale of alcoholic liquors is not the principal business carried on if the place of business so exempted is not located in a municipality of more than 500,000 persons, unless required by local ordinance; nor to the renewal of a license for the sale at retail of alcoholic liquor on premises within 100 feet of any church or school where the church or school has been established within such 100 feet since the issuance of the original license. In the case of a church, the distance of 100 feet shall be measured to the nearest part of any building used for worship services or educational programs and not to property boundaries.

(b) Nothing in this Section shall prohibit the issuance of a retail license authorizing the sale of alcoholic liquor to a restaurant, the primary business of which is the sale of goods baked on the premises if (i) the restaurant is newly constructed and located on a lot of not less than 10,000 square feet, (ii) the restaurant costs at least \$1,000,000 to construct, (iii) the licensee is the titleholder to the premises and resides on the premises, and (iv) the construction of the restaurant is completed within 18 months of the effective date of this amendatory Act of 1998.

(c) Nothing in this Section shall prohibit the issuance of a retail license authorizing the sale of alcoholic liquor incidental to a restaurant if (1) the primary business of the restaurant consists of the sale of food where the sale of liquor is incidental to the sale of food and the applicant is a completely new owner of the restaurant, (2) the immediately prior owner or operator of the premises where the restaurant is located operated the premises as a restaurant and held a valid retail license authorizing the sale of alcoholic liquor at the restaurant for at least part of the 24 months before the change of ownership, and (3) the restaurant is located 75 or more feet from a school.

(d) In the interest of further developing Illinois' economy in the area of commerce, tourism, convention, and banquet business, nothing in this Section shall prohibit issuance of a retail license authorizing the sale of alcoholic beverages to a restaurant, banquet facility, grocery store, or hotel having not fewer than 150 guest room accommodations located in a municipality of more than 500,000 persons, notwithstanding the proximity of such hotel, restaurant, banquet facility, or grocery store to any church or school, if the licensed premises described on the license are located within an enclosed mall or building of a height of at least 6 stories, or 60 feet in the case of a building that has been registered as a national landmark, or in a grocery store having a minimum of 56,010 square feet of floor space in a single story building in an open mall of at least 3.96 acres that is adjacent to a public school that opened as a boys technical high school in 1934, or in a grocery store having a minimum of 31,000 square feet of floor space in a single story building located a distance of more than 90 feet but less than 100 feet from a high school that opened in 1928 as a junior high school and became a senior high school in 1933, and in each of these cases if the sale of alcoholic liquors is not the principal business carried on by the licensee.

[May 29, 2014]

For purposes of this Section, a "banquet facility" is any part of a building that caters to private parties and where the sale of alcoholic liquors is not the principal business.

(e) Nothing in this Section shall prohibit the issuance of a license to a church or private school to sell at retail alcoholic liquor if any such sales are limited to periods when groups are assembled on the premises solely for the promotion of some common object other than the sale or consumption of alcoholic liquors.

(f) Nothing in this Section shall prohibit a church or church affiliated school located in a home rule municipality or in a municipality with 75,000 or more inhabitants from locating within 100 feet of a property for which there is a preexisting license to sell alcoholic liquor at retail. In these instances, the local zoning authority may, by ordinance adopted simultaneously with the granting of an initial special use zoning permit for the church or church affiliated school, provide that the 100-foot restriction in this Section shall not apply to that church or church affiliated school and future retail liquor licenses.

(g) Nothing in this Section shall prohibit the issuance of a retail license authorizing the sale of alcoholic liquor at premises within 100 feet, but not less than 90 feet, of a public school if (1) the premises have been continuously licensed to sell alcoholic liquor for a period of at least 50 years, (2) the premises are located in a municipality having a population of over 500,000 inhabitants, (3) the licensee is an individual who is a member of a family that has held the previous 3 licenses for that location for more than 25 years, (4) the principal of the school and the alderman of the ward in which the school is located have delivered a written statement to the local liquor control commissioner stating that they do not object to the issuance of a license under this subsection (g), and (5) the local liquor control commissioner has received the written consent of a majority of the registered voters who live within 200 feet of the premises.

(h) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor within premises and at an outdoor patio area attached to premises that are located in a municipality with a population in excess of 300,000 inhabitants and that are within 100 feet of a church if:

(1) the sale of alcoholic liquor at the premises is incidental to the sale of food,

(2) the sale of liquor is not the principal business carried on by the licensee at the premises,

(3) the premises are less than 1,000 square feet,

(4) the premises are owned by the University of Illinois,

(5) the premises are immediately adjacent to property owned by a church and are not less than 20 nor more than 40 feet from the church space used for worship services, and

(6) the principal religious leader at the place of worship has indicated his or her support for the issuance of the license in writing.

(i) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license to sell alcoholic liquor at a premises that is located within a municipality with a population in excess of 300,000 inhabitants and is within 100 feet of a church, synagogue, or other place of worship if:

(1) the primary entrance of the premises and the primary entrance of the church, synagogue, or other place of worship are at least 100 feet apart, on parallel streets, and separated by an alley; and

(2) the principal religious leader at the place of worship has not indicated his or her opposition to the issuance or renewal of the license in writing.

(j) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance of a retail license authorizing the sale of alcoholic liquor at a theater that is within 100 feet of a church if (1) the church owns the theater, (2) the church leases the theater to one or more entities, and (3) the theater is used by at least 5 different not-for-profit theater groups.

(k) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and is within 100 feet of a school if:

(1) the primary entrance of the premises and the primary entrance of the school are parallel, on different streets, and separated by an alley;

(2) the southeast corner of the premises are at least 350 feet from the southwest corner of the school;

(3) the school was built in 1978;

(4) the sale of alcoholic liquor at the premises is incidental to the sale of food;

(5) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(6) the applicant is the owner of the restaurant and has held a valid license

authorizing the sale of alcoholic liquor for the business to be conducted on the premises at a different location for more than 7 years; and

(7) the premises is at least 2,300 square feet and sits on a lot that is between 6,100 and 6,150 square feet.

(l) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and is within 100 feet of a church or school if:

(1) the primary entrance of the premises and the closest entrance of the church or school is at least 90 feet apart and no greater than 95 feet apart;

(2) the shortest distance between the premises and the church or school is at least 80 feet apart and no greater than 85 feet apart;

(3) the applicant is the owner of the restaurant and on November 15, 2006 held a valid license authorizing the sale of alcoholic liquor for the business to be conducted on the premises for at least 14 different locations;

(4) the sale of alcoholic liquor at the premises is incidental to the sale of food;

(5) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(6) the premises is at least 3,200 square feet and sits on a lot that is between 7,150 and 7,200 square feet; and

(7) the principal religious leader at the place of worship has not indicated his or her opposition to the issuance or renewal of the license in writing.

(m) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and is within 100 feet of a church if:

(1) the premises and the church are perpendicular, and the primary entrance of the premises faces South while the primary entrance of the church faces West and the distance between the two entrances is more than 100 feet;

(2) the shortest distance between the premises lot line and the exterior wall of the church is at least 80 feet;

(3) the church was established at the current location in 1916 and the present structure was erected in 1925;

(4) the premises is a single story, single use building with at least 1,750 square feet and no more than 2,000 square feet;

(5) the sale of alcoholic liquor at the premises is incidental to the sale of food;

(6) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises; and

(7) the principal religious leader at the place of worship has not indicated his or her opposition to the issuance or renewal of the license in writing.

(n) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and is within 100 feet of a school if:

(1) the school is a City of Chicago School District 299 school;

(2) the school is located within subarea E of City of Chicago Residential Business Planned Development Number 70;

(3) the sale of alcoholic liquor is not the principal business carried on by the licensee on the premises;

(4) the sale of alcoholic liquor at the premises is incidental to the sale of food; and

(5) the administration of City of Chicago School District 299 has expressed, in writing, its support for the issuance of the license.

(o) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a retail license authorizing the sale of alcoholic liquor at a premises that is located within a municipality in excess of 1,000,000 inhabitants and within 100 feet of a church if:

(1) the sale of alcoholic liquor at the premises is incidental to the sale of food;

(2) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(3) the premises is located on a street that runs perpendicular to the street on which

the church is located;

(4) the primary entrance of the premises is at least 100 feet from the primary entrance of the church;

(5) the shortest distance between any part of the premises and any part of the church is at least 60 feet;

(6) the premises is between 3,600 and 4,000 square feet and sits on a lot that is between 3,600 and 4,000 square feet; and

(7) the premises was built in the year 1909.

For purposes of this subsection (o), "premises" means a place of business together with a privately owned outdoor location that is adjacent to the place of business.

(p) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

(1) the shortest distance between the backdoor of the premises, which is used as an emergency exit, and the church is at least 80 feet;

(2) the church was established at the current location in 1889; and

(3) liquor has been sold on the premises since at least 1985.

(q) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor within a premises that is located in a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church-owned property if:

(1) the premises is located within a larger building operated as a grocery store;

(2) the area of the premises does not exceed 720 square feet and the area of the larger building exceeds 18,000 square feet;

(3) the larger building containing the premises is within 100 feet of the nearest property line of a church-owned property on which a church-affiliated school is located;

(4) the sale of liquor is not the principal business carried on within the larger building;

(5) the primary entrance of the larger building and the premises and the primary entrance of the church-affiliated school are on different, parallel streets, and the distance between the 2 primary entrances is more than 100 feet;

(6) the larger building is separated from the church-owned property and church-affiliated school by an alley;

(7) the larger building containing the premises and the church building front are on perpendicular streets and are separated by a street; and

(8) (Blank).

(r) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance, renewal, or maintenance of a license authorizing the sale of alcoholic liquor incidental to the sale of food within a restaurant established in a premises that is located in a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

(1) the primary entrance of the church and the primary entrance of the restaurant are at least 100 feet apart;

(2) the restaurant has operated on the ground floor and lower level of a multi-story, multi-use building for more than 40 years;

(3) the primary business of the restaurant consists of the sale of food where the sale of liquor is incidental to the sale of food;

(4) the sale of alcoholic liquor is conducted primarily in the below-grade level of the restaurant to which the only public access is by a staircase located inside the restaurant; and

(5) the restaurant has held a license authorizing the sale of alcoholic liquor on the premises for more than 40 years.

(s) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population more than 5,000 and less than 10,000 and is within 100 feet of a church if:

(1) the church was established at the location within 100 feet of the premises after a license for the sale of alcoholic liquor at the premises was first issued;

(2) a license for sale of alcoholic liquor at the premises was first issued before January 1, 2007; and

(3) a license for the sale of alcoholic liquor on the premises has been continuously in

effect since January 1, 2007, except for interruptions between licenses of no more than 90 days.

(t) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor incidental to the sale of food within a restaurant that is established in a premises that is located in a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a school and a church if:

(1) the restaurant is located inside a five-story building with over 16,800 square feet of commercial space;

(2) the area of the premises does not exceed 31,050 square feet;

(3) the area of the restaurant does not exceed 5,800 square feet;

(4) the building has no less than 78 condominium units;

(5) the construction of the building in which the restaurant is located was completed in 2006;

(6) the building has 10 storefront properties, 3 of which are used for the restaurant;

(7) the restaurant will open for business in 2010;

(8) the building is north of the school and separated by an alley; and

(9) the principal religious leader of the church and either the alderman of the ward in which the school is located or the principal of the school have delivered a written statement to the local liquor control commissioner stating that he or she does not object to the issuance of a license under this subsection (t).

(u) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license to sell alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a school if:

(1) the premises operates as a restaurant and has been in operation since February 2008;

(2) the applicant is the owner of the premises;

(3) the sale of alcoholic liquor is incidental to the sale of food;

(4) the sale of alcoholic liquor is not the principal business carried on by the licensee on the premises;

(5) the premises occupy the first floor of a 3-story building that is at least 90 years old;

(6) the rear lot of the school and the rear corner of the building that the premises occupy are separated by an alley;

(7) the distance from the southwest corner of the property line of the school and the northeast corner of the building that the premises occupy is at least 16 feet, 5 inches;

(8) the distance from the rear door of the premises to the southwest corner of the property line of the school is at least 93 feet;

(9) the school is a City of Chicago School District 299 school;

(10) the school's main structure was erected in 1902 and an addition was built to the main structure in 1959; and

(11) the principal of the school and the alderman in whose district the premises are located have expressed, in writing, their support for the issuance of the license.

(v) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and is within 100 feet of a school if:

(1) the total land area of the premises for which the license or renewal is sought is more than 600,000 square feet;

(2) the premises for which the license or renewal is sought has more than 600 parking stalls;

(3) the total area of all buildings on the premises for which the license or renewal is sought exceeds 140,000 square feet;

(4) the property line of the premises for which the license or renewal is sought is separated from the property line of the school by a street;

(5) the distance from the school's property line to the property line of the premises for which the license or renewal is sought is at least 60 feet;

(6) as of the effective date of this amendatory Act of the 97th General Assembly, the premises for which the license or renewal is sought is located in the Illinois Medical District.

(w) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license to sell alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

(1) the sale of alcoholic liquor at the premises is incidental to the sale of food;

(2) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(3) the premises occupy the first floor and basement of a 2-story building that is 106 years old;

(4) the premises is at least 7,000 square feet and located on a lot that is at least 11,000 square feet;

(5) the premises is located directly west of the church, on perpendicular streets, and separated by an alley;

(6) the distance between the property line of the premises and the property line of the church is at least 20 feet;

(7) the distance between the primary entrance of the premises and the primary entrance of the church is at least 130 feet; and

(8) the church has been at its location for at least 40 years.

(x) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

(1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(2) the church has been operating in its current location since 1973;

(3) the premises has been operating in its current location since 1988;

(4) the church and the premises are owned by the same parish;

(5) the premises is used for cultural and educational purposes;

(6) the primary entrance to the premises and the primary entrance to the church are located on the same street;

(7) the principal religious leader of the church has indicated his support of the issuance of the license;

(8) the premises is a 2-story building of approximately 23,000 square feet; and

(9) the premises houses a ballroom on its ground floor of approximately 5,000 square feet.

(y) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a school if:

(1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(2) the sale of alcoholic liquor at the premises is incidental to the sale of food;

(3) according to the municipality, the distance between the east property line of the premises and the west property line of the school is 97.8 feet;

(4) the school is a City of Chicago School District 299 school;

(5) the school has been operating since 1959;

(6) the primary entrance to the premises and the primary entrance to the school are located on the same street;

(7) the street on which the entrances of the premises and the school are located is a major diagonal thoroughfare;

(8) the premises is a single-story building of approximately 2,900 square feet; and

(9) the premises is used for commercial purposes only.

(z) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a mosque if:

(1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(2) the licensee shall only sell packaged liquors at the premises;

(3) the licensee is a national retail chain having over 100 locations within the municipality;

(4) the licensee has over 8,000 locations nationwide;

(5) the licensee has locations in all 50 states;

- (6) the premises is located in the North-East quadrant of the municipality;
- (7) the premises is a free-standing building that has "drive-through" pharmacy service;
- (8) the premises has approximately 14,490 square feet of retail space;
- (9) the premises has approximately 799 square feet of pharmacy space;
- (10) the premises is located on a major arterial street that runs east-west and accepts truck traffic; and

(11) the alderman of the ward in which the premises is located has expressed, in writing, his or her support for the issuance of the license.

(aa) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

- (1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;
- (2) the licensee shall only sell packaged liquors at the premises;
- (3) the licensee is a national retail chain having over 100 locations within the municipality;
- (4) the licensee has over 8,000 locations nationwide;
- (5) the licensee has locations in all 50 states;
- (6) the premises is located in the North-East quadrant of the municipality;
- (7) the premises is located across the street from a national grocery chain outlet;
- (8) the premises has approximately 16,148 square feet of retail space;
- (9) the premises has approximately 992 square feet of pharmacy space;
- (10) the premises is located on a major arterial street that runs north-south and accepts truck traffic; and

(11) the alderman of the ward in which the premises is located has expressed, in writing, his or her support for the issuance of the license.

(bb) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

- (1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;
- (2) the sale of alcoholic liquor at the premises is incidental to the sale of food;
- (3) the primary entrance to the premises and the primary entrance to the church are located on the same street;
- (4) the premises is across the street from the church;
- (5) the street on which the premises and the church are located is a major arterial street that runs east-west;
- (6) the church is an elder-led and Bible-based Assyrian church;
- (7) the premises and the church are both single-story buildings;
- (8) the storefront directly west of the church is being used as a restaurant; and
- (9) the distance between the northern-most property line of the premises and the southern-most property line of the church is 65 feet.

(cc) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a school if:

- (1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;
- (2) the licensee shall only sell packaged liquors at the premises;
- (3) the licensee is a national retail chain;
- (4) as of October 25, 2011, the licensee has 1,767 stores operating nationwide, 87 stores operating in the State, and 10 stores operating within the municipality;
- (5) the licensee shall occupy approximately 124,000 square feet of space in the basement and first and second floors of a building located across the street from a school;
- (6) the school opened in August of 2009 and occupies approximately 67,000 square feet of space; and
- (7) the building in which the premises shall be located has been listed on the National

Register of Historic Places since April 17, 1970.

(dd) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor within a full-service grocery store at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and is within 100 feet of a school if:

- (1) the premises is constructed on land that was purchased from the municipality at a fair market price;
- (2) the premises is constructed on land that was previously used as a parking facility for public safety employees;
- (3) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;
- (4) the main entrance to the store is more than 100 feet from the main entrance to the school;
- (5) the premises is to be new construction;
- (6) the school is a private school;
- (7) the principal of the school has given written approval for the license;
- (8) the alderman of the ward where the premises is located has given written approval of the issuance of the license;
- (9) the grocery store level of the premises is between 60,000 and 70,000 square feet; and
- (10) the owner and operator of the grocery store operates 2 other grocery stores that have alcoholic liquor licenses within the same municipality.

(ee) Notwithstanding any provision in this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor within a full-service grocery store at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and is within 100 feet of a school if:

- (1) the premises is constructed on land that once contained an industrial steel facility;
- (2) the premises is located on land that has undergone environmental remediation;
- (3) the premises is located within a retail complex containing retail stores where some of the stores sell alcoholic beverages;
- (4) the principal activity of any restaurant in the retail complex is the sale of food, and the sale of alcoholic liquor is incidental to the sale of food;
- (5) the sale of alcoholic liquor is not the principal business carried on by the grocery store;
- (6) the entrance to any business that sells alcoholic liquor is more than 100 feet from the entrance to the school;
- (7) the alderman of the ward where the premises is located has given written approval of the issuance of the license; and
- (8) the principal of the school has given written consent to the issuance of the license.

(ff) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a school if:

- (1) the sale of alcoholic liquor is not the principal business carried on at the premises;
- (2) the sale of alcoholic liquor at the premises is incidental to the operation of a theater;
- (3) the premises is a one and one-half-story building of approximately 10,000 square feet;
- (4) the school is a City of Chicago School District 299 school;
- (5) the primary entrance of the premises and the primary entrance of the school are at least 300 feet apart and no more than 400 feet apart;
- (6) the alderman of the ward in which the premises is located has expressed, in writing, his support for the issuance of the license; and
- (7) the principal of the school has expressed, in writing, that there is no objection to the issuance of a license under this subsection (ff).

(gg) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor incidental to the sale of food

within a restaurant or banquet facility established in a premises that is located in a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

- (1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;
- (2) the property on which the church is located and the property on which the premises are located are both within a district originally listed on the National Register of Historic Places on February 14, 1979;
- (3) the property on which the premises are located contains one or more multi-story buildings that are at least 95 years old and have no more than three stories;
- (4) the building in which the church is located is at least 120 years old;
- (5) the property on which the church is located is immediately adjacent to and west of the property on which the premises are located;
- (6) the western boundary of the property on which the premises are located is no less than 118 feet in length and no more than 122 feet in length;
- (7) as of December 31, 2012, both the church property and the property on which the premises are located are within 250 feet of City of Chicago Business-Residential Planned Development Number 38;
- (8) the principal religious leader at the place of worship has indicated his or her support for the issuance of the license in writing; and
- (9) the alderman in whose district the premises are located has expressed his or her support for the issuance of the license in writing.

For the purposes of this subsection, "banquet facility" means the part of the building that is located on the floor above a restaurant and caters to private parties and where the sale of alcoholic liquors is not the principal business.

(hh) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor within a hotel and at an outdoor patio area attached to the hotel that are located in a municipality with a population in excess of 1,000,000 inhabitants and that are within 100 feet of a hospital if:

- (1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the hotel;
- (2) the hotel is located within the City of Chicago Business Planned Development Number 468; and
- (3) the hospital is located within the City of Chicago Institutional Planned Development Number 3.

(ii) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor within a restaurant and at an outdoor patio area attached to the restaurant that are located in a municipality with a population in excess of 1,000,000 inhabitants and that are within 100 feet of a church if:

- (1) the sale of alcoholic liquor at the premises is not the principal business carried on by the licensee and is incidental to the sale of food;
- (2) the restaurant has been operated on the street level of a 2-story building located on a corner lot since 2008;
- (3) the restaurant is between 3,700 and 4,000 square feet and sits on a lot that is no more than 6,200 square feet;
- (4) the primary entrance to the restaurant and the primary entrance to the church are located on the same street;
- (5) the street on which the restaurant and the church are located is a major east-west street;
- (6) the restaurant and the church are separated by a one-way northbound street;
- (7) the church is located to the west of and no more than 65 feet from the restaurant; and
- (8) the principal religious leader at the place of worship has indicated his or her consent to the issuance of the license in writing.

(jj) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at premises located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

- (1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;
- (2) the sale of alcoholic liquor is incidental to the sale of food;

(3) the premises are located east of the church, on perpendicular streets, and separated by an alley;

(4) the distance between the primary entrance of the premises and the primary entrance of the church is at least 175 feet;

(5) the distance between the property line of the premises and the property line of the church is at least 40 feet;

(6) the licensee has been operating at the premises since 2012;

(7) the church was constructed in 1904;

(8) the alderman of the ward in which the premises is located has expressed, in writing, his or her support for the issuance of the license; and

(9) the principal religious leader of the church has delivered a written statement that he or she does not object to the issuance of a license under this subsection (jj).

(kk) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a school if:

(1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(2) the licensee shall only sell packaged liquors on the premises;

(3) the licensee is a national retail chain;

(4) as of February 27, 2013, the licensee had 1,778 stores operating nationwide, 89 operating in this State, and 11 stores operating within the municipality;

(5) the licensee shall occupy approximately 169,048 square feet of space within a building that is located across the street from a tuition-based preschool; and

(6) the alderman of the ward in which the premises is located has expressed, in writing, his or her support for the issuance of the license.

(ll) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a school if:

(1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(2) the licensee shall only sell packaged liquors on the premises;

(3) the licensee is a national retail chain;

(4) as of February 27, 2013, the licensee had 1,778 stores operating nationwide, 89 operating in this State, and 11 stores operating within the municipality;

(5) the licensee shall occupy approximately 191,535 square feet of space within a building that is located across the street from an elementary school; and

(6) the alderman of the ward in which the premises is located has expressed, in writing, his or her support for the issuance of the license.

(mm) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor within premises and at an outdoor patio or sidewalk cafe, or both, attached to premises that are located in a municipality with a population in excess of 1,000,000 inhabitants and that are within 100 feet of a hospital if:

(1) the primary business of the restaurant consists of the sale of food where the sale of liquor is incidental to the sale of food;

(2) as a restaurant, the premises may or may not offer catering as an incidental part of food service;

(3) the primary business of the restaurant is conducted in space owned by a hospital or an entity owned or controlled by, under common control with, or that controls a hospital, and the chief hospital administrator has expressed his or her support for the issuance of the license in writing; and

(4) the hospital is an adult acute care facility primarily located within the City of Chicago Institutional Planned Development Number 3.

(nn) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

(1) the sale of alcoholic liquor is not the principal business carried out on the premises;

(2) the sale of alcoholic liquor at the premises is incidental to the operation of a theater;

(3) the premises are a building that was constructed in 1913 and opened on May 24, 1915 as a vaudeville theater, and the premises were converted to a motion picture theater in 1935;

(4) the church was constructed in 1889 with a stone exterior;

(5) the primary entrance of the premises and the primary entrance of the church are at least 100 feet apart; and

(6) the principal religious leader at the place of worship has indicated his or her consent to the issuance of the license in writing; and

(7) the alderman in whose ward the premises are located has expressed his or her support for the issuance of the license in writing.

(oo) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at a premises that is located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a mosque, church, or other place of worship if:

(1) the primary entrance of the premises and the primary entrance of the mosque, church, or other place of worship are perpendicular and are on different streets;

(2) the primary entrance to the premises faces West and the primary entrance to the mosque, church, or other place of worship faces South;

(3) the distance between the 2 primary entrances is at least 100 feet;

(4) the mosque, church, or other place of worship was established in a location within 100 feet of the premises after a license for the sale of alcohol at the premises was first issued;

(5) the mosque, church, or other place of worship was established on or around January 1, 2011;

(6) a license for the sale of alcohol at the premises was first issued on or before January 1, 1985;

(7) a license for the sale of alcohol at the premises has been continuously in effect since January 1, 1985, except for interruptions between licenses of no more than 90 days; and

(8) the premises are a single-story, single-use building of at least 3,000 square feet and no more than 3,380 square feet.

(pp) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor incidental to the sale of food within a restaurant or banquet facility established on premises that are located in a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of at least one church if:

(1) the sale of liquor shall not be the principal business carried on by the licensee at the premises;

(2) the premises are at least 6,500 square feet and no more than 7,900 ~~7,500~~ square feet and is located in a single-story building;

(3) the property on which the premises are located is within an area that, as of 2009, was designated as a Renewal Community by the United States Department of Housing and Urban Development;

(4) the property on which the premises are located and the properties on which the churches are located are on the same street;

(5) the property on which the premises are located is immediately adjacent to and east of the property on which at least one of the churches is located;

(6) the property on which the premises are located is across the street and southwest of the property on which another church is located;

(7) the principal religious leaders of the churches have indicated their support for the issuance of the license in writing; and

(8) the alderman in whose ward the premises are located has expressed his or her support for the issuance of the license in writing.

For purposes of this subsection (pp), "banquet facility" means the part of the building that caters to private parties and where the sale of alcoholic liquors is not the principal business.

(qq) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor on premises that are located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church or school if:

(1) the primary entrance of the premises and the closest entrance of the church or school are at least 200 feet apart and no greater than 300 feet apart;

(2) the shortest distance between the premises and the church or school is at least 66 35 feet apart and no greater than 81 45 feet apart;

(3) the premises are a single-story, steel-framed commercial building with at least 18,042 square feet, and was constructed in 1925 and 1997;

(4) the owner of the business operated within the premises has been the general manager of a similar supermarket within one mile from the premises, which has had a valid license authorizing the sale of alcoholic liquor since 2002, and is in good standing with the City of Chicago;

(5) the principal religious leader at the place of worship has indicated his or her support to the issuance or renewal of the license in writing;

(6) the alderman of the ward has indicated his or her support to the issuance or renewal of the license in writing; and

(7) the principal of the school has indicated his or her support to the issuance or renewal of the license in writing.

(rr) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at premises located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a club that leases space to a school if:

(1) the sale of alcoholic liquor is not the principal business carried out on the premises;

(2) the sale of alcoholic liquor at the premises is incidental to the operation of a grocery store;

(3) the premises are a building of approximately 1,750 square feet and is rented by the owners of the grocery store from a family member;

(4) the property line of the premises is approximately 68 feet from the property line of the club;

(5) the primary entrance of the premises and the primary entrance of the club where the school leases space are at least 100 feet apart;

(6) the director of the club renting space to the school has indicated his or her consent to the issuance of the license in writing; and

(7) the alderman in whose district the premises are located has expressed his or her support for the issuance of the license in writing.

(ss) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at premises located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

(1) the premises are located within a 15 unit building with 13 residential apartments and 2 commercial spaces, and the licensee will occupy both commercial spaces;

(2) a restaurant has been operated on the premises since June 2011;

(3) the restaurant currently occupies 1,075 square feet, but will be expanding to include 975 additional square feet;

(4) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(5) the premises are located south of the church and on the same street and are separated by a one-way westbound street;

(6) the primary entrance of the premises is at least 93 feet from the primary entrance of the church;

(7) the shortest distance between any part of the premises and any part of the church is at least 72 feet;

(8) the building in which the restaurant is located was built in 1910;

(9) the alderman of the ward in which the premises are located has expressed, in writing, his or her support for the issuance of the license; and

(10) the principal religious leader of the church has delivered a written statement that he or she does not object to the issuance of a license under this subsection (ss).

(tt) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at premises located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

(1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(2) the sale of alcoholic liquor is incidental to the sale of food;

(3) the sale of alcoholic liquor at the premises was previously authorized by a package goods liquor license;

(4) the premises are at least 40,000 square feet with 25 parking spaces in the contiguous surface lot to the north of the store and 93 parking spaces on the roof;

(5) the shortest distance between the lot line of the parking lot of the premises and the exterior wall of the church is at least 80 feet;

(6) the distance between the building in which the church is located and the building in which the premises are located is at least 180 feet;

(7) the main entrance to the church faces west and is at least 257 feet from the main entrance of the premises; and

(8) the applicant is the owner of 10 similar grocery stores within the City of Chicago and the surrounding area and has been in business for more than 30 years.

(Source: P.A. 97-9, eff. 6-14-11; 97-12, eff. 6-14-11; 97-634, eff. 12-16-11; 97-774, eff. 7-13-12; 97-780, eff. 7-13-12; 97-806, eff. 7-13-12; 97-1166, eff. 3-1-13; 98-274, eff. 8-9-13; 98-463, eff. 8-16-13; 98-571, eff. 8-27-13; 98-592, eff. 11-15-13.)

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

AMENDMENT NO. 4 TO SENATE BILL 2644

AMENDMENT NO. 4. Amend Senate Bill 2644, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, as follows:

on page 1, line 5, by replacing "Section 6-11" with "Sections 6-11 and 6-15"; and

on page 41, immediately below line 13, by inserting the following:

"(uu) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at premises located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

(1) the sale of alcoholic liquor is not the principal business carried on by the licensee at the premises;

(2) the sale of alcoholic liquor is incidental to the operation of a grocery store;

(3) the premises are located in a building that is approximately 68,000 square feet with 157 parking spaces on property that was previously vacant land;

(4) the main entrance to the church faces west and is at least 500 feet from the entrance of the premises, which faces north;

(5) the church and the premises are separated by an alley;

(6) the applicant is the owner of 9 similar grocery stores in the City of Chicago and the surrounding area and has been in business for more than 40 years;

(7) the principal religious leader of the church has indicated his or her support for the issuance of the license in writing; and

(8) the alderman of the ward in which the premises are located has expressed, in writing, his or her support for the issuance of the license.

(vv) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at premises located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a church if:

(1) the sale of alcoholic liquor is the principal business carried on by the licensee at the premises;

(2) the sale of alcoholic liquor is primary to the sale of food;

(3) the premises are located south of the church and on perpendicular streets and are separated by a driveway;

(4) the primary entrance of the premises is at least 100 feet from the primary entrance of the church;

(5) the shortest distance between any part of the premises and any part of the church is at least 15 feet;

(6) the premises are less than 100 feet from the church center, but greater than 100 feet from the area within the building where church services are held;

(7) the premises are 25,830 square feet and sit on a lot that is 0.48 acres;

(8) the premises were once designated as a Korean American Presbyterian Church and were once used as a Masonic Temple;

(9) the premises were built in 1910;

(10) the alderman of the ward in which the premises are located has expressed, in writing, his or her support for the issuance of the license; and

(11) the principal religious leader of the church has delivered a written statement that he or she does not object to the issuance of a license under this subsection (vv).

For the purposes of this subsection (vv), "premises" means a place of business together with a privately owned outdoor location that is adjacent to the place of business.

(ww) Notwithstanding any provision of this Section to the contrary, nothing in this Section shall prohibit the issuance or renewal of a license authorizing the sale of alcoholic liquor at premises located within a municipality with a population in excess of 1,000,000 inhabitants and within 100 feet of a school if:

(1) the school is located within Sub Area III of City of Chicago Residential-Business Planned Development Number 523, as amended; and

(2) the premises are located within Sub Area I, Sub Area II, or Sub Area IV of City of Chicago Residential-Business Planned Development Number 523, as amended.”; and

on page 41, immediately below line 18, by inserting the following:

"(235 ILCS 5/6-15) (from Ch. 43, par. 130)

Sec. 6-15. No alcoholic liquors shall be sold or delivered in any building belonging to or under the control of the State or any political subdivision thereof except as provided in this Act. The corporate authorities of any city, village, incorporated town, township, or county may provide by ordinance, however, that alcoholic liquor may be sold or delivered in any specifically designated building belonging to or under the control of the municipality, township, or county, or in any building located on land under the control of the municipality, township, or county; provided that such township or county complies with all applicable local ordinances in any incorporated area of the township or county. Alcoholic liquor may be delivered to and sold under the authority of a special use permit on any property owned by a conservation district organized under the Conservation District Act, provided that (i) the alcoholic liquor is sold only at an event authorized by the governing board of the conservation district, (ii) the issuance of the special use permit is authorized by the local liquor control commissioner of the territory in which the property is located, and (iii) the special use permit authorizes the sale of alcoholic liquor for one day or less. Alcoholic liquors may be delivered to and sold at any airport belonging to or under the control of a municipality of more than 25,000 inhabitants, or in any building or on any golf course owned by a park district organized under the Park District Code, subject to the approval of the governing board of the district, or in any building or on any golf course owned by a forest preserve district organized under the Downstate Forest Preserve District Act, subject to the approval of the governing board of the district, or on the grounds within 500 feet of any building owned by a forest preserve district organized under the Downstate Forest Preserve District Act during times when food is dispensed for consumption within 500 feet of the building from which the food is dispensed, subject to the approval of the governing board of the district, or in a building owned by a Local Mass Transit District organized under the Local Mass Transit District Act, subject to the approval of the governing Board of the District, or in Bicentennial Park, or on the premises of the City of Mendota Lake Park located adjacent to Route 51 in Mendota, Illinois, or on the premises of Camden Park in Milan, Illinois, or in the community center owned by the City of Loves Park that is located at 1000 River Park Drive in Loves Park, Illinois, or, in connection with the operation of an established food serving facility during times when food is dispensed for consumption on the premises, and at the following aquarium and museums located in public parks: Art Institute of Chicago, Chicago Academy of Sciences, Chicago Historical Society, Field Museum of Natural History, Museum of Science and Industry, DuSable Museum of African American History, John G. Shedd Aquarium and Adler Planetarium, or at Lakeview Museum of Arts and Sciences in Peoria, or in connection with the operation of the facilities of the Chicago Zoological Society or the Chicago Horticultural Society on land owned by the Forest Preserve District of Cook County, or on any land used for a golf course or for recreational purposes owned by the Forest Preserve District of Cook County, subject to the control of the Forest Preserve District Board of Commissioners and applicable local law, provided that dram shop liability insurance is provided at maximum coverage limits so as to hold the District harmless from all financial loss, damage, and harm, or in any building located on land owned by the Chicago Park District if approved by the Park District Commissioners, or on any land used for a golf course or for recreational purposes and owned by the Illinois International Port District if approved by the District's governing board, or at any airport, golf course, faculty center, or facility in which conference and convention type activities take place belonging to or under control of any State university or public community college district, provided that with respect to a facility for conference and convention type activities alcoholic liquors shall be limited to the use of the convention or conference participants or participants in cultural, political or educational activities held in such facilities, and provided further that the faculty or staff of the State university or a public community college district, or members of an organization of students, alumni, faculty or staff of the State university or a public community college district are active participants in the conference or convention, or in Memorial Stadium on the campus of the University of Illinois at Urbana-Champaign during games in which the Chicago Bears professional football team is playing in that stadium during the renovation of Soldier Field, not more than one and a half hours before the start of the game and not after the end of the third quarter of the game, or in the Pavilion Facility on the campus of the University of

[May 29, 2014]

Illinois at Chicago during games in which the Chicago Storm professional soccer team is playing in that facility, not more than one and a half hours before the start of the game and not after the end of the third quarter of the game, or in the Pavilion Facility on the campus of the University of Illinois at Chicago during games in which the WNBA professional women's basketball team is playing in that facility, not more than one and a half hours before the start of the game and not after the 10-minute mark of the second half of the game, or by a catering establishment which has rented facilities from a board of trustees of a public community college district, or in a restaurant that is operated by a commercial tenant in the North Campus Parking Deck building that (1) is located at 1201 West University Avenue, Urbana, Illinois and (2) is owned by the Board of Trustees of the University of Illinois, or, if approved by the District board, on land owned by the Metropolitan Sanitary District of Greater Chicago and leased to others for a term of at least 20 years. Nothing in this Section precludes the sale or delivery of alcoholic liquor in the form of original packaged goods in premises located at 500 S. Racine in Chicago belonging to the University of Illinois and used primarily as a grocery store by a commercial tenant during the term of a lease that predates the University's acquisition of the premises; but the University shall have no power or authority to renew, transfer, or extend the lease with terms allowing the sale of alcoholic liquor; and the sale of alcoholic liquor shall be subject to all local laws and regulations. After the acquisition by Winnebago County of the property located at 404 Elm Street in Rockford, a commercial tenant who sold alcoholic liquor at retail on a portion of the property under a valid license at the time of the acquisition may continue to do so for so long as the tenant and the County may agree under existing or future leases, subject to all local laws and regulations regarding the sale of alcoholic liquor. Alcoholic liquors may be delivered to and sold at Memorial Hall, located at 211 North Main Street, Rockford, under conditions approved by Winnebago County and subject to all local laws and regulations regarding the sale of alcoholic liquor. Each facility shall provide dram shop liability in maximum insurance coverage limits so as to save harmless the State, municipality, State university, airport, golf course, faculty center, facility in which conference and convention type activities take place, park district, Forest Preserve District, public community college district, aquarium, museum, or sanitary district from all financial loss, damage or harm. Alcoholic liquors may be sold at retail in buildings of golf courses owned by municipalities or Illinois State University in connection with the operation of an established food serving facility during times when food is dispensed for consumption upon the premises. Alcoholic liquors may be delivered to and sold at retail in any building owned by a fire protection district organized under the Fire Protection District Act, provided that such delivery and sale is approved by the board of trustees of the district, and provided further that such delivery and sale is limited to fundraising events and to a maximum of 6 events per year. However, the limitation to fundraising events and to a maximum of 6 events per year does not apply to the delivery, sale, or manufacture of alcoholic liquors at the building located at 59 Main Street in Oswego, Illinois, owned by the Oswego Fire Protection District if the alcoholic liquor is sold or dispensed as approved by the Oswego Fire Protection District and the property is no longer being utilized for fire protection purposes.

Alcoholic liquors may be served or sold in buildings under the control of the Board of Trustees of the University of Illinois for events that the Board may determine are public events and not related student activities. The Board of Trustees shall issue a written policy within 6 months of the effective date of this amendatory Act of the 95th General Assembly concerning the types of events that would be eligible for an exemption. Thereafter, the Board of Trustees may issue revised, updated, new, or amended policies as it deems necessary and appropriate. In preparing its written policy, the Board of Trustees shall, among other factors it considers relevant and important, give consideration to the following: (i) whether the event is a student activity or student related activity; (ii) whether the physical setting of the event is conducive to control of liquor sales and distribution; (iii) the ability of the event operator to ensure that the sale or serving of alcoholic liquors and the demeanor of the participants are in accordance with State law and University policies; (iv) regarding the anticipated attendees at the event, the relative proportion of individuals under the age of 21 to individuals age 21 or older; (v) the ability of the venue operator to prevent the sale or distribution of alcoholic liquors to individuals under the age of 21; (vi) whether the event prohibits participants from removing alcoholic beverages from the venue; and (vii) whether the event prohibits participants from providing their own alcoholic liquors to the venue. In addition, any policy submitted by the Board of Trustees to the Illinois Liquor Control Commission must require that any event at which alcoholic liquors are served or sold in buildings under the control of the Board of Trustees shall require the prior written approval of the Office of the Chancellor for the University campus where the event is located. The Board of Trustees shall submit its policy, and any subsequently revised, updated, new, or amended policies, to the Illinois Liquor Control Commission, and any University event, or location for an event, exempted under such policies shall apply for a license under the applicable Sections of this Act.

Alcoholic liquors may be served or sold in buildings under the control of the Board of Trustees of Northern Illinois University for events that the Board may determine are public events and not student-related activities. The Board of Trustees shall issue a written policy within 6 months after June 28, 2011 (the effective date of Public Act 97-45) concerning the types of events that would be eligible for an exemption. Thereafter, the Board of Trustees may issue revised, updated, new, or amended policies as it deems necessary and appropriate. In preparing its written policy, the Board of Trustees shall, in addition to other factors it considers relevant and important, give consideration to the following: (i) whether the event is a student activity or student-related activity; (ii) whether the physical setting of the event is conducive to control of liquor sales and distribution; (iii) the ability of the event operator to ensure that the sale or serving of alcoholic liquors and the demeanor of the participants are in accordance with State law and University policies; (iv) the anticipated attendees at the event and the relative proportion of individuals under the age of 21 to individuals age 21 or older; (v) the ability of the venue operator to prevent the sale or distribution of alcoholic liquors to individuals under the age of 21; (vi) whether the event prohibits participants from removing alcoholic beverages from the venue; and (vii) whether the event prohibits participants from providing their own alcoholic liquors to the venue.

Alcoholic liquors may be served or sold in buildings under the control of the Board of Trustees of Chicago State University for events that the Board may determine are public events and not student-related activities. The Board of Trustees shall issue a written policy within 6 months after August 2, 2013 (the effective date of Public Act 98-132) ~~this amendatory Act of the 98th General Assembly~~ concerning the types of events that would be eligible for an exemption. Thereafter, the Board of Trustees may issue revised, updated, new, or amended policies as it deems necessary and appropriate. In preparing its written policy, the Board of Trustees shall, in addition to other factors it considers relevant and important, give consideration to the following: (i) whether the event is a student activity or student-related activity; (ii) whether the physical setting of the event is conducive to control of liquor sales and distribution; (iii) the ability of the event operator to ensure that the sale or serving of alcoholic liquors and the demeanor of the participants are in accordance with State law and University policies; (iv) the anticipated attendees at the event and the relative proportion of individuals under the age of 21 to individuals age 21 or older; (v) the ability of the venue operator to prevent the sale or distribution of alcoholic liquors to individuals under the age of 21; (vi) whether the event prohibits participants from removing alcoholic beverages from the venue; and (vii) whether the event prohibits participants from providing their own alcoholic liquors to the venue.

Alcoholic liquors may be served or sold in buildings under the control of the Board of Trustees of Illinois State University for events that the Board may determine are public events and not student-related activities. The Board of Trustees shall issue a written policy within 6 months after the effective date of this amendatory Act of the 97th General Assembly concerning the types of events that would be eligible for an exemption. Thereafter, the Board of Trustees may issue revised, updated, new, or amended policies as it deems necessary and appropriate. In preparing its written policy, the Board of Trustees shall, in addition to other factors it considers relevant and important, give consideration to the following: (i) whether the event is a student activity or student-related activity; (ii) whether the physical setting of the event is conducive to control of liquor sales and distribution; (iii) the ability of the event operator to ensure that the sale or serving of alcoholic liquors and the demeanor of the participants are in accordance with State law and University policies; (iv) the anticipated attendees at the event and the relative proportion of individuals under the age of 21 to individuals age 21 or older; (v) the ability of the venue operator to prevent the sale or distribution of alcoholic liquors to individuals under the age of 21; (vi) whether the event prohibits participants from removing alcoholic beverages from the venue; and (vii) whether the event prohibits participants from providing their own alcoholic liquors to the venue.

Alcoholic liquor may be delivered to and sold at retail in the Dorchester Senior Business Center owned by the Village of Dolton if the alcoholic liquor is sold or dispensed only in connection with organized functions for which the planned attendance is 20 or more persons, and if the person or facility selling or dispensing the alcoholic liquor has provided dram shop liability insurance in maximum limits so as to hold harmless the Village of Dolton and the State from all financial loss, damage and harm.

Alcoholic liquors may be delivered to and sold at retail in any building used as an Illinois State Armory provided:

- (i) the Adjutant General's written consent to the issuance of a license to sell alcoholic liquor in such building is filed with the Commission;
- (ii) the alcoholic liquor is sold or dispensed only in connection with organized functions held on special occasions;
- (iii) the organized function is one for which the planned attendance is 25 or more persons; and
- (iv) the facility selling or dispensing the alcoholic liquors has provided dram shop

liability insurance in maximum limits so as to save harmless the facility and the State from all financial loss, damage or harm.

Alcoholic liquors may be delivered to and sold at retail in the Chicago Civic Center, provided that:

(i) the written consent of the Public Building Commission which administers the Chicago Civic Center is filed with the Commission;

(ii) the alcoholic liquor is sold or dispensed only in connection with organized functions held on special occasions;

(iii) the organized function is one for which the planned attendance is 25 or more persons;

(iv) the facility selling or dispensing the alcoholic liquors has provided dram shop liability insurance in maximum limits so as to hold harmless the Civic Center, the City of Chicago and the State from all financial loss, damage or harm; and

(v) all applicable local ordinances are complied with.

Alcoholic liquors may be delivered or sold in any building belonging to or under the control of any city, village or incorporated town where more than 75% of the physical properties of the building is used for commercial or recreational purposes, and the building is located upon a pier extending into or over the waters of a navigable lake or stream or on the shore of a navigable lake or stream. In accordance with a license issued under this Act, alcoholic liquor may be sold, served, or delivered in buildings and facilities under the control of the Department of Natural Resources during events or activities lasting no more than 7 continuous days upon the written approval of the Director of Natural Resources acting as the controlling government authority. The Director of Natural Resources may specify conditions on that approval, including but not limited to requirements for insurance and hours of operation. Notwithstanding any other provision of this Act, alcoholic liquor sold by a United States Army Corps of Engineers or Department of Natural Resources concessionaire who was operating on June 1, 1991 for on-premises consumption only is not subject to the provisions of Articles IV and IX. Beer and wine may be sold on the premises of the Joliet Park District Stadium owned by the Joliet Park District when written consent to the issuance of a license to sell beer and wine in such premises is filed with the local liquor commissioner by the Joliet Park District. Beer and wine may be sold in buildings on the grounds of State veterans' homes when written consent to the issuance of a license to sell beer and wine in such buildings is filed with the Commission by the Department of Veterans' Affairs, and the facility shall provide dram shop liability in maximum insurance coverage limits so as to save the facility harmless from all financial loss, damage or harm. Such liquors may be delivered to and sold at any property owned or held under lease by a Metropolitan Pier and Exposition Authority or Metropolitan Exposition and Auditorium Authority.

Beer and wine may be sold and dispensed at professional sporting events and at professional concerts and other entertainment events conducted on premises owned by the Forest Preserve District of Kane County, subject to the control of the District Commissioners and applicable local law, provided that dram shop liability insurance is provided at maximum coverage limits so as to hold the District harmless from all financial loss, damage and harm.

Nothing in this Section shall preclude the sale or delivery of beer and wine at a State or county fair or the sale or delivery of beer or wine at a city fair in any otherwise lawful manner.

Alcoholic liquors may be sold at retail in buildings in State parks under the control of the Department of Natural Resources, provided:

a. the State park has overnight lodging facilities with some restaurant facilities or, not having overnight lodging facilities, has restaurant facilities which serve complete luncheon and dinner or supper meals,

b. consent to the issuance of a license to sell alcoholic liquors in the buildings has been filed with the commission by the Department of Natural Resources, and

c. the alcoholic liquors are sold by the State park lodge or restaurant concessionaire only during the hours from 11 o'clock a.m. until 12 o'clock midnight. Notwithstanding any other provision of this Act, alcoholic liquor sold by the State park or restaurant concessionaire is not subject to the provisions of Articles IV and IX.

Alcoholic liquors may be sold at retail in buildings on properties under the control of the Historic Sites and Preservation Division of the Historic Preservation Agency or the Abraham Lincoln Presidential Library and Museum provided:

a. the property has overnight lodging facilities with some restaurant facilities or, not

having overnight lodging facilities, has restaurant facilities which serve complete luncheon and dinner or supper meals,

b. consent to the issuance of a license to sell alcoholic liquors in the buildings has

been filed with the commission by the Historic Sites and Preservation Division of the Historic Preservation Agency or the Abraham Lincoln Presidential Library and Museum, and

c. the alcoholic liquors are sold by the lodge or restaurant concessionaire only during the hours from 11 o'clock a.m. until 12 o'clock midnight.

The sale of alcoholic liquors pursuant to this Section does not authorize the establishment and operation of facilities commonly called taverns, saloons, bars, cocktail lounges, and the like except as a part of lodge and restaurant facilities in State parks or golf courses owned by Forest Preserve Districts with a population of less than 3,000,000 or municipalities or park districts.

Alcoholic liquors may be sold at retail in the Springfield Administration Building of the Department of Transportation and the Illinois State Armory in Springfield; provided, that the controlling government authority may consent to such sales only if

a. the request is from a not-for-profit organization;

b. such sales would not impede normal operations of the departments involved;

c. the not-for-profit organization provides dram shop liability in maximum insurance coverage limits and agrees to defend, save harmless and indemnify the State of Illinois from all financial loss, damage or harm;

d. no such sale shall be made during normal working hours of the State of Illinois; and

e. the consent is in writing.

Alcoholic liquors may be sold at retail in buildings in recreational areas of river conservancy districts under the control of, or leased from, the river conservancy districts. Such sales are subject to reasonable local regulations as provided in Article IV; however, no such regulations may prohibit or substantially impair the sale of alcoholic liquors on Sundays or Holidays.

Alcoholic liquors may be provided in long term care facilities owned or operated by a county under Division 5-21 or 5-22 of the Counties Code, when approved by the facility operator and not in conflict with the regulations of the Illinois Department of Public Health, to residents of the facility who have had their consumption of the alcoholic liquors provided approved in writing by a physician licensed to practice medicine in all its branches.

Alcoholic liquors may be delivered to and dispensed in State housing assigned to employees of the Department of Corrections. No person shall furnish or allow to be furnished any alcoholic liquors to any prisoner confined in any jail, reformatory, prison or house of correction except upon a physician's prescription for medicinal purposes.

Alcoholic liquors may be sold at retail or dispensed at the Willard Ice Building in Springfield, at the State Library in Springfield, and at Illinois State Museum facilities by (1) an agency of the State, whether legislative, judicial or executive, provided that such agency first obtains written permission to sell or dispense alcoholic liquors from the controlling government authority, or by (2) a not-for-profit organization, provided that such organization:

a. Obtains written consent from the controlling government authority;

b. Sells or dispenses the alcoholic liquors in a manner that does not impair normal operations of State offices located in the building;

c. Sells or dispenses alcoholic liquors only in connection with an official activity in the building;

d. Provides, or its catering service provides, dram shop liability insurance in maximum coverage limits and in which the carrier agrees to defend, save harmless and indemnify the State of Illinois from all financial loss, damage or harm arising out of the selling or dispensing of alcoholic liquors.

Nothing in this Act shall prevent a not-for-profit organization or agency of the State from employing the services of a catering establishment for the selling or dispensing of alcoholic liquors at authorized functions.

The controlling government authority for the Willard Ice Building in Springfield shall be the Director of the Department of Revenue. The controlling government authority for Illinois State Museum facilities shall be the Director of the Illinois State Museum. The controlling government authority for the State Library in Springfield shall be the Secretary of State.

Alcoholic liquors may be delivered to and sold at retail or dispensed at any facility, property or building under the jurisdiction of the Historic Sites and Preservation Division of the Historic Preservation Agency or the Abraham Lincoln Presidential Library and Museum where the delivery, sale or dispensing is by (1) an agency of the State, whether legislative, judicial or executive, provided that such agency first obtains written permission to sell or dispense alcoholic liquors from a controlling government authority, or by (2) an individual or organization provided that such individual or organization:

a. Obtains written consent from the controlling government authority;

- b. Sells or dispenses the alcoholic liquors in a manner that does not impair normal workings of State offices or operations located at the facility, property or building;
- c. Sells or dispenses alcoholic liquors only in connection with an official activity of the individual or organization in the facility, property or building;
- d. Provides, or its catering service provides, dram shop liability insurance in maximum coverage limits and in which the carrier agrees to defend, save harmless and indemnify the State of Illinois from all financial loss, damage or harm arising out of the selling or dispensing of alcoholic liquors.

The controlling government authority for the Historic Sites and Preservation Division of the Historic Preservation Agency shall be the Director of the Historic Sites and Preservation, and the controlling government authority for the Abraham Lincoln Presidential Library and Museum shall be the Director of the Abraham Lincoln Presidential Library and Museum.

Alcoholic liquors may be delivered to and sold at retail or dispensed for consumption at the Michael Bilandic Building at 160 North LaSalle Street, Chicago IL 60601, after the normal business hours of any day care or child care facility located in the building, by (1) a commercial tenant or subtenant conducting business on the premises under a lease made pursuant to Section 405-315 of the Department of Central Management Services Law (20 ILCS 405/405-315), provided that such tenant or subtenant who accepts delivery of, sells, or dispenses alcoholic liquors shall procure and maintain dram shop liability insurance in maximum coverage limits and in which the carrier agrees to defend, indemnify, and save harmless the State of Illinois from all financial loss, damage, or harm arising out of the delivery, sale, or dispensing of alcoholic liquors, or by (2) an agency of the State, whether legislative, judicial, or executive, provided that such agency first obtains written permission to accept delivery of and sell or dispense alcoholic liquors from the Director of Central Management Services, or by (3) a not-for-profit organization, provided that such organization:

- a. obtains written consent from the Department of Central Management Services;
- b. accepts delivery of and sells or dispenses the alcoholic liquors in a manner that does not impair normal operations of State offices located in the building;
- c. accepts delivery of and sells or dispenses alcoholic liquors only in connection with an official activity in the building; and
- d. provides, or its catering service provides, dram shop liability insurance in maximum coverage limits and in which the carrier agrees to defend, save harmless, and indemnify the State of Illinois from all financial loss, damage, or harm arising out of the selling or dispensing of alcoholic liquors.

Nothing in this Act shall prevent a not-for-profit organization or agency of the State from employing the services of a catering establishment for the selling or dispensing of alcoholic liquors at functions authorized by the Director of Central Management Services.

Alcoholic liquors may be sold at retail or dispensed at the James R. Thompson Center in Chicago, subject to the provisions of Section 7.4 of the State Property Control Act, and 222 South College Street in Springfield, Illinois by (1) a commercial tenant or subtenant conducting business on the premises under a lease or sublease made pursuant to Section 405-315 of the Department of Central Management Services Law (20 ILCS 405/405-315), provided that such tenant or subtenant who sells or dispenses alcoholic liquors shall procure and maintain dram shop liability insurance in maximum coverage limits and in which the carrier agrees to defend, indemnify and save harmless the State of Illinois from all financial loss, damage or harm arising out of the sale or dispensing of alcoholic liquors, or by (2) an agency of the State, whether legislative, judicial or executive, provided that such agency first obtains written permission to sell or dispense alcoholic liquors from the Director of Central Management Services, or by (3) a not-for-profit organization, provided that such organization:

- a. Obtains written consent from the Department of Central Management Services;
- b. Sells or dispenses the alcoholic liquors in a manner that does not impair normal operations of State offices located in the building;
- c. Sells or dispenses alcoholic liquors only in connection with an official activity in the building;
- d. Provides, or its catering service provides, dram shop liability insurance in maximum coverage limits and in which the carrier agrees to defend, save harmless and indemnify the State of Illinois from all financial loss, damage or harm arising out of the selling or dispensing of alcoholic liquors.

Nothing in this Act shall prevent a not-for-profit organization or agency of the State from employing the services of a catering establishment for the selling or dispensing of alcoholic liquors at functions authorized by the Director of Central Management Services.

Alcoholic liquors may be sold or delivered at any facility owned by the Illinois Sports Facilities Authority provided that dram shop liability insurance has been made available in a form, with such coverage and in such amounts as the Authority reasonably determines is necessary.

Alcoholic liquors may be sold at retail or dispensed at the Rockford State Office Building by (1) an agency of the State, whether legislative, judicial or executive, provided that such agency first obtains written permission to sell or dispense alcoholic liquors from the Department of Central Management Services, or by (2) a not-for-profit organization, provided that such organization:

- a. Obtains written consent from the Department of Central Management Services;
- b. Sells or dispenses the alcoholic liquors in a manner that does not impair normal operations of State offices located in the building;
- c. Sells or dispenses alcoholic liquors only in connection with an official activity in the building;
- d. Provides, or its catering service provides, dram shop liability insurance in maximum coverage limits and in which the carrier agrees to defend, save harmless and indemnify the State of Illinois from all financial loss, damage or harm arising out of the selling or dispensing of alcoholic liquors.

Nothing in this Act shall prevent a not-for-profit organization or agency of the State from employing the services of a catering establishment for the selling or dispensing of alcoholic liquors at functions authorized by the Department of Central Management Services.

Alcoholic liquors may be sold or delivered in a building that is owned by McLean County, situated on land owned by the county in the City of Bloomington, and used by the McLean County Historical Society if the sale or delivery is approved by an ordinance adopted by the county board, and the municipality in which the building is located may not prohibit that sale or delivery, notwithstanding any other provision of this Section. The regulation of the sale and delivery of alcoholic liquor in a building that is owned by McLean County, situated on land owned by the county, and used by the McLean County Historical Society as provided in this paragraph is an exclusive power and function of the State and is a denial and limitation under Article VII, Section 6, subsection (h) of the Illinois Constitution of the power of a home rule municipality to regulate that sale and delivery.

Alcoholic liquors may be sold or delivered in any building situated on land held in trust for any school district organized under Article 34 of the School Code, if the building is not used for school purposes and if the sale or delivery is approved by the board of education.

Alcoholic liquors may be delivered to and sold at retail in any building owned by the Six Mile Regional Library District, provided that the delivery and sale is approved by the board of trustees of the Six Mile Regional Library District and the delivery and sale is limited to a maximum of 6 library district events per year. The Six Mile Regional Library District shall provide dram shop liability in maximum insurance coverage limits so as to save harmless the library district from all financial loss, damage, or harm.

Alcoholic liquors may be sold or delivered in buildings owned by the Community Building Complex Committee of Boone County, Illinois if the person or facility selling or dispensing the alcoholic liquor has provided dram shop liability insurance with coverage and in amounts that the Committee reasonably determines are necessary.

Alcoholic liquors may be sold or delivered in the building located at 1200 Centerville Avenue in Belleville, Illinois and occupied by either the Belleville Area Special Education District or the Belleville Area Special Services Cooperative.

Alcoholic liquors may be delivered to and sold at the Louis Joliet Renaissance Center, City Center Campus, located at 214 N. Ottawa Street, Joliet, and the Food Services/Culinary Arts Department facilities, Main Campus, located at 1215 Houbolt Road, Joliet, owned by or under the control of Joliet Junior College, Illinois Community College District No. 525.

Alcoholic liquors may be delivered to and sold at Triton College, Illinois Community College District No. 504.

Alcoholic liquors may be delivered to and sold at the College of DuPage, Illinois Community College District No. 502.

Alcoholic liquors may be delivered to and sold at the building located at 446 East Hickory Avenue in Apple River, Illinois, owned by the Apple River Fire Protection District, and occupied by the Apple River Community Association if the alcoholic liquor is sold or dispensed only in connection with organized functions approved by the Apple River Community Association for which the planned attendance is 20 or more persons and if the person or facility selling or dispensing the alcoholic liquor has provided dram shop liability insurance in maximum limits so as to hold harmless the Apple River Fire Protection District, the Village of Apple River, and the Apple River Community Association from all financial loss, damage, and harm.

Alcoholic liquors may be delivered to and sold at the Sikia Restaurant, Kennedy King College Campus, located at 740 West 63rd Street, Chicago, and at the Food Services in the Great Hall/Washburne Culinary Institute Department facility, Kennedy King College Campus, located at 740 West 63rd Street, Chicago, owned by or under the control of City Colleges of Chicago, Illinois Community College District No. 508. (Source: P.A. 97-33, eff. 6-28-11; 97-45, eff. 6-28-11; 97-51, eff. 6-28-11; 97-167, eff. 7-22-11; 97-250, eff. 8-4-11; 97-395, eff. 8-16-11; 97-813, eff. 7-13-12; 97-1166, eff. 3-1-13; 98-132, eff. 8-2-13; 98-201, eff. 8-9-13; revised 9-24-13.)"

Under the rules, the foregoing **Senate Bill No. 2644**, with House Amendments numbered 2 and 4, was referred to the Secretary's Desk.

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. 2793

A bill for AN ACT concerning education.

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

House Amendment No. 1 to SENATE BILL NO. 2793

House Amendment No. 2 to SENATE BILL NO. 2793

House Amendment No. 3 to SENATE BILL NO. 2793

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2793

AMENDMENT NO. 1. Amend Senate Bill 2793 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by adding Section 2-3.160 as follows:

(105 ILCS 5/2-3.160 new)

Sec. 2-3.160. Student discipline report; school discipline improvement plan.

(a) On or before October 31, 2015 and on or before October 31 of each subsequent year, the State Board of Education, through the State Superintendent of Education, shall prepare a report on student discipline in all school districts in this State. This report must be posted on the Internet website of the State Board of Education. The report shall include both of the following:

(1) Data on the issuance of out-of-school suspensions, expulsions, and removals to alternative settings, disaggregated by race and ethnicity, gender, age, grade level, limited English proficiency, incident type, and discipline duration.

(2) Data on the use of arrests or criminal citations on school grounds and during school hours, disaggregated by race and ethnicity, gender, and age.

(b) The State Board of Education shall analyze the data under subsection (a) of this Section on an annual basis and determine the top quartile of school districts for each of the following metrics:

(1) Total number of instructional days on which students were excluded because of out-of-school suspensions or expulsions, divided by the total student population.

(2) Racial disproportionality with respect to the use of out-of-school suspensions, expulsions, and school-based arrests and criminal citations.

The State Board of Education shall require each of the school districts identified in these quartiles to submit a school improvement plan identifying the strategies the school district will implement to reduce the use of harsh disciplinary practices or racial disproportionality or both if applicable. The calculation of the quartile described in subdivision (1) of this subsection (b) shall exclude all school districts that issued fewer than a total of 10 out-of-school suspensions and expulsions during the school year. The calculation of the quartile described in subdivision (2) of this subsection (b) shall exclude all school districts with an enrollment of fewer than 50 white students or fewer than 50 students of color.

The plan must be approved at a public school board meeting and posted on the school district's Internet website. Within one year after being identified, the school district shall submit to the State Board of Education and post on the district's Internet website a progress report describing the implementation of the plan and the results achieved.

[May 29, 2014]

Section 99. Effective date. This Act takes effect July 1, 2014."

AMENDMENT NO. 2 TO SENATE BILL 2793

AMENDMENT NO. 2. Amend Senate Bill 2793, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by adding Section 2-3.160 and by changing Section 27A-5 as follows:

(105 ILCS 5/2-3.160 new)

Sec. 2-3.160. Student discipline report; school discipline improvement plan.

(a) On or before October 31, 2015 and on or before October 31 of each subsequent year, the State Board of Education, through the State Superintendent of Education, shall prepare a report on student discipline in all school districts in this State, including State-authorized charter schools. This report shall include data from all public schools within school districts, including district-authorized charter schools. This report must be posted on the Internet website of the State Board of Education. The report shall include data on the issuance of out-of-school suspensions, expulsions, and removals to alternative settings in lieu of another disciplinary action, disaggregated by race and ethnicity, gender, age, grade level, limited English proficiency, incident type, and discipline duration.

(b) The State Board of Education shall analyze the data under subsection (a) of this Section on an annual basis and determine the top 20% of school districts for the following metrics:

(1) Total number of out-of-school suspensions divided by the total district enrollment by October 1 for the year in which the data was collected, multiplied by 100.

(2) Total number of out-of-school expulsions divided by the total district enrollment by October 1 for the year in which the data was collected, multiplied by 100.

(3) Racial disproportionality, defined as the overrepresentation of students of color or white students in comparison to the total number of students of color or white students on October 1st of the school year in which data are collected, with respect to the use of out-of-school suspensions and expulsions, which must be calculated using the same method as the U.S. Department of Education's Office for Civil Rights uses.

The analysis must be based on data collected over 3 consecutive school years, beginning with the 2014-2015 school year.

Beginning with the 2017-2018 school year, the State Board of Education shall require each of the school districts that are identified in the top 20% of any of the metrics described in this subsection (b) for 3 consecutive years to submit a plan identifying the strategies the school district will implement to reduce the use of exclusionary disciplinary practices or racial disproportionality or both, if applicable. School districts that no longer meet the criteria described in any of the metrics described in this subsection (b) for 3 consecutive years shall no longer be required to submit a plan.

This plan may be combined with any other improvement plans required under federal or State law.

The calculation of the top 20% of any of the metrics described in this subsection (b) shall exclude all school districts, State-authorized charter schools, and special charter districts that issued fewer than a total of 10 out-of-school suspensions or expulsions, whichever is applicable, during the school year. The calculation of the top 20% of metric described in subdivision (3) of this subsection (b) shall exclude all school districts with an enrollment of fewer than 50 white students or fewer than 50 students of color.

The plan must be approved at a public school board meeting and posted on the school district's Internet website. Within one year after being identified, the school district shall submit to the State Board of Education and post on the district's Internet website a progress report describing the implementation of the plan and the results achieved.

(105 ILCS 5/27A-5)

Sec. 27A-5. Charter school; legal entity; requirements.

(a) A charter school shall be a public, nonsectarian, nonreligious, non-home based, and non-profit school. A charter school shall be organized and operated as a nonprofit corporation or other discrete, legal, nonprofit entity authorized under the laws of the State of Illinois.

(b) A charter school may be established under this Article by creating a new school or by converting an existing public school or attendance center to charter school status. Beginning on the effective date of this amendatory Act of the 93rd General Assembly, in all new applications submitted to the State Board or a local school board to establish a charter school in a city having a population exceeding 500,000, operation of the charter school shall be limited to one campus. The changes made to this Section by this amendatory

[May 29, 2014]

Act of the 93rd General Assembly do not apply to charter schools existing or approved on or before the effective date of this amendatory Act.

(b-5) In this subsection (b-5), "virtual-schooling" means the teaching of courses through online methods with online instructors, rather than the instructor and student being at the same physical location. "Virtual-schooling" includes without limitation instruction provided by full-time, online virtual schools.

From April 1, 2013 through April 1, 2014, there is a moratorium on the establishment of charter schools with virtual-schooling components in school districts other than a school district organized under Article 34 of this Code. This moratorium does not apply to a charter school with virtual-schooling components existing or approved prior to April 1, 2013 or to the renewal of the charter of a charter school with virtual-schooling components already approved prior to April 1, 2013.

On or before March 1, 2014, the Commission shall submit to the General Assembly a report on the effect of virtual-schooling, including without limitation the effect on student performance, the costs associated with virtual-schooling, and issues with oversight. The report shall include policy recommendations for virtual-schooling.

(c) A charter school shall be administered and governed by its board of directors or other governing body in the manner provided in its charter. The governing body of a charter school shall be subject to the Freedom of Information Act and the Open Meetings Act.

(d) A charter school shall comply with all applicable health and safety requirements applicable to public schools under the laws of the State of Illinois.

(e) Except as otherwise provided in the School Code, a charter school shall not charge tuition; provided that a charter school may charge reasonable fees for textbooks, instructional materials, and student activities.

(f) A charter school shall be responsible for the management and operation of its fiscal affairs including, but not limited to, the preparation of its budget. An audit of each charter school's finances shall be conducted annually by an outside, independent contractor retained by the charter school. Annually, by December 1, every charter school must submit to the State Board a copy of its audit and a copy of the Form 990 the charter school filed that year with the federal Internal Revenue Service.

(g) A charter school shall comply with all provisions of this Article, the Illinois Educational Labor Relations Act, and its charter. A charter school is exempt from all other State laws and regulations in the School Code governing public schools and local school board policies, except the following:

(1) Sections 10-21.9 and 34-18.5 of the School Code regarding criminal history records

checks and checks of the Statewide Sex Offender Database and Statewide Murderer and Violent Offender Against Youth Database of applicants for employment;

(2) Sections 24-24 and 34-84A of the School Code regarding discipline of students;

(3) The Local Governmental and Governmental Employees Tort Immunity Act;

(4) Section 108.75 of the General Not For Profit Corporation Act of 1986 regarding indemnification of officers, directors, employees, and agents;

(5) The Abused and Neglected Child Reporting Act;

(6) The Illinois School Student Records Act;

(7) Section 10-17a of the School Code regarding school report cards; ~~and~~

(8) The P-20 Longitudinal Education Data System Act; ~~and~~ -

(9) Section 2-3.160 of the School Code regarding student discipline reporting.

The change made by Public Act 96-104 to this subsection (g) is declaratory of existing law.

(h) A charter school may negotiate and contract with a school district, the governing body of a State college or university or public community college, or any other public or for-profit or nonprofit private entity for: (i) the use of a school building and grounds or any other real property or facilities that the charter school desires to use or convert for use as a charter school site, (ii) the operation and maintenance thereof, and (iii) the provision of any service, activity, or undertaking that the charter school is required to perform in order to carry out the terms of its charter. However, a charter school that is established on or after the effective date of this amendatory Act of the 93rd General Assembly and that operates in a city having a population exceeding 500,000 may not contract with a for-profit entity to manage or operate the school during the period that commences on the effective date of this amendatory Act of the 93rd General Assembly and concludes at the end of the 2004-2005 school year. Except as provided in subsection (i) of this Section, a school district may charge a charter school reasonable rent for the use of the district's buildings, grounds, and facilities. Any services for which a charter school contracts with a school district shall be provided by the district at cost. Any services for which a charter school contracts with a local school board or with the governing body of a State college or university or public community college shall be provided by the public entity at cost.

(i) In no event shall a charter school that is established by converting an existing school or attendance center to charter school status be required to pay rent for space that is deemed available, as negotiated and provided in the charter agreement, in school district facilities. However, all other costs for the operation and maintenance of school district facilities that are used by the charter school shall be subject to negotiation between the charter school and the local school board and shall be set forth in the charter.

(j) A charter school may limit student enrollment by age or grade level.

(k) If the charter school is approved by the Commission, then the Commission charter school is its own local education agency.

(Source: P.A. 97-152, eff. 7-20-11; 97-154, eff. 1-1-12; 97-813, eff. 7-13-12; 98-16, eff. 5-24-13.)

Section 99. Effective date. This Act takes effect July 1, 2014."

AMENDMENT NO. 3 TO SENATE BILL 2793

AMENDMENT NO. 3. Amend Senate Bill 2793, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, as follows:

on page 2, line 13, by replacing "October 1" with "the last school day in September"; and

on page 2, line 16, by replacing "October 1" with "the last school day in September".

Under the rules, the foregoing **Senate Bill No. 2793**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

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. 3530

A bill for AN ACT concerning employment.

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. 3 to SENATE BILL NO. 3530

House Amendment No. 4 to SENATE BILL NO. 3530

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 3 TO SENATE BILL 3530

AMENDMENT NO. 3. Amend Senate Bill 3530 by replacing everything after the enacting clause with the following:

"Section 5. The Department of Employment Security Law of the Civil Administrative Code of Illinois is amended by changing Section 1005-47 as follows:

(20 ILCS 1005/1005-47)

Sec. 1005-47. IllinoisJobLink.com.

(a) The Department of Employment Security, through its IllinoisJobLink.com System, or a successor system, shall maintain a web site that allows job seekers to search online for employment opportunities that match the skills of the person seeking employment.

(b) Each executive branch State agency and any individual or entity that is party to a contract with an executive branch State agency, except those individuals or entities that are party to a contract with a bona fide labor organization and perform construction or construction-related services as defined in Section 1-15.20 of the Illinois Procurement Code, must ~~either (i) post employment vacancies on the Department's IllinoisJobLink.com System or its successor system or (ii) provide an online link to its employment vacancies so that this link is accessible through the web page of the IllinoisJobLink.com System or its successor system.~~ "State agency" has the meaning as defined in Section 1-5 of the State Officials and Employees Ethics Act and, for purposes of this Section, includes community colleges. "Contract" has the meaning given to that term in Section 1-15.30 of the Illinois Procurement Code. The Department of Central Management Services shall comply with this Section on behalf of executive branch State agencies with one or more positions subject to any jurisdiction of the Personnel Code.

[May 29, 2014]

This Section does not apply to positions exempt from the requirements of the Rutan decision or to construction-related services as defined in Section 1-15.20 of the Illinois Procurement Code.

(c) All units of local government, school districts, and other public and private employers not subject to subsection (b) may, and are encouraged to, post employment vacancies on the IllinoisJobLink.com System or successor system.

(d) The Department may not charge any employer or any person seeking employment a fee for using the IllinoisJobLink.com System or successor system.

(e) The Department is authorized to adopt all rules necessary to implement and administer the IllinoisJobLink.com System or any successor system under this Section.

(Source: P.A. 98-107, eff. 7-23-13.)

Section 10. The Public Employment Office Act is amended by changing Section 7 as follows:
(20 ILCS 1015/7) (from Ch. 48, par. 183)

Sec. 7. No fee or compensation shall be charged or received directly or indirectly from persons applying for employment or help through said free employment offices, and any officer or employee of the Department of Employment Security who shall accept, directly or indirectly any fee or compensation from any applicant or from his or her representative shall be guilty of a Class C misdemeanor, except that this Section does not prohibit referral of an individual to an apprenticeship program that is approved by and registered with the United States Department of Labor, Bureau of Apprenticeship and Training and charges an application fee of \$50 or less.

(Source: P.A. 83-1503.)

Section 15. The Unemployment Insurance Act is amended by changing Sections 206.1, 702, 1402, 2101, 2201, 2201.1, 2401, and 2403 and by adding Sections 502 and 1402.1 as follows:

(820 ILCS 405/206.1)

Sec. 206.1. Employment; employee leasing company.

A. For purposes of this Section:

1. "Client" means an individual or entity which has contracted with an employee leasing company to supply it with or assume responsibility for personnel management of one or more workers to perform services on an on-going basis rather than under a temporary help arrangement, as defined in Section 15 of the Employee Leasing Company Act.

2. "Employee leasing company" means an individual or entity which contracts with a client to supply or assume responsibility for personnel management of one or more workers to perform services for the client on an on-going basis rather than under a temporary help arrangement, as defined in Section 15 of the Employee Leasing Company Act.

B. Subject to subsection C, services performed by an individual under a contract between an employee leasing company and client, including but not limited to services performed in the capacity of a corporate officer of the client, are services in "employment" of the employee leasing company and are not services in "employment" of the client if all of the following conditions are met:

1. The employee leasing company pays the individual for the services directly from its own accounts; and

2. The employee leasing company, exclusively or in conjunction with the client, retains the right to direct and control the individual in the performance of the services; and

3. The employee leasing company, exclusively or in conjunction with the client, retains the right to hire and terminate the individual; and

4. The employee leasing company reports each client in the manner the Director prescribes by regulation; and -

5. The employee leasing company has provided, and there remains in effect, such irrevocable indemnification, as the Director may require by rule, to create a primary obligation on the part of the provider to the Illinois Department of Employment Security for obligations of the employee leasing company accrued and final under this Act. The rule may prescribe the form the indemnification shall take including, but not limited to, a surety bond or an irrevocable standby letter of credit. The obligation required pursuant to the rule shall not exceed \$1,000,000.

C. Notwithstanding subsection B, services performed by an individual under a contract between an employee leasing company and client, including but not limited to services performed in the capacity of a corporate officer of the client, are services in "employment" of the client and are not services in "employment" of the employee leasing company if:

1. The contribution rate, or, where applicable, the amended contribution rate, of the

client is greater than the sum of the fund building rate established for the year pursuant to Section 1506.3 of this Act plus the greater of 2.7% or 2.7% times the adjusted state experience factor for the year; and

2. The contribution rate, or, where applicable, the amended contribution rate, of the employee leasing company is less than the contribution rate, or, where applicable, the amended contribution rate of the client by more than 1.5% absolute.

D. Except as provided in this Section and notwithstanding any other provision of this Act to the contrary, services performed by an individual under a contract between an employee leasing company and client, including but not limited to services performed in the capacity of a corporate officer of the client, are services in "employment" of the client and are not services in "employment" of the employee leasing company.

E. Nothing in this Section shall be construed or used to effect the existence of an employment relationship other than for purposes of this Act.

(Source: P.A. 91-890, eff. 7-6-00.)

(820 ILCS 405/502 new)

Sec. 502. Eligibility for benefits under the Short-Time Compensation Program.

A. The Director may by rule establish a short-time compensation program consistent with this Section. No short-time compensation shall be payable except as authorized by rule.

B. As used in this Section:

"Affected unit" means a specified plant, department, shift, or other definable unit that includes 2 or more workers to which an approved short-time compensation plan applies.

"Health and retirement benefits" means employer-provided health benefits and retirement benefits under a defined benefit pension plan (as defined in Section 414(j) of the Internal Revenue Code) or contributions under a defined contribution plan (defined in Section 414(i) of the Internal Revenue Code), which are incidents of employment in addition to the cash remuneration earned.

"Short-time compensation" means the unemployment benefits payable to employees in an affected unit under an approved short-time compensation plan, as distinguished from the unemployment benefits otherwise payable under this Act.

"Short-time compensation plan" means a plan submitted by an employer, for approval by the Director, under which the employer requests the payment of short-time compensation to workers in an affected unit of the employer to avert layoffs.

"Usual weekly hours of work" means the usual hours of work for full-time or part-time employees in the affected unit when that unit is operating on its regular basis, not to exceed 40 hours and not including hours of overtime work.

"Unemployment insurance" means the unemployment benefits payable under this Act other than short-time compensation and includes any amounts payable pursuant to an agreement under any Federal law providing for compensation, assistance, or allowances with respect to unemployment.

C. An employer wishing to participate in the short-time compensation program shall submit a signed written short-time compensation plan to the Director for approval. The Director shall develop an application form to request approval of a short-time compensation plan and an approval process. The application shall include:

1. The employer's unemployment insurance account number, the affected unit covered by the plan, including the number of full-time or part-time workers in such unit, the percentage of workers in the affected unit covered by the plan, identification of each individual employee in the affected unit by name and social security number, and any other information required by the Director to identify plan participants.

2. A description of how workers in the affected unit will be notified of the employer's participation in the short-time compensation plan if such application is approved, including how the employer will notify those workers in a collective bargaining unit as well as any workers in the affected unit who are not in a collective bargaining unit. If the employer will not provide advance notice to workers in the affected unit, the employer shall explain in a statement in the application why it is not feasible to provide such notice.

3. The employer's certification that it has the approval of the plan from all collective bargaining representatives of employees in the affected unit and has notified all employees in the affected unit who are not in a collective bargaining unit of the plan.

4. The employer's certification that it will not hire additional part-time or full-time employees for, or transfer employees to, the affected unit, while the program is in operation.

5. A requirement that the employer identify the usual weekly hours of work for employees in the affected unit and the specific percentage by which their hours will be reduced during all weeks covered by the plan. An application shall specify the percentage of reduction for which a short-time compensation

application may be approved which shall be not less than 20% and not more than 60%. If the plan includes any week for which the employer regularly provides no work (due to a holiday or other plant closing), then such week shall be identified in the application.

6. Certification by the employer that, if the employer provides health and retirement benefits to any employee whose usual weekly hours of work are reduced under the program, such benefits will continue to be provided to the employee participating in the short-time compensation program under the same terms and conditions as though the usual weekly hours of work of such employee had not been reduced or to the same extent as other employees not participating in the short-time compensation program. For defined benefit retirement plans, the hours that are reduced under the short-time compensation plan shall be credited for purposes of participation, vesting, and accrual of benefits as though the usual weekly hours of work had not been reduced. The dollar amount of employer contributions to a defined contribution plan that are based on a percentage of compensation may be less due to the reduction in the employee's compensation. Notwithstanding any other provision to the contrary, a certification that a reduction in health and retirement benefits is scheduled to occur during the duration of the plan and will be applicable equally to employees who are not participating in the short-time compensation program and to those employees who are participating satisfies this paragraph.

7. Certification by the employer that the aggregate reduction in work hours is in lieu of layoffs (temporary or permanent layoffs, or both). The application shall include an estimate of the number of workers who would have been laid off in the absence of the short-time compensation plan.

8. Agreement by the employer to: furnish reports to the Director relating to the proper conduct of the plan; allow the Director or his or her authorized representatives access to all records necessary to approve or disapprove the plan application, and after approval of a plan, to monitor and evaluate the plan; and follow any other directives the Director deems necessary for the agency to implement the plan and which are consistent with the requirements for plan applications.

9. Certification by the employer that participation in the short-time compensation plan and its implementation is consistent with the employer's obligations under applicable Federal and Illinois laws.

10. The effective date and duration of the plan, which shall expire no later than the end of the 12th full calendar month after the effective date.

11. Any other provision added to the application by the Director that the United States Secretary of Labor determines to be appropriate for purposes of a short-time compensation program.

D. The Director shall approve or disapprove a short-time compensation plan in writing within 45 days of its receipt and promptly communicate the decision to the employer. A decision disapproving the plan shall clearly identify the reasons for the disapproval. The disapproval shall be final, but the employer shall be allowed to submit another short-time compensation plan for approval not earlier than 30 days from the date of the disapproval.

E. The short-time compensation plan shall be effective on the mutually agreed upon date by the employer and the Director, which shall be specified in the notice of approval to the employer. The plan shall expire on the date specified in the notice of approval, which shall be mutually agreed on by the employer and Director but no later than the end of the 12th full calendar month after its effective date. However, if a short-time compensation plan is revoked by the Director, the plan shall terminate on the date specified in the Director's written order of revocation. An employer may terminate a short-time compensation plan at any time upon written notice to the Director. Upon receipt of such notice from the employer, the Director shall promptly notify each member of the affected unit of the termination date. An employer may submit a new application to participate in another short-time compensation plan at any time after the expiration or termination date.

F. The Director may revoke approval of a short-time compensation plan for good cause at any time, including upon the request of any of the affected unit's employees or their collective bargaining representative. The revocation order shall be in writing and shall specify the reasons for the revocation and the date the revocation is effective. The Director may periodically review the operation of each employer's short-time compensation plan to assure that no good cause exists for revocation of the approval of the plan. Good cause shall include, but not be limited to, failure to comply with the assurances given in the plan, termination of the approval of the plan by a collective bargaining representative of employees in the affected unit, unreasonable revision of productivity standards for the affected unit, conduct or occurrences tending to defeat the intent and effective operation of the short-time compensation plan, and violation of any criteria on which approval of the plan was based.

G. An employer may request a modification of an approved plan by filing a written request to the Director. The request shall identify the specific provisions proposed to be modified and provide an explanation of why the proposed modification is appropriate for the short-time compensation plan. The Director shall approve or disapprove the proposed modification in writing within 30 days of receipt and

promptly communicate the decision to the employer. The Director, in his or her discretion, may approve a request for modification of the plan based on conditions that have changed since the plan was approved provided that the modification is consistent with and supports the purposes for which the plan was initially approved. A modification may not extend the expiration date of the original plan, and the Director must promptly notify the employer whether the plan modification has been approved and, if approved, the effective date of modification. An employer is not required to request approval of plan modification from the Director if the change is not substantial, but the employer must report every change to plan to the Director promptly and in writing. The Director may terminate an employer's plan if the employer fails to meet this reporting requirement. If the Director determines that the reported change is substantial, the Director shall require the employer to request a modification to the plan.

H. An individual is eligible to receive short-time compensation with respect to any week only if the individual is eligible for unemployment insurance pursuant to subsection E of Section 500, not otherwise disqualified for unemployment insurance, and:

1. During the week, the individual is employed as a member of an affected unit under an approved short-time compensation plan, which was approved prior to that week, and the plan is in effect with respect to the week for which short-time compensation is claimed.

2. Notwithstanding any other provision of this Act relating to availability for work and actively seeking work, the individual is available for the individual's usual hours of work with the short-time compensation employer, which may include, for purposes of this Section, participating in training to enhance job skills that is approved by the Director, including but not limited to as employer-sponsored training or training funded under the Workforce Investment Act of 1998.

3. Notwithstanding any other provision of law, an individual covered by a short-time compensation plan is deemed unemployed in any week during the duration of such plan if the individual's remuneration as an employee in an affected unit is reduced based on a reduction of the individual's usual weekly hours of work under an approved short-time compensation plan.

I. The short-time compensation weekly benefit amount shall be the product of the percentage of reduction in the individual's usual weekly hours of work multiplied by the sum of the regular weekly benefit amount for a week of total unemployment plus any applicable dependent allowance pursuant to subsection C of Section 401.

1. An individual may be eligible for short-time compensation or unemployment insurance, as appropriate, except that no individual shall be eligible for combined benefits (excluding any payments attributable to a dependent allowance pursuant to subsection C of Section 401) in any benefit year in an amount more than the maximum benefit amount, nor shall an individual be paid short-time compensation benefits for more than 52 weeks under a short-time compensation plan.

2. The short-time compensation paid to an individual (excluding any payments attributable to a dependent allowance pursuant to subsection C of Section 401) shall be deducted from the maximum benefit amount established for that individual's benefit year.

3. Provisions applicable to unemployment insurance claimants shall apply to short-time compensation claimants to the extent that they are not inconsistent with short-time compensation provisions. An individual who files an initial claim for short-time compensation benefits shall receive a monetary determination.

4. The following provisions apply to individuals who work for both a short-time compensation employer and another employer during weeks covered by the approved short-time compensation plan:

i. If combined hours of work in a week for both employers do not result in a reduction of at least 20% of the usual weekly hours of work with the short-time compensation employer, the individual shall not be entitled to benefits under this Section.

ii. If combined hours of work for both employers results in a reduction equal to or greater than 20% of the usual weekly hours of work for the short-time compensation employer, the short-time compensation benefit amount payable to the individual is reduced for that week and is determined by multiplying the percentage by which the combined hours of work have been reduced by the sum of the weekly benefit amount for a week of total unemployment plus any applicable dependent allowance pursuant to subsection C of Section 401. A week for which benefits are paid under this subparagraph shall be reported as a week of short-time compensation.

iii. If an individual worked the reduced percentage of the usual weekly hours of work for the short-time compensation employer and is available for all his or her usual hours of work with the short-time compensation employer, and the individual did not work any hours for the other employer either because of the lack of work with that employer or because the individual is excused from work with the other employer, the individual shall be eligible for short-time compensation for that week. The benefit amount for such week shall be calculated as provided in the introductory clause of this subsection I.

iv. An individual who is not provided any work during a week by the short-time compensation employer, or any other employer, and who is otherwise eligible for unemployment insurance shall be eligible for the amount of regular unemployment insurance determined without regard to this Section.

v. An individual who is not provided any work by the short-time compensation employer during a week, but who works for another employer and is otherwise eligible may be paid unemployment insurance for that week subject to the disqualifying income and other provisions applicable to claims for regular unemployment insurance.

J. Short-time compensation shall be charged to employers in the same manner as unemployment insurance is charged under Illinois law. Employers liable for payments in lieu of contributions shall have short-time compensation attributed to service in their employ in the same manner as unemployment insurance is attributed. Notwithstanding any other provision to the contrary, to the extent that short-term compensation payments under this Section are reimbursed by the federal government, no benefit charges or payments in lieu of contributions shall be accrued by a participating employer.

K. A short-time compensation plan shall not be approved for an employer that is delinquent in the filing of any reports required or the payment of contributions, payments in lieu of contributions, interest, or penalties due under this Act through the date of the employer's application.

L. Overpayments of other benefits under this Act may be recovered from an individual receiving short-time compensation under this Act in the manner provided under Sections 900 and 901. Overpayments under the short-time compensation plan may be recovered from an individual receiving other benefits under this Act in the manner provided under Sections 900 and 901.

M. An individual who has received all of the short-time compensation or combined unemployment insurance and short-time compensation available in a benefit year shall be considered an exhaustee for purposes of extended benefits, as provided under the provisions of Section 409, and, if otherwise eligible under those provisions, shall be eligible to receive extended benefits.

(820 ILCS 405/702) (from Ch. 48, par. 452)

Sec. 702. Determinations. The claims adjudicator shall for each week with respect to which the claimant claims benefits or waiting period credit, make a "determination" which shall state whether or not the claimant is eligible for such benefits or waiting period credit and the sum to be paid the claimant with respect to such week. The claims adjudicator shall promptly notify the claimant and such employing unit as shall, within the time and in the manner prescribed by the Director, have filed a sufficient allegation that the claimant is ineligible to receive benefits or waiting period credit for said week, of his "determination" and the reasons therefor. The Director may, by rule adopted with the advice and aid of the Employment Security Advisory Board, require that an employing unit with 25 50 or more individuals in its employ during a ~~the prior~~ calendar year, or an entity representing 5 or more employing units during a ~~the prior~~ calendar year, file an allegation of ineligibility electronically in a manner prescribed by the Director for the one year period commencing on July 1 of the immediately succeeding calendar year and ending on June 30 of the second succeeding calendar year. In making his "determination," the claims adjudicator shall give consideration to the information, if any, contained in the employing unit's allegation, whether or not the allegation is sufficient. The claims adjudicator shall deem an employing unit's allegation sufficient only if it contains a reason or reasons therefor (other than general conclusions of law, and statements such as "not actively seeking work" or "not available for work" shall be deemed, for this purpose, to be conclusions of law). If the claims adjudicator deems an allegation insufficient, he shall make a decision accordingly, and shall notify the employing unit of such decision and the reasons therefor. Such decision may be appealed by the employing unit to a Referee within the time limits prescribed by Section 800 for appeal from a "determination". Any such appeal, and any appeal from the Referee's decision thereon, shall be governed by the applicable provisions of Sections 801, 803, 804 and 805.

(Source: P.A. 97-621, eff. 11-18-11.)

(820 ILCS 405/1402) (from Ch. 48, par. 552)

Sec. 1402. Penalties.

A. If any employer fails, within the time prescribed in this Act as amended and in effect on October 5, 1980, and the regulations of the Director, to file a report of wages paid to each of his workers, or to file a sufficient report of such wages after having been notified by the Director to do so, for any period which begins prior to January 1, 1982, he shall pay to the Department as a penalty a sum determined in accordance with the provisions of this Act as amended and in effect on October 5, 1980.

B. Except as otherwise provided in this Section, any employer who fails to file a report of wages paid to each of his workers for any period which begins on or after January 1, 1982, within the time prescribed by the provisions of this Act and the regulations of the Director, or, if the Director pursuant to such regulations extends the time for filing the report, fails to file it within the extended time, shall, in addition to any sum otherwise payable by him under the provisions of this Act, pay to the Department as a penalty

a sum equal to the lesser of (1) \$5 for each \$10,000 or fraction thereof of the total wages for insured work paid by him during the period or (2) \$2,500, for each month or part thereof of such failure to file the report. With respect to an employer who has elected to file reports of wages on an annual basis pursuant to Section 1400.2, in assessing penalties for the failure to submit all reports by the due date established pursuant to that Section, the 30-day period immediately following the due date shall be considered as one month.

If the Director deems an employer's report of wages paid to each of his workers for any period which begins on or after January 1, 1982, insufficient, he shall notify the employer to file a sufficient report. If the employer fails to file such sufficient report within 30 days after the mailing of the notice to him, he shall, in addition to any sum otherwise payable by him under the provisions of this Act, pay to the Department as a penalty a sum determined in accordance with the provisions of the first paragraph of this subsection, for each month or part thereof of such failure to file such sufficient report after the date of the notice.

For wages paid in calendar years prior to 1988, the penalty or penalties which accrue under the two foregoing paragraphs with respect to a report for any period shall not be less than \$100, and shall not exceed the lesser of (1) \$10 for each \$10,000 or fraction thereof of the total wages for insured work paid during the period or (2) \$5,000. For wages paid in calendar years after 1987, the penalty or penalties which accrue under the 2 foregoing paragraphs with respect to a report for any period shall not be less than \$50, and shall not exceed the lesser of (1) \$10 for each \$10,000 or fraction of the total wages for insured work paid during the period or (2) \$5,000. With respect to an employer who has elected to file reports of wages on an annual basis pursuant to Section 1400.2, for purposes of calculating the minimum penalty prescribed by this Section for failure to file the reports on a timely basis, a calendar year shall constitute a single period. For reports of wages paid after 1986, the Director shall not, however, impose a penalty pursuant to either of the two foregoing paragraphs on any employer who can prove within 30 working days after the mailing of a notice of his failure to file such a report, that (1) the failure to file the report is his first such failure during the previous 20 consecutive calendar quarters, and (2) the amount of the total contributions due for the calendar quarter of such report (or, in the case of an employer who is required to file the reports on a monthly basis, the amount of the total contributions due for the calendar quarter that includes the month of such report) is less than \$500.

For any month which begins on or after January 1, 2013, a report of the wages paid to each of an employer's workers shall be due on or before the last day of the month next following the calendar month in which the wages were paid if the employer is required to report such wages electronically pursuant to the regulations of the Director; otherwise a report of the wages paid to each of the employer's workers shall be due on or before the last day of the month next following the calendar quarter in which the wages were paid.

Any employer who ~~willfully~~ ~~willfully~~ fails to pay any contribution or part thereof, based upon wages paid prior to 1987, when required by the provisions of this Act and the regulations of the Director, with intent to defraud the Director, shall in addition to such contribution or part thereof pay to the Department a penalty equal to 50 percent of the amount of such contribution or part thereof, as the case may be, provided that the penalty shall not be less than \$200.

Any employer who willfully fails to pay any contribution or part thereof, based upon wages paid in 1987 and in each calendar year thereafter, when required by the provisions of this Act and the regulations of the Director, with intent to defraud the Director, shall in addition to such contribution or part thereof pay to the Department a penalty equal to 60% of the amount of such contribution or part thereof, as the case may be, provided that the penalty shall not be less than \$400.

However, all or part of any penalty may be waived by the Director for good cause shown.

C. With regard to an employer required to report monthly pursuant to this Section, in addition to each employee's name, social security number, and wages for insured work paid during the period, the Director may, by rule, require a report to provide the following information concerning each employee: the employee's occupation, hours worked during the period, hourly wage, if applicable, and work location if the employer has more than one physical location. Notwithstanding any other provision of any other law to the contrary, information obtained pursuant to this subsection shall not be disclosed to any other public official or agency of this State or any other state to the extent it relates to a specifically identified individual or entity or to the extent that the identity of a specific individual or entity may be discerned from such information. The additional data elements required to be reported pursuant to the rule authorized by this subsection may be reported in the same electronic format as in the system maintained by the employer or employer's agent and need not be reformatted.

(Source: P.A. 97-689, eff. 6-14-12; 97-791, eff. 1-1-13; 98-463, eff. 8-16-13.)

(820 ILCS 405/1402.1 new)

Sec. 1402.1. Processing fee.

A. The Director may, by rule, establish a processing fee of \$50 with regard to a report of contributions due that is not required to be submitted electronically if the employer fails to submit the report on the form designated by the Director or otherwise provide all of the information required by the form designated by the Director. With respect to the first instance of such a failure after the effective date of the rule, the Director shall issue the employer a written warning instead of a processing fee, and no such processing fee shall be assessed unless the Director has issued the employer a written warning for a prior failure.

B. The Director may, by rule, establish a processing fee of \$50 with regard to any payment of contributions, payment in lieu of contributions, interest, or penalty that is not made through electronic funds transfer if the employer fails to enclose the payment coupon provided by the Director with its payment or otherwise provide all of the information the coupon would provide, regardless of the amount due. With respect to the first instance of such a failure after the effective date of the rule, the Director shall issue the employer a written warning instead of a processing fee, and no such processing fee shall be assessed unless the Director has issued the employer a written warning for a prior failure.

(820 ILCS 405/2101) (from Ch. 48, par. 661)

Sec. 2101. Special administrative account. Except as provided in Section 2100, all interest and penalties collected pursuant to this Act shall be deposited in the special administrative account. The amount in this account in excess of \$100,000 on the close of business of the last day of each calendar quarter shall be immediately transferred to this State's account in the unemployment trust fund. However, subject to Section 2101.1, such funds shall not be transferred where it is determined by the Director that it is necessary to accumulate funds in the account in order to have sufficient funds to pay interest that may become due under the terms of Section 1202 (b) of the Federal Social Security Act, as amended, upon advances made to the Illinois Unemployment Insurance Trust Fund under Title XII of the Federal Social Security Act or where it is determined by the Director that it is necessary to accumulate funds in the special administrative account in order to have sufficient funds to expend for any other purpose authorized by this Section. The balance of funds in the special administrative account that are in excess of \$100,000 on the first day of each calendar quarter and not transferred to this State's account in the unemployment trust fund, minus the amount reasonably anticipated to be needed to make payments from the special administrative account pursuant to subsections C through I, shall be certified by the Director and transferred by the State Comptroller to the Title III Social Security and Employment Fund in the State Treasury within 30 days of the first day of the calendar quarter. The Director may certify and the State Comptroller shall transfer such funds to the Title III Social Security and Employment Fund on a more frequent basis. The moneys available in the special administrative account shall be expended upon the direction of the Director whenever it appears to him that such expenditure is necessary for:

A. 1. The proper administration of this Act and no Federal funds are available for the specific purpose for which such expenditure is to be made, provided the moneys are not substituted for appropriations from Federal funds, which in the absence of such moneys would be available and provided the monies are appropriated by the General Assembly.

2. The proper administration of this Act for which purpose appropriations from Federal funds have been requested but not yet received, provided the special administrative account will be reimbursed upon receipt of the requested Federal appropriation.

B. To the extent possible, the repayment to the fund established for financing the cost of administration of this Act of moneys found by the Secretary of Labor of the United States of America, or other appropriate Federal agency, to have been lost or expended for purposes other than, or in amounts in excess of, those found necessary by the Secretary of Labor, or other appropriate Federal agency, for the administration of this Act.

C. The payment of refunds or adjustments of interest or penalties, paid pursuant to Sections 901 or 2201.

D. The payment of interest on refunds of erroneously paid contributions, penalties and interest pursuant to Section 2201.1.

E. The payment or transfer of interest or penalties to any Federal or State agency, pursuant to reciprocal arrangements entered into by the Director under the provisions of Section 2700E.

F. The payment of any costs incurred, pursuant to Section 1700.1.

G. Beginning January 1, 1989, for the payment for the legal services authorized by subsection B of Section 802, up to \$1,000,000 per year for the representation of the individual claimants and up to \$1,000,000 per year for the representation of "small employers".

H. The payment of any fees for collecting past due contributions, payments in lieu of contributions, penalties, and interest shall be paid (without an appropriation) from interest and penalty monies received from collection agents that have contracted with the Department under Section 2206 to collect such amounts, provided however, that the amount of such payment shall not exceed the amount of past due interest and penalty collected.

[May 29, 2014]

I. The payment of interest that may become due under the terms of Section 1202 (b) of the Federal Social Security Act, as amended, for advances made to the Illinois Unemployment Insurance Trust Fund.

The Director shall annually on or before the first day of March report in writing to the Employment Security Advisory Board concerning the expenditures made from the special administrative account and the purposes for which funds are being accumulated.

If Federal legislation is enacted which will permit the use by the Director of some part of the contributions collected or to be collected under this Act, for the financing of expenditures incurred in the proper administration of this Act, then, upon the availability of such contributions for such purpose, the provisions of this Section shall be inoperative and interest and penalties collected pursuant to this Act shall be deposited in and be deemed a part of the clearing account. In the event of the enactment of the foregoing Federal legislation, and within 90 days after the date upon which contributions become available for expenditure for costs of administration, the total amount in the special administrative account shall be transferred to the clearing account, and after clearance thereof shall be deposited with the Secretary of the Treasury of the United States of America to the credit of the account of this State in the unemployment trust fund, established and maintained pursuant to the Federal Social Security Act, as amended.

(Source: P.A. 94-1083, eff. 1-19-07.)

(820 ILCS 405/2201) (from Ch. 48, par. 681)

Sec. 2201. Refund or adjustment of contributions. Not later than 3 years after the date upon which the Director first notifies any contributions, interest or penalties thereon were paid, an employing unit that it which has paid such contributions, interest or penalties thereon erroneously, the employing unit may file a claim with the Director for an adjustment thereof in connection with subsequent contribution payments, or for a refund thereof where such adjustment cannot be made; provided, however, that no refund or adjustment shall be made of any contribution, the amount of which has been determined and assessed by the Director, if such contribution was paid after the determination and assessment of the Director became final, and provided, further, that any such adjustment or refund, involving contributions with respect to wages on the basis of which benefits have been paid, shall be reduced by the amount of benefits so paid. Upon receipt of a claim the Director shall make his determination, either allowing such claim in whole or in part, or ordering that it be denied, and serve notice upon the claimant of such determination. Such determination of the Director shall be final at the expiration of 20 days from the date of service of such notice unless the claimant shall have filed with the Director a written protest and a petition for hearing, specifying his objections thereto. Upon receipt of such petition within the 20 days allowed, the Director shall fix the time and place for a hearing and shall notify the claimant thereof. At any hearing held as herein provided, the determination of the Director shall be prima facie correct and the burden shall be upon the protesting employing unit to prove that it is incorrect. All of the provisions of this Act applicable to hearings conducted pursuant to Section 2200 shall be applicable to hearings conducted pursuant to this Section. Upon the conclusion of such hearing, a decision shall be made by the Director and notice thereof given to the claimant. If the Director shall decide that the claim be allowed in whole or in part, or if such allowance be ordered by the Court pursuant to Section 2205 and the judgment of said Court has become final, the Director shall, if practicable, make adjustment without interest in connection with subsequent contribution payments by the claimant, and if adjustments thereof cannot practicably be made in connection with such subsequent contribution payments, then the Director shall refund to the claimant the amount so allowed, without interest except as otherwise provided in Section 2201.1 from moneys in the benefit account established by this Act. Nothing herein contained shall prohibit the Director from making adjustment or refund upon his own initiative, within the time allowed for filing claim therefor, provided that the Director shall make no refund or adjustment of any contribution, the amount of which he has previously determined and assessed, if such contribution was paid after the determination and assessment became final.

If this State should not be certified for any year by the Secretary of Labor of the United States of America, or other appropriate Federal agency, under Section 3304 of the Federal Internal Revenue Code of 1954, the Director shall refund without interest to any instrumentality of the United States subject to this Act by virtue of permission granted in an Act of Congress, the amount of contributions paid by such instrumentality with respect to such year.

The Director may by regulation provide that, if there is a total credit balance of less than \$2 in an employer's account with respect to contributions, interest, and penalties, the amount may be disregarded by the Director; once disregarded, the amount shall not be considered a credit balance in the account and shall not be subject to either an adjustment or a refund.

(Source: P.A. 90-554, eff. 12-12-97.)

(820 ILCS 405/2201.1) (from Ch. 48, par. 681.1)

Sec. 2201.1. Interest on Overpaid Contributions, Penalties and Interest. The Director shall ~~quarterly~~ semi-annually furnish each employer with a statement of credit balances in the employer's account where the balances with respect to all contributions, interest and penalties combined equal or exceed \$2. Under regulations prescribed by the Director and subject to the limitations of Section 2201, the employer may file a request for an adjustment or refund of the amount erroneously paid. Interest shall be paid on refunds of erroneously paid contributions, penalties and interest imposed by this Act, except that if any refund is mailed by the Director within 90 days after the date of the refund claim, no interest shall be due or paid. The interest shall begin to accrue as of the date of the refund claim and shall be paid at the rate of 1.5% per month computed at the rate of 12/365 of 1.5% for each day or fraction thereof. Interest paid pursuant to this Section shall be paid from monies in the special administrative account established by Sections 2100 and 2101. This Section shall apply only to refunds of contributions, penalties and interest which were paid as the result of wages paid after January 1, 1988.

(Source: P.A. 90-554, eff. 12-12-97.)

(820 ILCS 405/2401) (from Ch. 48, par. 721)

(Text of Section after amendment by P.A. 98-107)

Sec. 2401. Recording and release of lien. A. The lien created by Section 2400 shall be invalid only as to any innocent purchaser for value of stock in trade of any employer in the usual course of such employer's business, and shall be invalid as to any innocent purchaser for value of any of the other assets to which such lien has attached, unless notice thereof has been filed by the Director in the office of the recorder of the county within which the property subject to the lien is situated. The Director may, in his discretion, for good cause shown ~~and upon the reimbursement of any recording fees paid by the Director with respect to the lien,~~ issue a certificate of withdrawal of notice of lien filed against any employer, which certificate shall be recorded in the same manner as herein provided for the recording of notice of liens. Such withdrawal of notice of lien shall invalidate such lien as against any person acquiring any of such employer's property or any interest therein, subsequent to the recording of the withdrawal of notice of lien, but shall not otherwise affect the validity of such lien, nor shall it prevent the Director from re-recording notice of such lien. In the event notice of such lien is re-recorded, such notice shall be effective as against third persons only as of the date of such re-recording.

B. The recorder of each county shall procure at the expense of the county a file labeled "Unemployment Compensation Contribution Lien Notice" and an index book labeled "Unemployment Compensation Contribution Lien Index." When a notice of any such lien is presented to him for filing, he shall file it in numerical order in the file and shall enter it alphabetically in the index. The entry shall show the name and last known business address of the employer named in the notice, the serial number of the notice, the date and hour of filing, and the amount of contribution, interest and penalty thereon due and unpaid. When a certificate of complete or partial release of such lien issued by the Director is presented for filing in the office of the recorder where a notice of lien was filed, the recorder shall permanently attach the certificate of release to the notice of lien and shall enter the certificate of release and the date in the Unemployment Compensation Contribution Lien Index on the line where the notice of lien is entered. In case title to land to be affected by the Notice of Lien is registered under the provisions of "An Act Concerning Land Titles", approved May 1, 1897, as amended, such notice shall be filed in the office of the Registrar of Titles of the county within which the property subject to the lien is situated and shall be entered upon the register of titles as a memorial or charge upon each folium of the register of title affected by such notice, and the Director shall not have a preference over the rights of any bona fide purchaser, mortgagee, judgment creditor or other lien holder arising prior to the registration of such notice.

C. The Director shall have the power to issue a certificate of partial release of any part of the property subject to the lien, ~~upon the reimbursement of any recording fees paid by the Director with respect to the lien,~~ if he shall find that the fair market value of that part of such property remaining subject to the lien is at least equal to the amount of all prior liens upon such property plus double the amount of the liability for contributions, interest and penalties thereon remaining unsatisfied.

D. Where the amount of or the liability for the payment of any contribution, interest or penalty is contested by any employing unit against whose property a lien has attached, and the determination of the Director with reference to such contribution has not become final, the Director may issue a certificate of release of lien upon the ~~reimbursement of any recording fees paid by the Director with respect to the lien~~ and the furnishing of bond by such employing unit in 125% the amount of the sum of such contribution, interest and penalty, for which lien is claimed, with good and sufficient surety to be approved by the Director conditioned upon the prompt payment of such contribution, together with interest and penalty thereon, by such employing unit to the Director immediately upon the decision of the Director in respect to the liability for such contribution, interest and penalty becoming final.

E. When a lien obtained pursuant to this Act has been satisfied ~~and upon the reimbursement of any recording fees paid by the Director with respect to the lien~~, the Department shall issue a release to the person, or his agent, against whom the lien was obtained and such release shall contain in legible letters a statement as follows:

FOR THE PROTECTION OF THE OWNER, THIS RELEASE SHALL
BE FILED WITH THE RECORDER OR THE REGISTRAR
OF TITLES, IN WHOSE OFFICE, THE LIEN WAS FILED.

F. The Director may, by rule, require, as a condition of withdrawing, releasing, or partially releasing a lien recorded pursuant to this Section, that the employer reimburse the Department for any recording fees paid with respect to the lien.

(Source: P.A. 98-107, eff. 7-1-14.)

(820 ILCS 405/2403) (from Ch. 48, par. 723)

Sec. 2403. Enforcement of lien. In addition and as an alternative to any other remedy provided by law, the Director may foreclose the lien created by Section 2400 by petition in the name of the People of the State of Illinois to the Circuit Court of the county wherein the property subject to the lien is situated, in the same manner as provided by law for the foreclosure of other liens, provided that no hearing or proceeding provided by this Act for the review of the liability for the payment of the sums secured by such lien is pending and the time for taking thereof has expired. The process, practice and procedure for such foreclosure shall be the same as provided in the Civil Practice Law, as amended, except that in all such cases, it shall not be necessary that the petition describe the property to which the lien has attached. The employer against whom such petition has been filed shall file in the proceedings a full and complete schedule, under oath, of all property and rights thereto which he owned at the time the contributions, upon which the lien sought to be foreclosed is based, became due, or which he subsequently acquired, and if such employer fails to do so after having been so ordered by the court, he may be punished as in other cases of contempt of court.

The court in any proceeding commenced pursuant to the provisions of this Act may appoint a receiver with power to administer or liquidate the assets subject to the lien, pursuant to the order of the court.

Upon sale of the above stated property, the proceeds shall be applied to the payment of the costs incurred in the proceedings, and the satisfaction of such liens as have attached to the property in the order of their priority; the balance, if any, shall be paid to such parties as the court shall find to be entitled thereto. The Director is hereby empowered to bid at any sale conducted pursuant to the provisions of this Act.

The Director may also enforce the lien created by this Act to the same extent and in the same manner as is provided by the Retailers' Occupation Tax Act, as amended, for the enforcement of the lien created by that Act, except that, notwithstanding any provision of that Act to the contrary, the Director may also enforce the lien created by this Act by using designated agents to serve and enforce bank levies. When a bank is served with a levy by the Director on the account of an employer, the bank may assert its right to "setoff" its loan to the employer only if the bank has declared the employer's loan to be in default prior to the service of the Director's levy and the bank has seized the funds from the employer's account and made them unavailable to the employer prior to the date of such service.

The Director's rights to redemption from a judicial sale or a sale for the enforcement of a judgment, or a judgment satisfying indebtedness secured by a mortgage on, any real estate which is subject to a lien created by this Act, which is inferior to the lien enforced or foreclosed by such sale, or the lien securing the indebtedness satisfied, as the case may be, shall be the same as those of the Department of Revenue with reference to the lien created by the Retailers' Occupation Tax Act, and the procedure provided by law for the termination of the rights of redemption by the Department of Revenue shall be applicable to the termination of the rights of redemption of the Director. The statutory notice required to be served upon and endorsed by the Director of Revenue by the Retailers' Occupation Tax Act shall be served upon and endorsed by the Director.

(Source: P.A. 88-655, eff. 9-16-94.)

(820 ILCS 405/1704.1 rep.)

Section 20. The Unemployment Insurance Act is amended by repealing Section 1704.1.

Section 99. Effective date. This Act takes effect July 1, 2014, except that the changes to Sections 2201 and 2201.1 of the Unemployment Insurance Act take effect January 1, 2015."

AMENDMENT NO. 4 TO SENATE BILL 3530

AMENDMENT NO. 4. Amend Senate Bill 3530, AS AMENDED, with reference to page and line numbers of House Amendment No. 3, on page 1 by deleting lines 4 through 16; and

[May 29, 2014]

by deleting page 2; and

on page 3 by deleting lines 1 through 5; and

on page 3 by replacing line 22 with the following:

"changing Sections 206.1, 225, 245, 702, 1402, 2101, 2201, 2201.1, and 2401"; and

on page 3, line 23, by deleting "and 2403"; and

on page 6 by inserting immediately below line 20 the following:

"(820 ILCS 405/225) (from Ch. 48, par. 335)

Sec. 225. This Section, and not Section 212 of this Act, controls the determination of employment status for services performed by individuals in the delivery or distribution of newspapers or shopping news.

(A) The term "employment" shall not include services performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news.

(B) The term "employment" does not include the performance of freelance editorial or photographic work for a newspaper.

(B-5) The employment status of individuals engaged in the delivery of newspapers or shopping news shall be determined as provided in this subsection. The term "employment" does not include the delivery or distribution of newspapers or shopping news if at least one of the following 4 elements is present:

(1) The individual performing the services gains the profits and bears the losses of the services.

(2) The person or firm for whom the services are performed does not represent the individual as an employee to its customers.

(3) The individual hires his or her own helpers or employees, without the need for approval from the person or firm for whom the services are performed, and pays them without reimbursement from that person or firm.

(4) Once the individual leaves the premises of the person or firm for whom the services are performed or the printing plant, the individual operates free from the direction and control of the person or firm, except as is necessary for the person or firm to ensure quality control of the newspapers or shopping news, including, but not limited to, the condition of the newspapers or shopping news upon delivery and the location and timing of delivery of the newspapers or shopping news.

(C) Notwithstanding subsection (B-5), the term "employment" does not include the delivery or distribution of newspapers or shopping news to the ultimate consumer if:

(1) substantially all of the remuneration for the performance of the services is

directly related to sales, "per piece" fees, or other output, rather than to the number of hours worked; and

(2) the services are performed under a written contract between the individual and the person or firm for whom the services are performed, and the contract provides that the individual will not be treated as an employee for federal tax purposes.

(3) Delivery or distribution to the ultimate consumer does not include:

(i) delivery or distribution for sale or resale, including, but not limited to,

distribution to a newsrack or newsbox, salesperson, newsstand or retail establishment;

(ii) distribution for further distribution, regardless of subsequent sale or resale.

(D) Subsections (B-5) and Subsection (C) shall not apply in the case of any individual who provides delivery or distribution services for a newspaper pursuant to the terms of a collective bargaining agreement and shall not be construed to alter or amend the application or interpretation of any existing collective bargaining agreement. Further, subsections (B-5) and subsection (C) shall not be construed as evidence of the existence or non-existence of an employment relationship under any other Sections of this Act or other existing laws.

(E) Subsections (B), (B-5), and (C) shall not apply to services that are required to be covered as a condition of approval of this Act by the United States Secretary of Labor under Section 3304 (a)(6)(A) of the Federal Unemployment Tax Act.

(Source: P.A. 87-1178.)

(820 ILCS 405/245) (from Ch. 48, par. 370)

Sec. 245. Coordination with Federal Unemployment Tax Act. Notwithstanding any provisions of this Act to the contrary, excepting the exemptions from the definition of employment contained in Sections 212.1, 217.1, 217.2, 226, and 231 and subsections (B), (B-5), and (C) ~~B and C~~ of Section 225:

[May 29, 2014]

A. The term "employer" includes any employing unit which is an "employer" under the provisions of the Federal Unemployment Tax Act, or which is required, pursuant to such Act, to be an "employer" under this Act as a condition for the Federal approval of this Act requisite to the full tax credit, against the tax imposed by the Federal Act, for contributions paid by employers pursuant to this Act.

B. The term "employment" includes any services performed within the State which constitute "employment" under the provisions of the Federal Unemployment Tax Act, or which are required, pursuant to such Act, to be "employment" under this Act as a condition for the Federal approval of this Act requisite to the full tax credit, against the tax imposed by the Federal Act, for contributions paid by employers pursuant to this Act.

C. The term "wages" includes any remuneration for services performed within this State which is subject to the payment of taxes under the provisions of the Federal Unemployment Tax Act. (Source: P.A. 89-252, eff. 8-8-95; 89-649, eff. 8-9-96.); and

on page 37 by deleting lines 10 through 25; and

by deleting page 38; and

on page 39 by deleting lines 1 through 23.

Under the rules, the foregoing **Senate Bill No. 3530**, with House Amendments numbered 3 and 4, was referred to the Secretary's Desk.

JOINT ACTION MOTIONS FILED

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

Motion to Recede from Senate Amendment 1 to House Bill 4677

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

Motion to Concur in House Amendment 2 to Senate Bill 1681

Motion to Concur in House Amendments 2 and 4 to Senate Bill 2644

REPORTS FROM STANDING COMMITTEES

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

Motion to Concur in House Amendment 1 to Senate Bill 3551

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

Senator Landek, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred **Senate Resolution No. 1184**, reported the same back with the recommendation that the resolution be adopted.

Under the rules, **Senate Resolution No. 1184** was placed on the Secretary's Desk.

Senator Landek, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred the Motions to Concur with House Amendments to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 2640; Motion to Concur in House Amendment 2 to Senate Bill 3222; Motion to Concur in House Amendment 3 to Senate Bill 3222

[May 29, 2014]

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

Senator Landek, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred **House Bill No. 3835**, reported the same back with amendments having been adopted thereto, with the recommendation that the bill, as amended, do pass.

Under the rules, the bill was ordered to a second reading.

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

Motion to Concur in House Amendment 1 to Senate Bill 345; Motion to Concur in House Amendment 1 to Senate Bill 2778

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

Senator Hutchinson, Chairperson of the Committee on Revenue, to which was referred **House Bill No. 4616**, reported the same back with the recommendation that the bill do pass.

Under the rules, the bill was ordered to a second reading.

Senator Harmon, Chairperson of the Committee on Executive, to which was referred **Senate Joint Resolution No. 78**, reported the same back with the recommendation that the resolution be adopted.

Under the rules, **Senate Joint Resolution No. 78** was placed on the Secretary's Desk.

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

Motion to Concur in House Amendment 2 to Senate Bill 3309; Motion to Concur in House Amendment 1 to Senate Bill 3425

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

Senator Harmon, Chairperson of the Committee on Executive, to which was referred **House Bill No. 3796**, reported the same back with the recommendation that the bill do pass.

Under the rules, the bill was ordered to a second reading.

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

Senate Amendment No. 2 to House Bill 2453

Senate Amendment No. 4 to House Bill 3784

Senate Amendment No. 1 to House Bill 3961

Senate Amendment No. 4 to House Bill 5622

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 Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 3574

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

[May 29, 2014]

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

Senate Amendment No. 2 to House Bill 1022

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

READING BILL FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator Delgado, **House Bill No. 4418** was taken up, read by title a second time and ordered to a third reading.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Martinez, **House Bill No. 5592** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 54; NAYS None.

The following voted in the affirmative:

Barickman	Frerichs	Link	Radogno
Bertino-Tarrant	Harmon	Luechtefeld	Raoul
Biss	Harris	Manar	Rezin
Bivins	Hastings	Martinez	Righter
Brady	Holmes	McCann	Rose
Bush	Hunter	McCarter	Sandoval
Clayborne	Hutchinson	McConnaughay	Stadelman
Collins	Jacobs	McGuire	Steans
Connelly	Jones, E.	Morrison	Sullivan
Cullerton, T.	Koehler	Mulroe	Syverson
Cunningham	Kotowski	Muñoz	Trotter
Delgado	LaHood	Murphy	Mr. President
Dillard	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.

Senator Althoff asked and obtained unanimous consent for the Journal to reflect her intention to have voted in the affirmative on **House Bill No. 5592**.

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

On motion of Senator Trotter, **Senate Bill No. 741**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 46; NAYS 10.

The following voted in the affirmative:

Barickman	Haine	Lightford	Raoul
Bertino-Tarrant	Harmon	Link	Rose
Biss	Harris	Luechtefeld	Sandoval
Bush	Hastings	Manar	Stadelman
Clayborne	Holmes	Martinez	Steans
Collins	Hunter	McCann	Sullivan
Cullerton, T.	Hutchinson	McConaughay	Syverson
Cunningham	Jones, E.	McGuire	Trotter
Delgado	Koehler	Morrison	Van Pelt
Dillard	Kotowski	Mulroe	Mr. President
Forby	LaHood	Muñoz	
Frerichs	Landek	Noland	

The following voted in the negative:

Althoff	Connelly	McCarter	Radogno
Bivins	Duffy	Murphy	
Brady	Jacobs	Oberweis	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 741**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **Senate Bill No. 978**, with House Amendment No. 3 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 36; NAYS 16; Present 1.

The following voted in the affirmative:

Althoff	Harmon	Manar	Sandoval
Bertino-Tarrant	Harris	Martinez	Steans
Biss	Hastings	McConaughay	Sullivan
Bush	Hunter	McGuire	Trotter
Clayborne	Hutchinson	Morrison	Van Pelt
Collins	Jones, E.	Mulroe	Mr. President
Cullerton, T.	Koehler	Muñoz	
Delgado	Kotowski	Murphy	
Frerichs	Lightford	Noland	
Haine	Link	Raoul	

The following voted in the negative:

Barickman	Jacobs	McCarter	Syverson
Bivins	LaHood	Oberweis	
Brady	Landek	Radogno	
Connelly	Luechtefeld	Righter	
Holmes	McCann	Rose	

The following voted present:

Dillard

[May 29, 2014]

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 3 to **Senate Bill No. 978**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 2727**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 55; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Landek	Oberweis
Bertino-Tarrant	Frerichs	Link	Radogno
Biss	Haine	Luechtefeld	Raoul
Bivins	Harmon	Manar	Righter
Brady	Harris	Martinez	Rose
Bush	Hastings	McCann	Sandoval
Clayborne	Holmes	McCarter	Stadelman
Collins	Hunter	McConnaughay	Steans
Connelly	Hutchinson	McGuire	Sullivan
Cullerton, T.	Jacobs	Morrison	Syverson
Cunningham	Jones, E.	Mulroe	Trotter
Delgado	Koehler	Muñoz	Van Pelt
Dillard	Kotowski	Murphy	Mr. President
Duffy	LaHood	Noland	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 2727**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Althoff, **Senate Bill No. 2770**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Link	Raoul
Bertino-Tarrant	Haine	Luechtefeld	Righter
Biss	Harmon	Manar	Rose
Bivins	Harris	Martinez	Sandoval
Brady	Hastings	McCann	Stadelman
Bush	Holmes	McCarter	Steans
Clayborne	Hunter	McConnaughay	Sullivan
Collins	Hutchinson	McGuire	Syverson
Connelly	Jacobs	Morrison	Trotter
Cullerton, T.	Jones, E.	Mulroe	Van Pelt
Cunningham	Koehler	Muñoz	Mr. President
Delgado	Kotowski	Murphy	
Dillard	LaHood	Noland	
Duffy	Landek	Oberweis	

Forby Lightford Radogno

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2770**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Van Pelt, **Senate Bill No. 2802**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Radogno
Barickman	Frerichs	Link	Raoul
Bertino-Tarrant	Haine	Luechtefeld	Righter
Biss	Harmon	Manar	Rose
Bivins	Harris	Martinez	Sandoval
Brady	Hastings	McCann	Stadelman
Bush	Holmes	McCarter	Steans
Clayborne	Hunter	McConnaughay	Sullivan
Collins	Hutchinson	McGuire	Syverson
Connelly	Jacobs	Morrison	Trotter
Cullerton, T.	Jones, E.	Mulroe	Van Pelt
Cunningham	Koehler	Muñoz	
Delgado	Kotowski	Murphy	
Dillard	LaHood	Noland	
Duffy	Landek	Oberweis	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 2802**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **Senate Bill No. 3038**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Raoul
Barickman	Frerichs	Luechtefeld	Righter
Bertino-Tarrant	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Harris	McCann	Stadelman
Brady	Hastings	McCarter	Steans
Bush	Holmes	McConnaughay	Sullivan
Clayborne	Hunter	McGuire	Syverson
Collins	Hutchinson	Morrison	Trotter
Connelly	Jones, E.	Mulroe	Van Pelt
Cullerton, T.	Koehler	Muñoz	Mr. President

[May 29, 2014]

Cunningham	Kotowski	Murphy
Delgado	LaHood	Noland
Dillard	Landek	Oberweis
Duffy	Lightford	Radogno

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3038**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hunter, **Senate Bill No. 3522**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 37; NAYS 19.

The following voted in the affirmative:

Bertino-Tarrant	Haine	Lightford	Sandoval
Biss	Harmon	Link	Stadelman
Bush	Harris	Manar	Steans
Clayborne	Hastings	Martinez	Sullivan
Collins	Hunter	McGuire	Trotter
Cullerton, T.	Hutchinson	Morrison	Van Pelt
Cunningham	Jacobs	Mulroe	Mr. President
Delgado	Jones, E.	Muñoz	
Forby	Koehler	Noland	
Frerichs	Kotowski	Raoul	

The following voted in the negative:

Althoff	Dillard	McCann	Radogno
Barickman	Duffy	McCarter	Righter
Bivins	Holmes	McConnaughay	Rose
Brady	LaHood	Murphy	Syverson
Connelly	Luechtefeld	Oberweis	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 3522**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Morrison, **Senate Bill No. 3552**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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

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

YEAS 57; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Radogno
Barickman	Frerichs	Link	Raoul
Bertino-Tarrant	Haine	Luechtefeld	Righter
Biss	Harmon	Manar	Rose
Bivins	Harris	Martinez	Sandoval

Brady	Hastings	McCann	Stadelman
Bush	Holmes	McCarter	Steans
Clayborne	Hunter	McConnaughay	Sullivan
Collins	Hutchinson	McGuire	Syverson
Connelly	Jacobs	Morrison	Trotter
Cullerton, T.	Jones, E.	Mulroe	Van Pelt
Cunningham	Koehler	Muñoz	Mr. President
Delgado	Kotowski	Murphy	
Dillard	LaHood	Noland	
Duffy	Landek	Oberweis	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3552**.

Ordered that the Secretary inform the House of Representatives thereof.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator Harmon, **House Bill No. 4534** was taken up, read by title a second time and ordered to a third reading.

HOUSE BILL RECALLED

On motion of Senator Raoul, **House Bill No. 5622** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 3 was withdrawn by the sponsor.

Senator Raoul offered the following amendment and moved its adoption:

AMENDMENT NO. 4 TO HOUSE BILL 5622

AMENDMENT NO. 4. Amend House Bill 5622, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 7 by replacing lines 16 through 20 with the following:

"(C) unlimited telephone access to obtain the payroll card account balance on the payroll card at any time without incurring a fee."; and

on page 7, line 22, by deleting "declined transactions"; and

on page 7, line 23, by changing "or the" to "the"; and

on page 7 by replacing line 26 with the following:

"following one year of inactivity. The payroll card program must offer the employee a declined transaction, at no cost to the employee, twice per month. Commercially reasonable fees, limited to cover the costs to process declined transactions, may be assessed on subsequent declined transactions within that particular month."

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Raoul, **House Bill No. 5622** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

[May 29, 2014]

YEAS 57; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Radogno
Barickman	Frerichs	Link	Raoul
Bertino-Tarrant	Haine	Luechtefeld	Righter
Biss	Harmon	Manar	Rose
Bivins	Harris	Martinez	Sandoval
Brady	Hastings	McCann	Stadelman
Bush	Holmes	McCarter	Stears
Clayborne	Hunter	McConnaughay	Sullivan
Collins	Hutchinson	McGuire	Syverson
Connelly	Jacobs	Morrison	Trotter
Cullerton, T.	Jones, E.	Mulroe	Van Pelt
Cunningham	Koehler	Muñoz	Mr. President
Delgado	Kotowski	Murphy	
Dillard	LaHood	Noland	
Duffy	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 in the Senate Amendments adopted thereto.

On motion of Senator McGuire, **House Bill No. 5889** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 46; NAYS 7.

The following voted in the affirmative:

Althoff	Frerichs	Lightford	Radogno
Bertino-Tarrant	Haine	Link	Raoul
Biss	Harris	Luechtefeld	Sandoval
Bush	Hastings	Manar	Stadelman
Clayborne	Holmes	Martinez	Stears
Collins	Hunter	McCann	Sullivan
Connelly	Hutchinson	McConnaughay	Syverson
Cullerton, T.	Jacobs	McGuire	Trotter
Cunningham	Jones, E.	Morrison	Van Pelt
Delgado	Koehler	Mulroe	Mr. President
Dillard	Kotowski	Muñoz	
Forby	Landek	Noland	

The following voted in the negative:

Barickman	Duffy	McCarter	Righter
Bivins	LaHood	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.

Senator Rose asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the negative on **House Bill No. 5889**.

On motion of Senator Koehler, **House Bill No. 5938** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Link	Raoul
Barickman	Haine	Luechtefeld	Righter
Bertino-Tarrant	Harmon	Manar	Rose
Biss	Harris	Martinez	Sandoval
Brady	Hastings	McCann	Stadelman
Bush	Holmes	McCarter	Steans
Clayborne	Hunter	McConnaughay	Sullivan
Collins	Hutchinson	McGuire	Syverson
Connelly	Jacobs	Morrison	Trotter
Cullerton, T.	Jones, E.	Mulroe	Van Pelt
Cunningham	Koehler	Muñoz	Mr. President
Delgado	Kotowski	Murphy	
Dillard	LaHood	Noland	
Duffy	Landek	Oberweis	
Forby	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.

COMMITTEE MEETING ANNOUNCEMENTS

The Chair announced the following committees to meet at 6:00 o'clock p.m.:

Human Services in Room 409
Judiciary in Room 212

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Delgado, **House Bill No. 1463** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 53; NAY 1.

The following voted in the affirmative:

Althoff	Frerichs	Lightford	Radogno
Barickman	Haine	Link	Raoul
Bertino-Tarrant	Harmon	Luechtefeld	Rose
Biss	Harris	Manar	Sandoval
Brady	Hastings	Martinez	Stadelman
Bush	Holmes	McCann	Steans
Clayborne	Hunter	McConnaughay	Sullivan
Collins	Hutchinson	McGuire	Syverson

[May 29, 2014]

Connelly	Jacobs	Morrison	Trotter
Cullerton, T.	Jones, E.	Mulroe	Van Pelt
Cunningham	Koehler	Muñoz	Mr. President
Delgado	Kotowski	Murphy	
Dillard	LaHood	Noland	
Forby	Landek	Oberweis	

The following voted in the negative:

Duffy

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

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

HOUSE BILL RECALLED

On motion of Senator Harmon, **House Bill No. 2427** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment Nos. 1, 2 and 3 were held in the Committee on Assignments.

Senator Harmon offered the following amendment and moved its adoption:

AMENDMENT NO. 4 TO HOUSE BILL 2427

AMENDMENT NO. 4. Amend House Bill 2427 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Power Agency Act is amended by changing Section 1-56 as follows:

(20 ILCS 3855/1-56)

Sec. 1-56. Illinois Power Agency Renewable Energy Resources Fund.

(a) The Illinois Power Agency Renewable Energy Resources Fund is created as a special fund in the State treasury.

(b) The Illinois Power Agency Renewable Energy Resources Fund shall be administered by the Agency to procure renewable energy resources. Prior to June 1, 2011, resources procured pursuant to this Section shall be procured from facilities located in Illinois, provided the resources are available from those facilities. If resources are not available in Illinois, then they shall be procured in states that adjoin Illinois. If resources are not available in Illinois or in states that adjoin Illinois, then they may be purchased elsewhere. Beginning June 1, 2011, resources procured pursuant to this Section shall be procured from facilities located in Illinois or states that adjoin Illinois. If resources are not available in Illinois or in states that adjoin Illinois, then they may be procured elsewhere. To the extent available, at least 75% of these renewable energy resources shall come from wind generation. Of the renewable energy resources procured pursuant to this Section at least the following specified percentages shall come from photovoltaics on the following schedule: 0.5% by June 1, 2012; 1.5% by June 1, 2013; 3% by June 1, 2014; and 6% by June 1, 2015 and thereafter. Of the renewable energy resources procured pursuant to this Section, at least the following percentages shall come from distributed renewable energy generation devices: 0.5% by June 1, 2013, 0.75% by June 1, 2014, and 1% by June 1, 2015 and thereafter. To the extent available, half of the renewable energy resources procured from distributed renewable energy generation shall come from devices of less than 25 kilowatts in nameplate capacity. Renewable energy resources procured from distributed generation devices may also count towards the required percentages for wind and solar photovoltaics. Procurement of renewable energy resources from distributed renewable energy generation devices shall be done on an annual basis through multi-year contracts of no less than 5 years, and shall consist solely of renewable energy credits.

The Agency shall create credit requirements for suppliers of distributed renewable energy. In order to minimize the administrative burden on contracting entities, the Agency shall solicit the use of third-party organizations to aggregate distributed renewable energy into groups of no less than one megawatt in installed capacity. These third-party organizations shall administer contracts with individual distributed renewable energy generation device owners. An individual distributed renewable energy generation device

[May 29, 2014]

owner shall have the ability to measure the output of his or her distributed renewable energy generation device.

(c) The Agency shall procure renewable energy resources at least once each year in conjunction with a procurement event for electric utilities required to comply with Section 1-75 of the Act and shall, whenever possible, enter into long-term contracts on an annual basis for a portion of the incremental requirement for the given procurement year.

(d) The price paid to procure renewable energy credits using monies from the Illinois Power Agency Renewable Energy Resources Fund shall not exceed the winning bid prices paid for like resources procured for electric utilities required to comply with Section 1-75 of this Act.

(e) All renewable energy credits procured using monies from the Illinois Power Agency Renewable Energy Resources Fund shall be permanently retired.

(f) The procurement process described in this Section is exempt from the requirements of the Illinois Procurement Code, pursuant to Section 20-10 of that Code.

(g) All disbursements from the Illinois Power Agency Renewable Energy Resources Fund shall be made only upon warrants of the Comptroller drawn upon the Treasurer as custodian of the Fund upon vouchers signed by the Director or by the person or persons designated by the Director for that purpose. The Comptroller is authorized to draw the warrant upon vouchers so signed. The Treasurer shall accept all warrants so signed and shall be released from liability for all payments made on those warrants.

(h) The Illinois Power Agency Renewable Energy Resources Fund shall not be subject to sweeps, administrative charges, or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act, that would in any way result in the transfer of any funds from this Fund to any other fund of this State or in having any such funds utilized for any purpose other than the express purposes set forth in this Section.

(i) Supplemental procurement process.

(1) Within 90 days after the effective date of this amendatory Act of the 98th General Assembly, the Agency shall develop a one-time supplemental procurement plan limited to the procurement of renewable energy credits, if available, from new or existing photovoltaics, including, but not limited to, distributed photovoltaic generation. Nothing in this subsection (i) requires procurement of wind generation through the supplemental procurement.

Renewable energy credits procured from new photovoltaics, including, but not limited to, distributed photovoltaic generation, under this subsection (i) must be procured from devices installed by a qualified person. In its supplemental procurement plan, the Agency shall establish contractually enforceable mechanisms for ensuring that the installation of new photovoltaics is performed by a qualified person.

For the purposes of this paragraph (1), "qualified person" means a person who performs installations of photovoltaics, including, but not limited to, distributed photovoltaic generation, and who: (A) has completed an apprenticeship as a journeyman electrician from a United States Department of Labor registered electrical apprenticeship and training program and received a certification of satisfactory completion; or (B) does not currently meet the criteria under clause (A) of this paragraph (1), but is enrolled in a United States Department of Labor registered electrical apprenticeship program, provided that the person is directly supervised by a person who meets the criteria under clause (A) of this paragraph (1); or (C) has obtained one of the following credentials in addition to attesting to satisfactory completion of at least 5 years or 8,000 hours of documented hands-on electrical experience: (i) a North American Board of Certified Energy Practitioners (NABCEP) Installer Certificate for Solar PV; (ii) an Underwriters Laboratories (UL) PV Systems Installer Certificate; (iii) an Electronics Technicians Association, International (ETAI) Level 3 PV Installer Certificate; or (iv) an Associate in Applied Science degree from an Illinois Community College Board approved community college program in renewable energy or a distributed generation technology.

For the purposes of this paragraph (1), "directly supervised" means that there is a qualified person who meets the qualifications under clause (A) of this paragraph (1) and who is available for supervision and consultation regarding the work performed by persons under clause (B) of this paragraph (1), including a final inspection of the installation work that has been directly supervised to ensure safety and conformity with applicable codes.

The renewable energy credits procured pursuant to the supplemental procurement plan shall be procured using up to \$30,000,000 from the Illinois Power Agency Renewable Energy Resources Fund. The Agency shall not plan to use funds from the Illinois Power Agency Renewable Energy Resources Fund in excess of the monies on deposit in such fund or projected to be deposited into such fund. The supplemental procurement plan shall ensure adequate, reliable, affordable, efficient, and environmentally sustainable renewable energy resources (including credits) at the lowest total cost over time, taking into account any benefits of price stability.

To the extent available, 50% of the renewable energy credits procured from distributed renewable energy generation shall come from devices of less than 25 kilowatts in nameplate capacity. Procurement of renewable energy credits from distributed renewable energy generation devices shall be done through multi-year contracts of no less than 5 years. The Agency shall create credit requirements for counterparties. In order to minimize the administrative burden on contracting entities, the Agency shall solicit the use of third parties to aggregate distributed renewable energy. These third parties shall enter into and administer contracts with individual distributed renewable energy generation device owners. An individual distributed renewable energy generation device owner shall have the ability to measure the output of his or her distributed renewable energy generation device.

In developing the supplemental procurement plan, the Agency shall hold at least one workshop open to the public within 90 days after the effective date of this amendatory Act of the 98th General Assembly and shall consider any comments made by stakeholders or the public. Upon development of the supplemental procurement plan within this 90-day period, copies of the supplemental procurement plan shall be posted and made publicly available on the Agency's and Commission's websites. All interested parties shall have 14 days following the date of posting to provide comment to the Agency on the supplemental procurement plan. All comments submitted to the Agency shall be specific, supported by data or other detailed analyses, and, if objecting to all or a portion of the supplemental procurement plan, accompanied by specific alternative wording or proposals. All comments shall be posted on the Agency's and Commission's websites. Within 14 days following the end of the 14-day review period, the Agency shall revise the supplemental procurement plan as necessary based on the comments received and file its revised supplemental procurement plan with the Commission for approval.

(2) Within 5 days after the filing of the supplemental procurement plan at the Commission, any person objecting to the supplemental procurement plan shall file an objection with the Commission. Within 10 days after the filing, the Commission shall determine whether a hearing is necessary. The Commission shall enter its order confirming or modifying the supplemental procurement plan within 90 days after the filing of the supplemental procurement plan by the Agency.

(3) The Commission shall approve the supplemental procurement plan of renewable energy credits to be procured from new or existing photovoltaics, including, but not limited to, distributed photovoltaic generation, if the Commission determines that it will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service in the form of renewable energy credits at the lowest total cost over time, taking into account any benefits of price stability.

(4) The supplemental procurement process under this subsection (i) shall include each of the following components:

(A) Procurement administrator. The Agency may retain a procurement administrator in the manner set forth in item (2) of subsection (a) of Section 1-75 of this Act to conduct the supplemental procurement or may elect to use the same procurement administrator administering the Agency's annual procurement under Section 1-75.

(B) Procurement monitor. The procurement monitor retained by the Commission pursuant to Section 16-111.5 of the Public Utilities Act shall:

(i) monitor interactions among the procurement administrator and bidders and suppliers;

(ii) monitor and report to the Commission on the progress of the supplemental procurement process;

(iii) provide an independent confidential report to the Commission regarding the results of the procurement events;

(iv) assess compliance with the procurement plan approved by the Commission for the supplemental procurement process;

(v) preserve the confidentiality of supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs;

(vi) provide expert advice to the Commission and consult with the procurement administrator regarding issues related to procurement process design, rules, protocols, and policy-related matters;

(vii) consult with the procurement administrator regarding the development and use of benchmark criteria, standard form contracts, credit policies, and bid documents; and

(viii) perform, with respect to the supplemental procurement process, any other procurement monitor duties specifically delineated within subsection (i) of this Section.

(C) Solicitation, pre-qualification, and registration of bidders. The procurement administrator shall disseminate information to potential bidders to promote a procurement event, notify potential bidders that the procurement administrator may enter into a post-bid price negotiation with bidders that meet the applicable benchmarks, provide supply requirements, and otherwise explain the competitive procurement process. In addition to such other publication as the procurement administrator determines is appropriate,

this information shall be posted on the Agency's and the Commission's websites. The procurement administrator shall also administer the prequalification process, including evaluation of credit worthiness, compliance with procurement rules, and agreement to the standard form contract developed pursuant to item (D) of this paragraph (4). The procurement administrator shall then identify and register bidders to participate in the procurement event.

(D) Standard contract forms and credit terms and instruments. The procurement administrator, in consultation with the Agency, the Commission, and other interested parties and subject to Commission oversight, shall develop and provide standard contract forms for the supplier contracts that meet generally accepted industry practices as well as include any applicable State of Illinois terms and conditions that are required for contracts entered into by an agency of the State of Illinois. Standard credit terms and instruments that meet generally accepted industry practices shall be similarly developed. Contracts for new photovoltaics shall include a provision attesting that the supplier will use a qualified person for the installation of the device pursuant to paragraph (1) of subsection (i) of this Section. The procurement administrator shall make available to the Commission all written comments it receives on the contract forms, credit terms, or instruments. If the procurement administrator cannot reach agreement with the parties as to the contract terms and conditions, the procurement administrator must notify the Commission of any disputed terms and the Commission shall resolve the dispute. The terms of the contracts shall not be subject to negotiation by winning bidders, and the bidders must agree to the terms of the contract in advance so that winning bids are selected solely on the basis of price.

(E) Requests for proposals; competitive procurement process. The procurement administrator shall design and issue requests for proposals to supply renewable energy credits in accordance with the supplemental procurement plan, as approved by the Commission. The requests for proposals shall set forth a procedure for sealed, binding commitment bidding with pay-as-bid settlement, and provision for selection of bids on the basis of price, provided, however, that no bid shall be accepted if it exceeds the benchmark developed pursuant to item (F) of this paragraph (4).

(F) Benchmarks. Benchmarks for each product to be procured shall be developed by the procurement administrator in consultation with Commission staff, the Agency, and the procurement monitor for use in this supplemental procurement.

(G) A plan for implementing contingencies in the event of supplier default, Commission rejection of results, or any other cause.

(5) Within 2 business days after opening the sealed bids, the procurement administrator shall submit a confidential report to the Commission. The report shall contain the results of the bidding for each of the products along with the procurement administrator's recommendation for the acceptance and rejection of bids based on the price benchmark criteria and other factors observed in the process. The procurement monitor also shall submit a confidential report to the Commission within 2 business days after opening the sealed bids. The report shall contain the procurement monitor's assessment of bidder behavior in the process as well as an assessment of the procurement administrator's compliance with the procurement process and rules. The Commission shall review the confidential reports submitted by the procurement administrator and procurement monitor and shall accept or reject the recommendations of the procurement administrator within 2 business days after receipt of the reports.

(6) Within 3 business days after the Commission decision approving the results of a procurement event, the Agency shall enter into binding contractual arrangements with the winning suppliers using the standard form contracts.

(7) The names of the successful bidders and the average of the winning bid prices for each contract type and for each contract term shall be made available to the public within 2 days after the supplemental procurement event. The Commission, the procurement monitor, the procurement administrator, the Agency, and all participants in the procurement process shall maintain the confidentiality of all other supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs. Confidential information, including the confidential reports submitted by the procurement administrator and procurement monitor pursuant to this Section, shall not be made publicly available and shall not be discoverable by any party in any proceeding, absent a compelling demonstration of need, nor shall those reports be admissible in any proceeding other than one for law enforcement purposes.

(8) The supplemental procurement provided in this subsection (i) shall not be subject to the requirements and limitations of subsections (c) and (d) of this Section.

(9) Expenses incurred in connection with the procurement process held pursuant to this Section, including, but not limited to, the cost of developing the supplemental procurement plan, the procurement administrator, procurement monitor, and the cost of the retirement of renewable energy credits purchased pursuant to the supplemental procurement shall be paid for from the Illinois Power Agency Renewable Energy Resources Fund. The Agency shall enter into an interagency agreement with the Commission to

reimburse the Commission for its costs associated with the procurement monitor for the supplemental procurement process.

(Source: P.A. 96-159, eff. 8-10-09; 96-1000, eff. 7-2-10; 96-1437, eff. 8-17-10; 97-616, eff. 10-26-11.)

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

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Harmon offered the following amendment and moved its adoption:

AMENDMENT NO. 5 TO HOUSE BILL 2427

AMENDMENT NO. 5. Amend House Bill 2427, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 4, as follows:

on page 6, immediately below line 20, by inserting the following:

"For the purposes of this paragraph (1), "install" means the major activities and actions required to connect, in accordance with applicable building and electrical codes, the conductors, connectors, and all associated fittings, devices, power outlets, or apparatuses mounted at the premises that are directly involved in delivering energy to the premises' electrical wiring from the photovoltaics, including, but not limited to, to distributed photovoltaic generation."

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Harmon, **House Bill No. 2427** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Raoul
Barickman	Frerichs	Luechtefeld	Righter
Bertino-Tarrant	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Harris	McCann	Stadelman
Brady	Hastings	McCarter	Steans
Bush	Holmes	McConnaughay	Sullivan
Clayborne	Hunter	McGuire	Syverson
Collins	Hutchinson	Morrison	Trotter
Connelly	Jacobs	Mulroe	Van Pelt
Cullerton, T.	Jones, E.	Muñoz	Mr. President
Cunningham	Koehler	Murphy	
Delgado	Kotowski	Noland	
Dillard	LaHood	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 in the Senate Amendments adopted thereto.

[May 29, 2014]

HOUSE BILL RECALLED

On motion of Senator Link, **House Bill No. 3961** was recalled from the order of third reading to the order of second reading.

Senator Link offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 3961

AMENDMENT NO. 1. Amend House Bill 3961 by replacing everything after the enacting clause with the following:

"Section 5. If and only if Senate Bill 2202 of the 98th General Assembly, as amended by House Amendment No. 1, becomes law, then "An Act concerning higher education" (Senate Bill 2202 of the 98th General Assembly) is amended by changing Section 15 as follows:

(S.B. 2202 98th G.A., Sec. 15)

Sec. 15. Prohibitions on smoking.

(a) Beginning on July 1, 2015, smoking is prohibited on each campus of a State-supported institution of higher education. The prohibition set forth in this subsection (a) shall not apply to any instance in which an individual is traveling through or parked on a campus in a vehicle that is not owned by a State-supported institution of higher education.

(b) An individual or campus subject to the smoking prohibitions of this Act may not discriminate or retaliate in any manner against a person for making a complaint of a violation of this Act or furnishing information concerning a violation to a person, campus, or governing authority.

(c) The prohibitions on smoking in this Act must be communicated to all students and employees of State-supported institutions of higher education on or before May 1, 2015 and to each guest of a State-supported institution of higher education upon request.

(d) Each State-supported institution of higher education shall create and post on its Internet website a smoke-free campus map indicating the locations where smoking is prohibited under this Act. (Source: 09800SB2202ham001.)

Section 99. Effective date. This Act takes effect upon becoming law or on the date Senate Bill 2202 of the 98th General Assembly takes effect, whichever is later."

The motion prevailed.

And the amendment was adopted and ordered printed.

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

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Link, **House Bill No. 3961** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 50; NAY 1.

The following voted in the affirmative:

Althoff	Frerichs	Lightford	Oberweis
Barickman	Haine	Link	Radogno
Bertino-Tarrant	Harmon	Luechtefeld	Raoul
Biss	Harris	Manar	Righter
Bivins	Hastings	Martinez	Stadelman
Bush	Holmes	McCann	Steans
Clayborne	Hunter	McCarter	Sullivan
Collins	Hutchinson	McConnaughay	Syverson
Connelly	Jacobs	McGuire	Trotter

[May 29, 2014]

Cullerton, T.	Jones, E.	Morrison	Van Pelt
Cunningham	Koehler	Mulroe	Mr. President
Dillard	Kotowski	Murphy	
Duffy	LaHood	Noland	

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 in the Senate Amendment adopted thereto.

Senator Rose asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the affirmative on **House Bill No. 3961**.

On motion of Senator Lightford, **House Bill No. 4527** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 34; NAYS 15.

The following voted in the affirmative:

Bertino-Tarrant	Haine	Kotowski	Noland
Biss	Harmon	Landek	Raoul
Bush	Harris	Lightford	Stadelman
Collins	Holmes	Link	Steans
Cullerton, T.	Hunter	Manar	Sullivan
Cunningham	Hutchinson	Martinez	Trotter
Delgado	Jacobs	McGuire	Mr. President
Forby	Jones, E.	Morrison	
Frerichs	Koehler	Mulroe	

The following voted in the negative:

Althoff	Connelly	McCarter	Radogno
Barickman	Duffy	McConnaughay	Rose
Bivins	LaHood	Murphy	Syverson
Brady	Luechtefeld	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.

On motion of Senator Lightford, **House Bill No. 5333** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 46; NAYS 2.

The following voted in the affirmative:

Althoff	Forby	Kotowski	Noland
Barickman	Frerichs	Landek	Oberweis

[May 29, 2014]

Bertino-Tarrant	Haine	Lightford	Radogno
Biss	Harmon	Link	Raoul
Brady	Harris	Manar	Sandoval
Bush	Hastings	Martinez	Stadelman
Clayborne	Holmes	McConnaughay	Steans
Collins	Hunter	McGuire	Sullivan
Cullerton, T.	Hutchinson	Morrison	Trotter
Cunningham	Jacobs	Mulroe	Mr. President
Delgado	Jones, E.	Muñoz	
Dillard	Koehler	Murphy	

The following voted in the negative:

Duffy
McCarter

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

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

HOUSE BILL RECALLED

On motion of Senator Harmon, **House Bill No. 3784** 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. 4 TO HOUSE BILL 3784

AMENDMENT NO. 4. Amend House Bill 3784, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Currency Exchange Act is amended by changing Sections 1, 3, 3.3, 4.1, 5, 9, 10, 11, 15, and 18 as follows:

(205 ILCS 405/1) (from Ch. 17, par. 4802)

Sec. 1. Definitions; application of Act.

(a) For the purposes of this Act:

"Community currency exchange" means any person, firm, association, partnership, limited liability company, or corporation, except an ambulatory currency exchange as hereinafter defined, banks incorporated under the laws of this State and National Banks organized pursuant to the laws of the United States, engaged in the business or service of, and providing facilities for, cashing checks, drafts, money orders or any other evidences of money acceptable to such community currency exchange, for a fee or service charge or other consideration, or engaged in the business of selling or issuing money orders under his or their or its name, or any other money orders (other than United States Post Office money orders, Postal Telegraph Company money orders, or Western Union Telegraph Company money orders), or engaged in both such businesses, or engaged in performing any one or more of the foregoing services.

"Controlling person" means an officer, director, or person owning or holding power to vote 10% or more of the outstanding voting securities of a licensee or the power to vote the securities of another controlling person of the licensee. For the purposes of determining the percentage of a licensee controlled by a controlling person, the person's interest shall be combined with the interest of any other person controlled, directly or indirectly, by that person or by a spouse, parent, or child of that person.

"Department" means the Department of Financial and Professional Regulation.

"Director" means the Director of the Division of Financial Institutions of the Department of Financial and Professional Regulation.

"Division of Financial Institutions" means the Division of Financial Institutions of the Department of Financial and Professional Regulation.

"Ambulatory Currency Exchange" means any person, firm, association, partnership, limited liability company, or corporation, except banks organized under the laws of this State and National Banks organized pursuant to the laws of the United States, engaged in one or both of the foregoing businesses,

[May 29, 2014]

or engaged in performing any one or more of the foregoing services, solely on the premises of the employer whose employees are being served.

"Location" when used with reference to an ambulatory currency exchange means the premises of the employer whose employees are or are to be served by an ambulatory currency exchange.

"Secretary" means the Secretary of Financial and Professional Regulation or a person authorized by the Secretary or this Act to act in the Secretary's stead. All references in this Act to the Secretary shall be deemed to include the Director, as a person authorized by the Secretary or this Act to assume responsibility for the oversight of the functions of the Department relative to the regulatory supervision of community currency exchanges and ambulatory currency exchanges under this Act.

(b) Nothing in this Act shall be held to apply to any person, firm, association, partnership, limited liability company, or corporation who is engaged primarily in the business of transporting for hire, bullion, currency, securities, negotiable or non-negotiable documents, jewels or other property of great monetary value and who in the course of such business and only as an incident thereto, cashes checks, drafts, money orders or other evidences of money directly for, or for the employees of and with the funds of and at a cost only to, the person, firm, association, partnership, limited liability company, or corporation for whom he or it is then actually transporting such bullion, currency, securities, negotiable or non-negotiable documents, jewels, or other property of great monetary value, pursuant to a written contract for such transportation and all incidents thereof, nor shall it apply to any person, firm, association, partnership, limited liability company, or corporation engaged in the business of selling tangible personal property at retail who, in the course of such business and only as an incident thereto, cashes checks, drafts, money orders or other evidences of money.

(Source: P.A. 97-315, eff. 1-1-12.)

(205 ILCS 405/3) (from Ch. 17, par. 4804)

Sec. 3. Powers of community currency exchanges. No community or ambulatory currency exchange shall be permitted to accept money or evidences of money as a deposit to be returned to the depositor or upon the depositor's order. No community or ambulatory currency exchange shall be permitted to act as bailee or agent for persons, firms, partnerships, limited liability companies, associations or corporations to hold money or evidences thereof or the proceeds therefrom for the use and benefit of the owners thereof, and deliver such money or proceeds of evidence of money upon request and direction of such owner or owners. Nothing in this Act shall prevent a currency exchange from accepting any check without regard to the date imprinted on the check, subject to Section 4-404 of the Uniform Commercial Code, as long as the check is immediately cashed, deposited, and processed in the ordinary course of business. A community or ambulatory currency exchange is permitted to engage in, and charge a fee for, the following activities, either directly or as a third-party agent: (i) cashing of checks, drafts, money orders, or any other evidences of money acceptable to the currency exchange, (ii) selling or issuing money orders, (iii) obtaining reports, certificates, governmental permits, licenses, and vital statistics and the preparation of necessary applications to obtain the same, (iv) the sale and distribution of bond cards, (v) obtaining, distributing, providing, or selling: State vehicle registration renewals, title transfers and tax remittance forms, city vehicle licenses, and other governmental services, (vi) photocopying and sending and receiving facsimile transmissions, (vii) notary service either by the proprietor of the currency exchange or any currency exchange employee, authorized by the State to act as a notary public, (viii) issuance of travelers checks obtained by the currency exchange from a banking institution under a trust receipt, (ix) accepting for payment utility and other companies' bills, (x) issuance and acceptance of any third-party debit, credit, or stored value card and loading or unloading, (xi) on-premises automated cash dispensing machines, (xii) sale of rolled coin and paper money, (xiii) exchange of foreign currency through a third-party, (xiv) sale of cards, passes, or tokens for public transit, (xv) providing mail box service, (xvi) sale of phone cards and other pre-paid telecommunication services, (xvii) on-premises public telephone, (xviii) sale of U.S. postage, (xix) money transmission through a licensed third-party money transmitter, (xx) sale of candy, gum, other packaged foods, soft drinks, and other products and services by means of on-premises vending machines and self-service automated terminals, and (xxi) transmittal of documents or information upon the request of a consumer, (xxii) advertising upon and about the premises and distribution to consumers of advertising and other materials of any legal product or service that is not misleading to the public, (xxiii) providing consumers with the service of third-party travel reservations and ticketing services, and (xxiv) other products and services as may be approved by the Secretary. Any community or ambulatory currency exchange may enter into agreements with any utility and other companies to act as the companies' agent for the acceptance of payment of utility and other companies' bills without charge to the customer and, acting under such agreement, may receipt for payments in the names of the utility and other companies. Any community or ambulatory currency exchange may also receive payment of utility and other companies' bills for remittance to companies with which it has no such agency agreement and may charge

[May 29, 2014]

a fee for such service but may not, in such cases, issue a receipt for such payment in the names of the utility and other companies. However, funds received by currency exchanges for remittance to utility and other companies with which the currency exchange has no agency agreement shall be forwarded to the appropriate utility and other companies by the currency exchange before the end of the next business day.

For the purpose of this Section, "utility and other companies" means any utility company and other company with which the currency exchange may or may not have a contractual agreement and for which the currency exchange accepts payments from consumers for remittance to the utility or other company for the payment of bills.

(Source: P.A. 97-315, eff. 1-1-12.)

(205 ILCS 405/3.3) (from Ch. 17, par. 4807)

Sec. 3.3. Additional public services.

(a) Nothing in this Act shall prevent the Secretary from authorizing a currency exchange, group of currency exchanges, or association of currency exchanges to render additional services to the public if the services are consistent with the provisions of this Act, are within its meaning, are in the best interest of the public, and benefit the general welfare. A currency exchange, group of currency exchanges, or association of currency exchanges must request, in writing, the Secretary's approval of the additional service prior to rendering such additional service to the public. Any approval under this Section shall be deemed an approval for all currency exchanges. Any currency exchange wishing to provide an additional service previously approved by the Secretary must provide written notice, on a form provided by the Department and available on its website, to the Secretary 30 days prior to offering the approved additional service to the public. The Secretary may charge an additional service investigation fee of \$500 per application for a new additional service request. The additional service request shall be on a form provided by the Department and available on the Department's website. Within 15 days after receipt by the Department of an additional service request, the Secretary shall examine the additional service request for completeness and notify the requester of any defect. The requester must remedy the defect within 10 days after the mailing of the notification of the defect by the Secretary. Failure to remedy the defect within such time will void the additional service request. If the Secretary determines that the additional service request is complete, the Secretary shall have 60 business days to approve or deny the additional service request. If the additional service request is denied, the Secretary shall send by United States mail notice of the denial to the requester at the address set forth in the additional service request, together with the reasons therefor stated with particularity that the additional service is not consistent with the provisions of this Act or in the best interest of the public and does not benefit the general welfare. If an additional service request is denied, the requester may, within 10 days after receipt of the denial, make a written request to the Secretary for a hearing on the additional service request denial. The hearing shall be set for a date after the receipt by the Secretary of the request for a hearing, and written notice of the time and place of the hearing shall be mailed to the requester no later than 15 days before the date of the hearing. The hearing shall be scheduled for a date within 56 days after the date of the receipt of the request for a hearing. The requester shall pay the actual cost of making the transcript of the hearing prior to the Secretary's issuing his or her decision following the hearing. If the Secretary denies the request for a new additional service, a currency exchange shall not offer the new additional service until a final administrative order has been entered permitting a currency exchange to offer the service. The Secretary's decision may be subject to review as provided in Section 22.01 of this Act. If the Secretary revokes a previously approved authorization for an additional service request, the Secretary shall provide written notice to all affected currency exchange licensees, together with the reasons therefor stated with particularity, that the additional service is no longer consistent with the provisions of this Act or in the best interest of the public and does not benefit the general welfare. Upon receipt of the revocation notice, a currency exchange licensee, group of currency exchange licensees, or association of currency exchanges shall have 10 days to make a written request to the Secretary for a hearing, and the Department shall have 30 business days to schedule a future hearing. Written notice of the time and place of the hearing shall be mailed to the licensee no later than 10 business days before the date of the hearing. The licensee shall pay the actual cost of making the transcript prior to the Secretary's issuing his or her decision following the hearing. The Secretary's decision is subject to review as provided in Section 22.01 of this Act.

(b) (Blank).

(c) If the Secretary revokes authorization for a previously approved additional service, the currency exchange may continue to offer the additional service until a final administrative order has been entered revoking the licensee's previously approved authorization.

(Source: P.A. 97-315, eff. 1-1-12; 97-1111, eff. 8-27-12.)

(205 ILCS 405/4.1) (from Ch. 17, par. 4809)

Sec. 4.1. Application; investigation; community need.

[May 29, 2014]

(a) The General Assembly finds and declares that community currency exchanges provide important and vital services to Illinois citizens, that the number of community currency exchanges should be limited in accordance with the needs of the communities they are to serve, and that it is in the public interest to promote and foster the community currency exchange business and to insure the financial stability thereof.

(b) Upon receipt of an application for a license for a community currency exchange, the Secretary shall cause an investigation to determine:

(1) of the need of the community for the establishment of a community currency exchange at the location specified in the application; and

(2) the effect that granting the license will have on the financial stability of other community currency exchanges that may be serving the community in which the business of the applicant is proposed to be conducted.

(c) "Community", as used in this Act, means a locality where there may or can be available to the people thereof the services of a community currency exchange reasonably accessible to them, but in no case less than a one-half mile radius from the location specified in an application for a license for a community currency exchange.

(d) If the issuance of a license to engage in the community currency exchange business at the location specified will not promote the needs and the convenience and advantage of the community in which the business of the applicant is proposed to be conducted or would have a material and negative effect upon the financial stability of other currency exchanges as described in paragraph (2) of subsection (b) of this Section, then the application shall be denied. Notwithstanding any other provision contained in this Section, the Secretary shall not approve an application to operate a new community currency exchange within a one-half mile radius of any existing licensee located in any municipality with a population exceeding 500,000 or within a one mile radius of any existing licensee located in any municipality with a population less than 500,000. This provision shall not require the Secretary to deny any application:

(1) from the purchaser of the place of business of a licensee that was licensed before the effective date of this amendatory Act of the 98th General Assembly if the purchaser will operate at the specific location occupied by the existing licensee, or within 600 feet of that location;

(2) from a licensee requesting to relocate to within 600 feet of the address currently occupied by the licensee; or

(3) from an applicant providing written waivers from all existing licensees within the distance limits set forth in this Section.

For the purposes of this subsection (d), a community currency exchange business will promote the needs and the convenience and advantage of the community if it will provide a benefit to that community.

(e) As a part of the investigation, the Secretary shall, within 10 business days after receipt of an application, notify in writing all currency exchanges as described in paragraph (2) of subsection (b) of this Section of the application and the proposed location. Within 10 business days after the notice, any currency exchange as described in paragraph (2) of subsection (b) of this Section shall notify the Secretary it intends to protest the application. If the currency exchange intends to protest the application, then the currency exchange shall, within 30 days after notifying the Secretary, provide the Secretary with any information requested to substantiate that granting the license would have a material and negative effect upon the financial stability of the existing currency exchange. Once the investigation is complete, the Secretary shall, within 10 business days thereafter, notify any currency exchange as described in paragraph (2) of subsection (b) of this Section of the determination to approve or deny the application. The determination shall sufficiently detail the facts that led to the determination.

(Source: P.A. 97-315, eff. 1-1-12.)

(205 ILCS 405/5) (from Ch. 17, par. 4812)

Sec. 5. Bond; condition; amount.

(a) Before any license shall be issued to a community currency exchange the applicant shall file annually with and have approved by the Secretary a surety bond, issued by a bonding company authorized to do business in this State in the principal sum of \$25,000. Such bond shall run to the Secretary and shall be for the benefit of any creditors of such currency exchange for any liability incurred by the currency exchange on any money orders, including any fees and penalties incurred by the remitter should the money order be returned unpaid, issued or sold by the currency exchange in the ordinary course of its business and for any liability incurred by the currency exchange for any sum or sums due to any payee or endorsee of any check, draft or money order left with the currency exchange in the ordinary course of its business for collection, and for any liability to the public incurred by the currency exchange in the ordinary course of its business in connection with the rendering of any of the services referred to in Section 3 of this Act.

To protect the public and allow for the effective underwriting of bonds, the surety bond shall not cover money orders issued and other liabilities incurred by a currency exchange for its own account or that of

its controlling persons, including money orders issued or liabilities incurred by the currency exchange to obtain cash for its own operations, to pay for the currency exchange's own bills or liabilities or that of its controlling persons, or to obtain things of value for the currency exchange or its controlling persons, regardless of whether such things of value are used in the currency exchange's operations or sold by the currency exchange.

From time to time the Secretary may determine the amount of liabilities as described herein and shall require the licensee to file a bond in an additional sum if the same is determined to be necessary in accordance with the requirements of this Section. In no case shall the bond be less than the initial \$25,000, nor more than the outstanding liabilities.

(b) In lieu of the surety bond requirements of subsection (a), a community currency exchange licensee may submit evidence satisfactory to the Secretary that the community currency exchange licensee is covered by a blanket bond that covers multiple licensees who are members of a statewide association of community currency exchanges. Such a blanket bond must be issued by a bonding company authorized to do business in this State and in a principal aggregate sum of not less than \$3,000,000 as of May 1, 2012, and not less than \$4,000,000 as of May 1, 2014.

(c) An ambulatory currency exchange may sell or issue money orders at any location with regard to which it is issued a license pursuant to this Act, including existing licensed locations, without the necessity of a further application or hearing and without regard to any exceptions contained in existing licenses, upon the filing with the Secretary of a surety bond approved by the Secretary and issued by a bonding company or insurance company authorized to do business in Illinois, in the principal sum of \$100,000. Such bond may be a blanket bond covering all locations at which the ambulatory currency exchange may sell or issue money orders, and shall run to the Secretary for the use and benefit of any creditors of such ambulatory currency exchange for any liability incurred by the ambulatory currency exchange on any money orders issued or sold by it to the public in the ordinary course of its business. Such bond shall be renewed annually. If after the expiration of one year from the date of approval of such bond by the Secretary, it shall appear that the average amount of such liability during the year has exceeded \$100,000, the Secretary shall require the licensee to furnish a bond for the ensuing year, to be approved by the Secretary, for an additional principal sum of \$1,000 for each \$1,000 of such liability or fraction thereof in excess of the original \$100,000, except that the maximum amount of such bond shall not be required to exceed \$250,000.

(Source: P.A. 97-315, eff. 1-1-12.)

(205 ILCS 405/9) (from Ch. 17, par. 4816)

Sec. 9. No community or ambulatory currency exchange shall issue tokens to be used in lieu of money for the purchase of goods or services from any enterprise, ~~except that currency exchanges may engage in the distribution of food stamps as authorized by Section 3.2.~~

(Source: P.A. 80-439.)

(205 ILCS 405/10) (from Ch. 17, par. 4817)

Sec. 10. Qualifications of applicant; denial of license; review. The applicant, and its controlling persons officers, directors and stockholders, if a corporation, and its managers and members, if a liability company, shall be vouched for by 2 reputable citizens of this State setting forth that the individual mentioned is (a) personally known to them to be trustworthy and reputable, (b) that he has business experience qualifying him to competently conduct, operate, own or become associated with a currency exchange, (c) that he has a good business reputation and is worthy of a license. Thereafter, the Secretary shall, upon approval of the application filed with him, issue to the applicant, qualifying under this Act, a license to operate a currency exchange. If it is a license for a community currency exchange, the same shall be valid only at the place of business specified in the application. If it is a license for an ambulatory currency exchange, it shall entitle the applicant to operate only at the location or locations specified in the application, provided the applicant shall secure separate and additional licenses for each of such locations. Such licenses shall remain in full force and effect, until they are surrendered by the licensee, or revoked, or expire, as herein provided. If the Secretary shall not so approve, he shall not issue such license or licenses and shall notify the applicant of such denial, retaining the full investigation fee to cover the cost of investigating the community currency exchange applicant. The Secretary shall approve or deny every application hereunder within 90 days from the filing of a complete application; except that in respect to an application by an approved ambulatory currency exchange for a license with regard to a particular location to be served by it, the same shall be approved or denied within 20 days from the filing thereof. If the application is denied, the Secretary shall send by United States mail notice of such denial to the applicant at the address set forth in the application.

If an application is denied, the applicant may, within 10 days from the date of the notice of denial, make written request to the Secretary for a hearing on the application, and the Secretary shall set a time and

[May 29, 2014]

place for the hearing. The hearing shall be set for a date after the receipt by the Secretary of the request for hearing, and written notice of the time and place of the hearing shall be mailed to the applicant at least 15 days before the date of the hearing. The applicant shall pay the actual cost of making the transcript of the hearing prior to the Secretary's issuing his decision following the hearing. If, following the hearing, the application is denied, the Secretary shall, within 20 days thereafter prepare and keep on file in his office a written order of denial thereof, which shall contain his findings with respect thereto and the reasons supporting the denial, and shall send by United States Mail a copy thereof to the applicant at the address set forth in the application, within 5 days after the filing of such order. A review of any such decision may be had as provided in Section 22.01 of this Act.

(Source: P.A. 97-315, eff. 1-1-12.)

(205 ILCS 405/11) (from Ch. 17, par. 4819)

Sec. 11. Such license, if issued for a community currency exchange, shall state the name of the licensee and the address at which the business is to be conducted. Such license, ~~or~~ and its annual renewal, shall be kept conspicuously posted in the place of business of the licensee and shall not be transferable or assignable. If issued for an ambulatory currency exchange, it shall so state, and shall state the name and office address of the licensee, and the name and address of the location or locations to be served by the licensee, and shall not be transferable and assignable.

(Source: P.A. 97-315, eff. 1-1-12.)

(205 ILCS 405/15) (from Ch. 17, par. 4824)

Sec. 15. The Secretary may, after 15 business days notice by registered or certified mail to the licensee at the address set forth in the license, or to such other address or method as previously designated by the licensee, stating the contemplated action and in general the grounds therefore, fine the licensee ~~an amount not exceeding \$1,000 per violation~~ or revoke or suspend any license issued if he or she finds that:

(a) the licensee has failed to pay the annual license fee or to maintain in effect the required bond or bonds or insurance policy or policies; or

(b) the licensee has failed to comply with any provision of this Act or any order, decision, finding, rule, regulation, or direction of the Secretary lawfully made under the authority of this Act; or

(c) the licensee has violated any provision of this Act or any regulation or direction made by the Secretary under this Act; or

(d) any fact or condition exists which, if it had existed at the time of the original application for such license, would have warranted the Secretary in refusing the issuance of the license; or

(e) the licensee has not operated the currency exchange or at the location licensed, for a period of 60 consecutive days, unless the licensee was prevented from operating during such period by reason of events or acts beyond the licensee's control.

The Secretary's authority to fine a licensee or suspend or revoke licenses under this Section is subject to the following:

(1) The notice shall state (A) the specific nature and a clear and concise description of the violation, (B) the Sections of this Act or rules that have been violated, (C) the contemplated fine or action, (D) that the licensee may, within 15 business days from the date of the notice, request a hearing pursuant to Section 22.01 of this Act, (E) that the licensee may, within 15 business days after the notice, take corrective action to mitigate any fine or contemplated action, and (F) the specific corrective action to be taken.

(2) In the event the licensee requests, in writing to the Secretary and within 15 business days after the notice, a hearing on the fine or contemplated action, the matter shall be heard pursuant to Section 22.01 of this Act, any fines or contemplated action shall be stayed, and no fines shall accrue during the pendency of the hearing.

(3) In the event the licensee takes the corrective action set forth in the notice within the time specified, the licensee shall certify the corrective action in writing to the Secretary, who may then confirm the corrective action by conducting a follow-up investigation within 30 days of the date of the certification and if the Secretary confirms the corrective action is complete, the contemplated fine or action shall be dismissed and the Secretary may assess an examination charge not to exceed \$175. Corrective action taken by a licensee shall not serve to mitigate any contemplated fine or action if such violation is an impairment or is substantially similar to a violation committed by the licensee at the specific location within the previous 36 months.

Consistent with the provisions of this Act, the Secretary may, after weighing any harm to the public, the seriousness of the offense, and the history of the licensee, fine a licensee an amount graduated up to \$1,000 per violation. No later than September 1, 2015, the Department shall adopt rules to determine which

offending acts shall be considered a single violation and which offending acts shall be treated as separate violations and shall set corresponding fines for each class of violation, not to exceed \$1,000 per violation.

No license shall be revoked until the licensee has had notice of a hearing on the proposed revocation and an opportunity to be heard. When any license is revoked in this manner, the Secretary shall, within 20 days, prepare and keep on file in his or her office, a written order or decision of revocation that shall contain his or her findings and the reasons supporting the revocation. The Secretary shall send a copy of the order, finding, or decision of revocation by United States mail to the licensee at the address set forth in the license within 5 days after the filing in his or her office of the order, finding, or decision. A review of any such order, finding, or decision is available under Section 22.01 of this Act.

The Secretary may fine, suspend or revoke only the particular license or licenses for particular places of business or locations with respect to which grounds for revocation may occur or exist; except that if he shall find that such grounds for revocation are of general application to all places of business or locations, or that such grounds for fines, suspension or revocation have occurred or exist with respect to a substantial number of places of business or locations, he may fine, suspend or revoke all of the licenses issued to such licensee.

An order assessing a fine, an order revoking or suspending a license, or an order denying renewal of a license shall take effect on service of the order unless the licensee requests a hearing pursuant to this Section, in writing, within 15 days after the date of service. ~~In the event a hearing is requested, the order shall be stayed until a final administrative order is entered.~~ If the licensee requests a hearing, the Secretary shall schedule a hearing within 30 days after the request for a hearing unless otherwise agreed to by the parties. The hearing shall be held at the time and place designated by the Secretary.

The Secretary and any administrative law judge designated by him or her shall have the power to administer oaths and affirmations, subpoena witnesses and compel their attendance, take evidence, and require the production of books, papers, correspondence, and other records or information that he or she considers relevant or material to the inquiry.

In case of contumacy or refusal of a witness to obey a subpoena, any circuit court of this State whose jurisdiction encompasses where the hearing is located may issue an order requiring such witness to appear before the Secretary or the hearing officer, to produce documentary evidence, or to give testimony touching the matter in question; and the court may punish any failures to obey such orders of the court as contempt.

A licensee may surrender any license by delivering to the Secretary written notice that he, they or it thereby surrenders such license, but such surrender shall not affect such licensee's civil or criminal liability for acts committed prior to such surrender, or affect the liability on his, their or its bond or bonds, or his, their or its policy or policies of insurance, required by this Act, or entitle such licensee to a return of any part of the annual license fee or fees.

Every license issued hereunder shall remain in force until the same shall expire, or shall have been surrendered, suspended or revoked in accordance with this Act, but the Secretary may on his own motion, issue new licenses to a licensee whose license or licenses shall have been revoked if no fact or condition then exists which clearly would have warranted the Secretary in refusing originally the issuance of such license under this Act.

(Source: P.A. 97-315, eff. 1-1-12.)

(205 ILCS 405/18) (from Ch. 17, par. 4834)

Sec. 18. Proof of address. The applicant for a community currency exchange license shall have a permanent address as evidenced by a lease of at least ~~6~~ six months duration or other suitable evidence of permanency, and the license issued, pursuant to the application shall be valid only at that address or any new address approved by the Secretary. A letter of intent for a lease shall suffice for inclusion with the application, and evidence of an executed lease shall be considered ministerial in nature, to be furnished once the investigation is completed, the approval final, and prior to the issuance of the license.

(Source: P.A. 97-315, eff. 1-1-12.)."

The motion prevailed.

And the amendment was adopted and ordered printed.

Senate Floor Amendment No. 5 was held in the Committee on Assignments.

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

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

[May 29, 2014]

On motion of Senator Haine, **House Bill No. 4264** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Radogno
Barickman	Frerichs	Link	Raoul
Bertino-Tarrant	Haine	Luechtefeld	Righter
Biss	Harmon	Manar	Rose
Bivins	Harris	Martinez	Sandoval
Brady	Hastings	McCann	Stadelman
Bush	Holmes	McCarter	Stears
Clayborne	Hunter	McConnaughay	Sullivan
Collins	Hutchinson	McGuire	Syverson
Connelly	Jacobs	Morrison	Trotter
Cullerton, T.	Jones, E.	Mulroe	Mr. President
Cunningham	Koehler	Muñoz	
Delgado	Kotowski	Murphy	
Dillard	LaHood	Noland	
Duffy	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 in the Senate Amendment adopted thereto.

HOUSE BILL RECALLED

On motion of Senator Steans, **House Bill No. 3199** 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. 1 TO HOUSE BILL 3199

AMENDMENT NO. 1. Amend House Bill 3199 by replacing everything after the enacting clause with the following:

"Section 5. The Election Code is amended by changing Section 11-4.1 as follows:

(10 ILCS 5/11-4.1) (from Ch. 46, par. 11-4.1)

Sec. 11-4.1.

(a) In appointing polling places under this Article, the county board or board of election commissioners shall, insofar as they are convenient and available, use schools and other public buildings as polling places.

(b) Upon request of the county board or board of election commissioners, the proper agency of government (including school districts and units of local government) shall make a public building under its control available for use as a polling place on an election day and for a reasonably necessary time before and after election day, without charge. If the county board or board of election commissioners chooses a school to be a polling place, then the school district must make the school available for use as a polling place. However, for the day of the election, a school district is encouraged to (i) close the school or (ii) hold a teachers institute on that day with students not in attendance ~~may choose to (i) keep the school open or (ii) hold a teachers institute on that day.~~

(c) A government agency which makes a public building under its control available for use as a polling place shall (i) ensure the portion of the building to be used as the polling place is accessible to handicapped and elderly voters and (ii) allow the election authority to administer the election as authorized under this Code.

(d) If a qualified elector's precinct polling place is a school and the elector will be unable to enter that polling place without violating Section 11-9.3 of the Criminal Code of 2012 because the elector is a child sex offender as defined in Section 11-9.3 of the Criminal Code of 2012, that elector may vote by absentee ballot in accordance with Article 19 of this Code or may vote early in accordance with Article 19A of this Code.

(Source: P.A. 97-1150, eff. 1-25-13.)

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 bill, as amended, was ordered to a third reading.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Steans, **House Bill No. 3199** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Raoul
Barickman	Frerichs	Link	Righter
Bertino-Tarrant	Haine	Luechtefeld	Rose
Biss	Harmon	Manar	Sandoval
Bivins	Harris	Martinez	Stadelman
Brady	Hastings	McCann	Steans
Bush	Holmes	McCarter	Sullivan
Clayborne	Hunter	McConaughay	Syverson
Collins	Hutchinson	McGuire	Trotter
Connelly	Jacobs	Morrison	Van Pelt
Cullerton, T.	Jones, E.	Mulroe	Mr. President
Cunningham	Koehler	Muñoz	
Delgado	Kotowski	Murphy	
Dillard	LaHood	Noland	
Duffy	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 in the Senate Amendment adopted thereto.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator Hastings, **House Bill No. 3796** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Hastings, **House Bill No. 3835** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on State Government and Veterans Affairs, adopted and ordered printed:

AMENDMENT NO. 1 TO HOUSE BILL 3835

[May 29, 2014]

AMENDMENT NO. 1. Amend House Bill 3835 as follows:

on page 1, line 5, by deleting "2.07,"; and

on page 10, by deleting lines 10 through 25.

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

On motion of Senator Manar, **House Bill No. 4616** was taken up, read by title a second time and ordered to a third reading.

COMMITTEE MEETING ANNOUNCEMENTS FOR MAY 30, 2014

The Chair announced the following committees to meet at 9:00 o'clock a.m.:

Criminal Law in Room 409
Local Government in Room 212

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

May 29, 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 Terry Link to temporarily replace Senator Ira Silverstein as a member of the Senate Judiciary Committee. This appointment will automatically expire upon adjournment of the Senate Judiciary Committee.

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

cc: Senate Minority Leader Christine Radogno

At the hour of 5:47 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 7:21 o'clock p.m., the Senate resumed consideration of business.
Senator Harmon, presiding.

[May 29, 2014]

PRESENTATION OF RESOLUTION**SENATE RESOLUTION NO. 1264**

Offered by Senator Barickman and all Senators:
Mourns the death of Bernadine J. Fitzgerald of Mahomet, formerly of Champaign-Urbana.

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

INTRODUCTION OF BILL

SENATE BILL NO. 3665. Introduced by Senator Kotowski, a bill for AN ACT concerning safety. The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

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 concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 229

A bill for AN ACT concerning State government.

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

House Amendment No. 1 to SENATE BILL NO. 229

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 229

AMENDMENT NO. 1. Amend Senate Bill 229 as follows:

on page 2, lines 12 and 13, by deleting "and the Legislative Research Unit"; and

by replacing line 25 with the following:

"The Governor shall electronically publish an annual".

Under the rules, the foregoing **Senate Bill No. 229**, with House Amendment No. 1, was referred to the Secretary's Desk.

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. 2612

A bill for AN ACT concerning revenue.

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. 2612

House Amendment No. 3 to SENATE BILL NO. 2612

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 2 TO SENATE BILL 2612

AMENDMENT NO. 2. Amend Senate Bill 2612 by replacing everything after the enacting clause with the following:

[May 29, 2014]

"Section 5. The Department of Revenue Law of the Civil Administrative Code of Illinois is amended by adding Section 2505-755 as follows:

(20 ILCS 2505/2505-755 new)

Sec. 2505-755. Use and Occupation Tax Reform Task Force.

(a) The Use and Occupation Tax Reform Task Force is hereby created. The Task Force shall consist of the following 13 members: the Speaker of the House of Representatives or his or her designee; the Minority Leader of the House of Representatives or his or her designee; the Senate President or his or her designee; the Senate Minority Leader or his or her designee; the Director of Revenue or his or her designee; the Executive Director of the Regional Transportation Authority or his or her designee; a representative of a statewide organization representing municipalities, appointed by the Governor; a representative of a statewide association representing taxpayers, appointed by the Governor; a representative of a statewide association representing manufacturers, appointed by the Governor; a representative of a statewide chamber of commerce, appointed by the Governor; a representative of a statewide association representing retail merchants, appointed by the Governor; a representative of a municipality, appointed by the Governor; and a representative of a county, appointed by the Governor.

(b) The Task Force shall conduct a study on modernizing State and local use and occupation taxes in Illinois, including the possible conversion to a destination-based taxing regime. The Task Force shall focus on the following areas: benefits to consumers and businesses; conversion costs; revenue impacts to local municipalities; and costs to the State to implement and enforce proposed changes.

(c) The members of the Task Force shall serve without compensation but shall be reimbursed for their reasonable and necessary expenses from funds appropriated for that purpose.

(d) The Task Force shall submit its findings to the General Assembly no later than January 1, 2016.

(e) The Department of Revenue shall provide administrative support to the Task Force.

(f) This Section is repealed on January 1, 2017.

Section 10. The State Finance Act is amended by changing Section 6z-17 as follows:

(30 ILCS 105/6z-17) (from Ch. 127, par. 142z-17)

Sec. 6z-17. State and Local Sales Tax Reform Fund.

(a) After deducting the amount transferred to the Tax Compliance and Administration Fund under subsection (b), of ~~Of~~ the money paid into the State and Local Sales Tax Reform Fund: (i) subject to appropriation to the Department of Revenue, Municipalities having 1,000,000 or more inhabitants shall receive 20% and may expend such amount to fund and establish a program for developing and coordinating public and private resources targeted to meet the affordable housing needs of low-income and very low-income households within such municipality, (ii) 10% shall be transferred into the Regional Transportation Authority Occupation and Use Tax Replacement Fund, a special fund in the State treasury which is hereby created, (iii) until July 1, 2013, subject to appropriation to the Department of Transportation, the Madison County Mass Transit District shall receive .6%, and beginning on July 1, 2013, subject to appropriation to the Department of Revenue, 0.6% shall be distributed each month out of the Fund to the Madison County Mass Transit District, (iv) the following amounts, plus any cumulative deficiency in such transfers for prior months, shall be transferred monthly into the Build Illinois Fund and credited to the Build Illinois Bond Account therein:

Fiscal Year	Amount
1990	\$2,700,000
1991	1,850,000
1992	2,750,000
1993	2,950,000

From Fiscal Year 1994 through Fiscal Year 2025 the transfer shall total \$3,150,000 monthly, plus any cumulative deficiency in such transfers for prior months, and (v) the remainder of the money paid into the State and Local Sales Tax Reform Fund shall be transferred into the Local Government Distributive Fund and, except for municipalities with 1,000,000 or more inhabitants which shall receive no portion of such remainder, shall be distributed, subject to appropriation, in the manner provided by Section 2 of "An Act in relation to State revenue sharing with local government entities", approved July 31, 1969, as now or hereafter amended. Municipalities with more than 50,000 inhabitants according to the 1980 U.S. Census and located within the Metro East Mass Transit District receiving funds pursuant to provision (v) of this paragraph may expend such amounts to fund and establish a program for developing and coordinating public and private resources targeted to meet the affordable housing needs of low-income and very low-income households within such municipality.

(b) Beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month the Department of Revenue shall certify to the State Comptroller and the State Treasurer, and the State Comptroller shall order transferred and the State Treasurer shall transfer from the State and Local Sales Tax Reform Fund to the Tax Compliance and Administration Fund, an amount equal to 1/12 of 5% of 20% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department of Revenue under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department. The amount distributed under subsection (a) each month shall first be reduced by the amount transferred to the Tax Compliance and Administration Fund under this subsection (b). Moneys transferred to the Tax Compliance and Administration Fund under this subsection (b) shall be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue.

(Source: P.A. 98-44, eff. 6-28-13.)

Section 15. The Illinois Income Tax Act is amended by changing Section 901 as follows:

(35 ILCS 5/901) (from Ch. 120, par. 9-901)

Sec. 901. Collection Authority.

(a) In general.

The Department shall collect the taxes imposed by this Act. The Department shall collect certified past due child support amounts under Section 2505-650 of the Department of Revenue Law (20 ILCS 2505/2505-650). Except as provided in subsections (c), (e), (f), and (g) , and (h) of this Section, money collected pursuant to subsections (a) and (b) of Section 201 of this Act shall be paid into the General Revenue Fund in the State treasury; money collected pursuant to subsections (c) and (d) of Section 201 of this Act shall be paid into the Personal Property Tax Replacement Fund, a special fund in the State Treasury; and money collected under Section 2505-650 of the Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid into the Child Support Enforcement Trust Fund, a special fund outside the State Treasury, or to the State Disbursement Unit established under Section 10-26 of the Illinois Public Aid Code, as directed by the Department of Healthcare and Family Services.

(b) Local Government Distributive Fund.

Beginning August 1, 1969, and continuing through June 30, 1994, the Treasurer shall transfer each month from the General Revenue Fund to a special fund in the State treasury, to be known as the "Local Government Distributive Fund", an amount equal to 1/12 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1994, and continuing through June 30, 1995, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to 1/11 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1995 and continuing through January 31, 2011, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the net of (i) 1/10 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act during the preceding month (ii) minus, beginning July 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning July 1, 2004, zero. Beginning February 1, 2011, and continuing through January 31, 2015, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 6% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 5% individual income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 6.86% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 7% corporate income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning February 1, 2015 and continuing through January 31, 2025, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 8% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 3.75% individual income tax rate after 2014) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 9.14% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 5.25% corporate income tax rate after 2014) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning February 1, 2025, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 9.23% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 3.25% individual income tax rate after 2024) of the net revenue realized from the tax imposed by

[May 29, 2014]

subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 10% of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Net revenue realized for a month shall be defined as the revenue from the tax imposed by subsections (a) and (b) of Section 201 of this Act which is deposited in the General Revenue Fund, the Education Assistance Fund, the Income Tax Surcharge Local Government Distributive Fund, the Fund for the Advancement of Education, and the Commitment to Human Services Fund during the month minus the amount paid out of the General Revenue Fund in State warrants during that same month as refunds to taxpayers for overpayment of liability under the tax imposed by subsections (a) and (b) of Section 201 of this Act.

(c) Deposits Into Income Tax Refund Fund.

(1) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(1), (2), and (3), of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. The Department shall deposit 6% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999 through 2001, the Annual Percentage shall be 7.1%. For fiscal year 2003, the Annual Percentage shall be 8%. For fiscal year 2004, the Annual Percentage shall be 11.7%. Upon the effective date of this amendatory Act of the 93rd General Assembly, the Annual Percentage shall be 10% for fiscal year 2005. For fiscal year 2006, the Annual Percentage shall be 9.75%. For fiscal year 2007, the Annual Percentage shall be 9.75%. For fiscal year 2008, the Annual Percentage shall be 7.75%. For fiscal year 2009, the Annual Percentage shall be 9.75%. For fiscal year 2010, the Annual Percentage shall be 9.75%. For fiscal year 2011, the Annual Percentage shall be 8.75%. For fiscal year 2012, the Annual Percentage shall be 8.75%. For fiscal year 2013, the Annual Percentage shall be 9.75%. For fiscal year 2014, the Annual Percentage shall be 9.5%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, minus the amounts transferred into the Income Tax Refund Fund from the Tobacco Settlement Recovery Fund, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 7.6%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(2) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. The Department shall deposit 18% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999, 2000, and 2001, the Annual Percentage shall be 19%. For fiscal year 2003, the Annual Percentage shall be 27%. For fiscal year 2004, the Annual Percentage shall be 32%. Upon the effective date of this amendatory Act of the 93rd General Assembly, the Annual Percentage shall be 24% for fiscal year 2005. For fiscal year 2006, the Annual Percentage shall be 20%. For fiscal year 2007, the Annual Percentage shall be 17.5%. For fiscal year 2008, the Annual Percentage shall be 15.5%. For fiscal year 2009, the Annual Percentage shall be 17.5%. For fiscal year 2010, the Annual Percentage shall be 17.5%. For fiscal year 2011, the Annual Percentage shall be 17.5%. For fiscal year 2012, the Annual Percentage shall be 17.5%. For fiscal year 2013, the Annual Percentage shall be 14%. For fiscal year 2014, the Annual Percentage shall be 13.4%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 23%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(3) The Comptroller shall order transferred and the Treasurer shall transfer from the Tobacco Settlement Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000 in January, 2001, (ii) \$35,000,000 in January, 2002, and (iii) \$35,000,000 in January, 2003.
(d) Expenditures from Income Tax Refund Fund.

(1) Beginning January 1, 1989, money in the Income Tax Refund Fund shall be expended exclusively for the purpose of paying refunds resulting from overpayment of tax liability under Section 201 of this Act, for paying rebates under Section 208.1 in the event that the amounts in the Homeowners' Tax Relief Fund are insufficient for that purpose, and for making transfers pursuant to this subsection (d).

(2) The Director shall order payment of refunds resulting from overpayment of tax liability under Section 201 of this Act from the Income Tax Refund Fund only to the extent that amounts collected pursuant to Section 201 of this Act and transfers pursuant to this subsection (d) and item (3) of subsection (c) have been deposited and retained in the Fund.

(3) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the Personal Property Tax Replacement Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year over the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year.

(4) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Personal Property Tax Replacement Fund to the Income Tax Refund Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year over the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year.

(4.5) As soon as possible after the end of fiscal year 1999 and of each fiscal year thereafter, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the General Revenue Fund any surplus remaining in the Income Tax Refund Fund as of the end of such fiscal year; excluding for fiscal years 2000, 2001, and 2002 amounts attributable to transfers under item (3) of subsection (c) less refunds resulting from the earned income tax credit.

(5) This Act shall constitute an irrevocable and continuing appropriation from the Income Tax Refund Fund for the purpose of paying refunds upon the order of the Director in accordance with the provisions of this Section.

(e) Deposits into the Education Assistance Fund and the Income Tax Surcharge Local Government Distributive Fund.

On July 1, 1991, and thereafter, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 7.3% into the Education Assistance Fund in the State Treasury. Beginning July 1, 1991, and continuing through January 31, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 3.0% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning February 1, 1993 and continuing through June 30, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 4.4% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning July 1, 1993, and continuing through June 30, 1994, of the amounts collected under subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 1.475% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury.

(f) Deposits into the Fund for the Advancement of Education. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act during the preceding month, minus deposits into the Income Tax Refund Fund, into the Fund for the Advancement of Education:

- (1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
- (2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (f) on or after the effective date of the reduction.

(g) Deposits into the Commitment to Human Services Fund. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act during the preceding month, minus deposits into the Income Tax Refund Fund, into the Commitment to Human Services Fund:

- (1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
- (2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (g) on or after the effective date of the reduction.

(h) Deposits into the Tax Compliance and Administration Fund. Beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department, an amount equal to 1/12 of 5% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department from the tax imposed by subsections (a), (b), (c), and (d) of Section 201 of this Act, net of deposits into the Income Tax Refund Fund made from those cash receipts.

(Source: P.A. 97-72, eff. 7-1-11; 97-732, eff. 6-30-12; 98-24, eff. 6-19-13.)

Section 20. The Use Tax Act is amended by changing Section 9 and 12 as follows:
(35 ILCS 105/9) (from Ch. 120, par. 439.9)

Sec. 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A retailer need not remit that part of any tax collected by him to the extent that he is required to remit and does remit the tax imposed by the Retailers' Occupation Tax Act, with respect to the sale of the same property.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the retailer, in collecting the tax (except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State), may collect for each tax return period, only the tax applicable to that part of the selling price actually received during such tax return period.

Except as provided in this Section, on or before the twentieth day of each calendar month, such retailer shall file a return for the preceding calendar month. Such return shall be filed on forms prescribed by the Department and shall furnish such information as the Department may reasonably require.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and

6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985, and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987, and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making

of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February, and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall

file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 3-55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

The transaction reporting return in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft and aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the date of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the tax that is imposed by this Act may be transmitted to the Department by way of the State agency with which, or State officer with whom, the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer, and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75%

discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Where a retailer collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the retailer refunds the selling price thereof to the purchaser, such retailer shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the retailer may deduct the amount of the tax so refunded by him to the purchaser from any other use tax which such retailer may be required to pay or remit to the Department, as shown by such return, if the amount of the tax to be deducted was previously remitted to the Department by such retailer. If the retailer has not previously remitted the amount of such tax to the Department, he is entitled to no deduction under this Act upon refunding such tax to the purchaser.

Any retailer filing a return under this Section shall also include (for the purpose of paying tax thereon) the total tax covered by such return upon the selling price of tangible personal property purchased by him at retail from a retailer, but as to which the tax imposed by this Act was not collected from the retailer filing such return, and such retailer shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable retailers, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the retailer has more than one business registered with the Department under separate registration under this Act, such retailer may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on 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.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury, 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are is now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act (CAA) Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act (CAA) Permit Fund under this Act and the Retailers' Occupation Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000

1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and
each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning

[May 29, 2014]

with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement. (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24, eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14; revised 9-9-13.)

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

Sec. 12. Applicability of Retailers' Occupation Tax Act and Uniform Penalty and Interest Act. All of the provisions of Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-54, 2a, 2b, 2c, 3, 4 (except that the time limitation provisions shall run from the date when the tax is due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received and except that in the case of a failure to file a return required by this Act, no notice of tax liability shall be issued on and after each July 1 and January 1 covering tax due with that return during any month or period more than 6 years before that July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5j, 5k, 5l, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, which are not inconsistent with this Act, shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein. (Source: P.A. 94-781, eff. 5-19-06; 94-1021, eff. 7-12-06; 95-331, eff. 8-21-07.)

Section 25. The Service Use Tax Act is amended by changing Section 9 and 12 as follows:

(35 ILCS 110/9) (from Ch. 120, par. 439.39)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A

serviceman need not remit that part of any tax collected by him to the extent that he is required to pay and does pay the tax imposed by the Service Occupation Tax Act with respect to his sale of service involving the incidental transfer by him of the same property.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable Rules and Regulations to be promulgated by the Department. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

If the serviceman is otherwise required to file a monthly return and if the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman is otherwise required to file a monthly or quarterly return and if the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Where a serviceman collects the tax with respect to the selling price of property which he sells and the purchaser thereafter returns such property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Use Tax, Service Occupation Tax, retailers' occupation tax or use tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

Any serviceman filing a return hereunder shall also include the total tax upon the selling price of tangible personal property purchased for use by him as an incident to a sale of service, and such serviceman shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Service Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registration hereunder, such serviceman shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Tax Reform Fund, a special fund in the State Treasury, the net revenue realized for the preceding month from the 1% tax on 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.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that ~~are~~ is now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or

3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000

2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation

[May 29, 2014]

Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

(Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13; 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; revised 9-9-13.)

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

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

(Source: P.A. 94-781, eff. 5-19-06; 94-1021, eff. 7-12-06; 95-331, eff. 8-21-07.)

Section 30. The Service Occupation Tax Act is amended by changing Section 9 and 12 as follows:

(35 ILCS 115/9) (from Ch. 120, par. 439.109)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax at the time when he is required to file his return for the period during which such tax was collectible, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the serviceman, in collecting the tax may collect, for each tax return period, only the tax applicable to the part of the selling price actually received during such tax return period.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable rules and regulations to be promulgated by the Department of Revenue. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;

4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Prior to October 1, 2003, and on and after September 1, 2004 a serviceman may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Service Use Tax as provided in Section 3-70 of the Service Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-70 of the Service Use Tax Act. A Manufacturer's Purchase Credit certification, accepted prior to October 1, 2003 or on or after September 1, 2004 by a serviceman as provided in Section 3-70 of the Service Use Tax Act, may be used by that serviceman to satisfy Service Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchase Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

If the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Where a serviceman collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Occupation Tax, Service Use Tax, Retailers' Occupation Tax or Use Tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, the Use Tax Act or the Service Use Tax Act, to furnish all the return information required by all said Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registrations hereunder, such serviceman shall file separate returns for each registered business.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund the revenue realized for the preceding month from the 1% tax on 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.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that ~~are~~ is now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received

by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000

2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and
each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used

[May 29, 2014]

only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the taxpayer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the taxpayer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The taxpayer's annual return to the Department shall also disclose the cost of goods sold by the taxpayer during the year covered by such return, opening and closing inventories of such goods for such year, cost of goods used from stock or taken from stock and given away by the taxpayer during such year, pay roll information of the taxpayer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such taxpayer as hereinbefore provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1%

of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The foregoing portion of this Section concerning the filing of an annual information return shall not apply to a serviceman who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, it shall be permissible for manufacturers, importers and wholesalers whose products are sold by numerous servicemen in Illinois, and who wish to do so, to assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the servicemen who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13; 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; revised 9-9-13.)

(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, ~~2-12~~, 2-54, 2a, 2b, 2c, 3 (except as to the disposition by the Department of the tax collected under this Act), 4 (except that the time limitation provisions shall run from the date when the tax is due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 7, 8, 9, 10, 11 and 12 of the "Retailers' Occupation Tax Act" which are not inconsistent with this Act, and Section 3-7 of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein. (Source: P.A. 94-781, eff. 5-19-06; 94-1021, eff. 7-12-06; 95-331, eff. 8-21-07.)

Section 35. The Retailers' Occupation Tax Act is amended by changing Section 3 and by adding Section 2-12 as follows:

(35 ILCS 120/2-12 new)

Sec. 2-12. Location where retailer is deemed to be engaged in the business of selling. The purpose of this Section is to specify where a retailer is deemed to be engaged in the business of selling tangible personal property for the purposes of this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, and for the purpose of collecting any other local retailers' occupation tax administered by the Department. This Section applies only with respect to the particular selling activities described in the following paragraphs. The provisions of this Section are not intended to, and shall not be interpreted to, affect where a retailer is deemed to be engaged in the business of selling with respect to any activity that is not specifically described in the following paragraphs.

(1) If a purchaser who is present at the retailer's place of business, having no prior commitment to the retailer, agrees to purchase and makes payment for tangible personal property at the retailer's place of business, then the transaction shall be deemed an over-the-counter sale occurring at the retailer's same place of business where the purchaser was present and made payment for that tangible personal property if the retailer regularly stocks the purchased tangible personal property or similar tangible personal property in the quantity, or similar quantity, for sale at the retailer's same place of business and then either (i) the purchaser takes possession of the tangible personal property at the same place of business or (ii) the retailer delivers or arranges for the tangible personal property to be delivered to the purchaser.

(2) If a purchaser, having no prior commitment to the retailer, agrees to purchase tangible personal property and makes payment over the phone, in writing, or via the Internet and takes possession of the tangible personal property at the retailer's place of business, then the sale shall be deemed to have occurred at the retailer's place of business where the purchaser takes possession of the property if the retailer regularly stocks the item or similar items in the quantity, or similar quantities, purchased by the purchaser.

(3) A retailer is deemed to be engaged in the business of selling food, beverages, or other tangible personal property through a vending machine at the location where the vending machine is located at the time the sale is made if (i) the vending machine is a device operated by coin, currency, credit card, token, coupon or similar device; (2) the food, beverage or other tangible personal property is contained within the vending machine and dispensed from the vending machine; and (3) the purchaser takes possession of the purchased food, beverage or other tangible personal property immediately.

(4) Minerals. A producer of coal or other mineral mined in Illinois is deemed to be engaged in the business of selling at the place where the coal or other mineral mined in Illinois is extracted from the earth. With respect to minerals (i) the term "extracted from the earth" means the location at which the coal or other mineral is extracted from the mouth of the mine, and (ii) a "mineral" includes not only coal, but also oil, sand, stone taken from a quarry, gravel and any other thing commonly regarded as a mineral and 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.

(35 ILCS 120/3) (from Ch. 120, par. 442)

Sec. 3. Except as provided in this Section, on or before the twentieth day of each calendar month, every person engaged in the business of selling tangible personal property at retail in this State during the preceding calendar month shall file a return with the Department, stating:

1. The name of the seller;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;
3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;
4. Total amount received by him during the preceding calendar month or quarter on charge and time sales of tangible personal property, and from services furnished, by him prior to the month or quarter for which the return is filed;
5. Deductions allowed by law;
6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;
7. The amount of credit provided in Section 2d of this Act;
8. The amount of tax due;
9. The signature of the taxpayer; and
10. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Each return shall be accompanied by the statement of prepaid tax issued pursuant to Section 2e for which credit is claimed.

Prior to October 1, 2003, and on and after September 1, 2004 a retailer may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Use Tax as provided in Section 3-85 of the Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit certification, accepted by a retailer prior to October 1, 2003 and on and after September 1, 2004 as provided in Section 3-85 of the Use Tax Act, may be used by that retailer to satisfy Retailers' Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchaser Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due; and
6. Such other reasonable information as the Department may require.

Beginning on October 1, 2003, any person who is not a licensed distributor, importing distributor, or manufacturer, as defined in the Liquor Control Act of 1934, but is engaged in the business of selling, at retail, alcoholic liquor shall file a statement with the Department of Revenue, in a format and at a time prescribed by the Department, showing the total amount paid for alcoholic liquor purchased during the preceding month and such other information as is reasonably required by the Department. The Department may adopt rules to require that this statement be filed in an electronic or telephonic format. Such rules may provide for exceptions from the filing requirements of this paragraph. For the purposes of this paragraph, the term "alcoholic liquor" shall have the meaning prescribed in the Liquor Control Act of 1934.

Beginning on October 1, 2003, every distributor, importing distributor, and manufacturer of alcoholic liquor as defined in the Liquor Control Act of 1934, shall file a statement with the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term "electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

If a total amount of less than \$1 is payable, refundable or creditable, such amount shall be disregarded if it is less than 50 cents and shall be increased to \$1 if it is 50 cents or more.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has

an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Any amount which is required to be shown or reported on any return or other document under this Act shall, if such amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount in any case where the fractional part of a dollar is 50 cents or more, and decreased to the nearest whole-dollar amount where the fractional part of a dollar is less than 50 cents.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability with the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

Where the same person has more than one business registered with the Department under separate registrations under this Act, such person may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle retailer or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 2-5 of this Act, then that seller may report the transfer of all aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

Any retailer who sells only motor vehicles, watercraft, aircraft, or trailers that are required to be registered with an agency of this State, so that all retailers' occupation tax liability is required to be reported, and is reported, on such transaction reporting returns and who is not otherwise required to file

monthly or quarterly returns, need not file monthly or quarterly returns. However, those retailers shall be required to file returns on an annual basis.

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of The Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of The Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft or aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the day of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the Illinois use tax may be transmitted to the Department by way of the State agency with which, or State officer with whom the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a use tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of the tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Refunds made by the seller during the preceding return period to purchasers, on account of tangible personal property returned to the seller, shall be allowed as a deduction under subdivision 5 of his monthly or quarterly return, as the case may be, in case the seller had theretofore included the receipts from the sale of such tangible personal property in a return filed by him and had paid the tax imposed by this Act with respect to such receipts.

[May 29, 2014]

Where the seller is a corporation, the return filed on behalf of such corporation shall be signed by the president, vice-president, secretary or treasurer or by the properly accredited agent of such corporation.

Where the seller is a limited liability company, the return filed on behalf of the limited liability company shall be signed by a manager, member, or properly accredited agent of the limited liability company.

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters

[May 29, 2014]

(excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of \$25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to the effective date of this amendatory Act of 1985, each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is \$25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

The provisions of this paragraph apply on and after October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes that average in excess of \$20,000 per month during the preceding 4 complete calendar quarters shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which the liability is incurred. Each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of the quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than \$20,000. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or

the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

If a retailer of motor fuel is entitled to a credit under Section 2d of this Act which exceeds the taxpayer's liability to the Department under this Act for the month which the taxpayer is filing a return, the Department shall issue the taxpayer a credit memorandum for the excess.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund, a special fund in the State treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on 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.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund, a special fund in the State treasury which is hereby created, 4% of the net revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are is now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act (CAA) Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act (CAA) Permit Fund under this Act and the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to this Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and

Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as hereinafter defined), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; the "Annual Specified Amount" means the amounts specified below for fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000

[May 29, 2014]

2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility

certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from stock and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The provisions of this Section concerning the filing of an annual information return do not apply to a retailer who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

Any person who promotes, organizes, provides retail selling space for concessionaires or other types of sellers at the Illinois State Fair, DuQuoin State Fair, county fairs, local fairs, art shows, flea markets and

similar exhibitions or events, including any transient merchant as defined by Section 2 of the Transient Merchant Act of 1987, is required to file a report with the Department providing the name of the merchant's business, the name of the person or persons engaged in merchant's business, the permanent address and Illinois Retailers Occupation Tax Registration Number of the merchant, the dates and location of the event and other reasonable information that the Department may require. The report must be filed not later than the 20th day of the month next following the month during which the event with retail sales was held. Any person who fails to file a report required by this Section commits a business offense and is subject to a fine not to exceed \$250.

Any person engaged in the business of selling tangible personal property at retail as a concessionaire or other type of seller at the Illinois State Fair, county fairs, art shows, flea markets and similar exhibitions or events, or any transient merchants, as defined by Section 2 of the Transient Merchant Act of 1987, may be required to make a daily report of the amount of such sales to the Department and to make a daily payment of the full amount of tax due. The Department shall impose this requirement when it finds that there is a significant risk of loss of revenue to the State at such an exhibition or event. Such a finding shall be based on evidence that a substantial number of concessionaires or other sellers who are not residents of Illinois will be engaging in the business of selling tangible personal property at retail at the exhibition or event, or other evidence of a significant risk of loss of revenue to the State. The Department shall notify concessionaires and other sellers affected by the imposition of this requirement. In the absence of notification by the Department, the concessionaires and other sellers shall file their returns as otherwise required in this Section.

(Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24, eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14; revised 9-9-13.)

Section 40. The Telecommunications Excise Tax Act is amended by changing Section 6 as follows: (35 ILCS 630/6) (from Ch. 120, par. 2006)

Sec. 6. Except as provided hereinafter in this Section, on or before the last day of each month, each retailer maintaining a place of business in this State shall make a return to the Department for the preceding calendar month, stating:

1. His name;
2. The address of his principal place of business, or the address of the principal place of business (if that is a different address) from which he engages in the business of transmitting telecommunications;
3. Total amount of gross charges billed by him during the preceding calendar month for providing telecommunications during such calendar month;
4. Total amount received by him during the preceding calendar month on credit extended;
5. Deductions allowed by law;
6. Gross charges which were billed by him during the preceding calendar month and upon the basis of which the tax is imposed;
7. Amount of tax (computed upon Item 6);
8. Such other reasonable information as the Department may require.

Any taxpayer required to make payments under this Section may make the payments by electronic funds transfer. The Department shall adopt rules necessary to effectuate a program of electronic funds transfer. Any taxpayer who has average monthly tax billings due to the Department under this Act and the Simplified Municipal Telecommunications Tax Act that exceed \$1,000 shall make all payments by electronic funds transfer as required by rules of the Department and shall file the return required by this Section by electronic means as required by rules of the Department.

If the retailer's average monthly tax billings due to the Department under this Act and the Simplified Municipal Telecommunications Tax Act do not exceed \$1,000, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 30 of such year; with the return for April, May and June of a given year being due by July 31st of such year; with the return for July, August and September of a given year being due by October 31st of such year; and with the return of October, November and December of a given year being due by January 31st of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax billings due to the Department under this Act and the Simplified Municipal Telecommunications Tax Act do not exceed \$400, the Department may authorize his or her return to be filed on an annual basis, with the return for a given year being due by January 31st of the following year.

Notwithstanding any other provision of this Article containing the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him

responsible for filing returns under this Article, such retailer shall file a final return under this Article with the Department not more than one month after discontinuing such business.

In making such return, the retailer shall determine the value of any consideration other than money received by him and he shall include such value in his return. Such determination shall be subject to review and revision by the Department in the manner hereinafter provided for the correction of returns.

Each retailer whose average monthly liability to the Department under this Article and the Simplified Municipal Telecommunications Tax Act was \$25,000 or more during the preceding calendar year, excluding the month of highest liability and the month of lowest liability in such calendar year, and who is not operated by a unit of local government, shall make estimated payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which tax collection liability to the Department is incurred in an amount not less than the lower of either 22.5% of the retailer's actual tax collections for the month or 25% of the retailer's actual tax collections for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final liability of the retailer's return for that month. Any outstanding credit, approved by the Department, arising from the retailer's overpayment of its final liability for any month may be applied to reduce the amount of any subsequent quarter monthly payment or credited against the final liability of the retailer's return for any subsequent month. If any quarter monthly payment is not paid at the time or in the amount required by this Section, the retailer shall be liable for penalty and interest on the difference between the minimum amount due as a payment and the amount of such payment actually and timely paid, except insofar as the retailer has previously made payments for that month to the Department in excess of the minimum payments previously due.

The retailer making the return herein provided for shall, at the time of making such return, pay to the Department the amount of tax herein imposed, less a discount of 1% which is allowed to reimburse the retailer for the expenses incurred in keeping records, billing the customer, preparing and filing returns, remitting the tax, and supplying data to the Department upon request. No discount may be claimed by a retailer on returns not timely filed and for taxes not timely remitted.

On and after the effective date of this Article of 1985, \$1,000,000 of the moneys received by the Department of Revenue pursuant to this Article, other than moneys received pursuant to the additional taxes imposed by Public Act 90-548:

(1) \$1,000,000 shall be paid each month into the Common School Fund;

(2) beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, an amount equal to 1/12 of 5% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department from the tax under this Act and the Simplified Municipal Telecommunications Tax Act shall be paid each month into the Tax Compliance and Administration Fund; those moneys shall be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue; and

(3) the remainder shall be deposited into the General Revenue Fund.

On and after February 1, 1998, however, of the moneys received by the Department of Revenue pursuant to the additional taxes imposed by Public Act 90-548, ~~this amendatory Act of 1997~~ one-half shall be deposited into the School Infrastructure Fund and one-half shall be deposited into the Common School Fund. On and after the effective date of this amendatory Act of the 91st General Assembly, if in any fiscal year the total of the moneys deposited into the School Infrastructure Fund under this Act is less than the total of the moneys deposited into that Fund from the additional taxes imposed by Public Act 90-548 during fiscal year 1999, then, as soon as possible after the close of the fiscal year, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the School Infrastructure Fund an amount equal to the difference between the fiscal year total deposits and the total amount deposited into the Fund in fiscal year 1999.

(Source: P.A. 91-541, eff. 8-13-99; 91-870, 6-22-00; 92-526, eff. 1-1-03.)

Section 45. The Telecommunications Infrastructure Maintenance Fee Act is amended by changing Section 25 as follows:

(35 ILCS 635/25)

Sec. 25. Collection, enforcement, and administration of State telecommunications infrastructure maintenance fees.

(a) A telecommunications retailer shall charge each customer an additional charge equal to the State infrastructure maintenance fee attributable to that customer's service address. Such additional charge shall be shown separately on the bill to each customer.

(b) The State infrastructure maintenance fee shall be designated as a replacement for the personal property tax and shall be remitted by the telecommunications retailer to the Department; provided,

[May 29, 2014]

however, that the telecommunications retailer may retain an amount not to exceed 2% of the State infrastructure maintenance fee paid to the Department, with a timely paid and timely filed return to reimburse itself for expenses incurred in collecting, accounting for, and remitting the fee.

Beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, an amount equal to 1/12 of 5% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department from the tax under this Act shall be paid each month into the Tax Compliance and Administration Fund to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue. All remaining amounts herein remitted to the Department shall be paid into ~~transferred to~~ the Personal Property Tax Replacement Fund in the State Treasury.
(Source: P.A. 92-526, eff. 1-1-03.)

Section 55. The Counties Code is amended by changing Section 5-1014.3 as follows:
(55 ILCS 5/5-1014.3)

Sec. 5-1014.3. Agreements to share or rebate occupation taxes.

(a) On and after June 1, 2004, a county board shall not enter into any agreement to share or rebate any portion of retailers' occupation taxes generated by retail sales of tangible personal property if: (1) the tax on those retail sales, absent the agreement, would have been paid to another unit of local government; and (2) the retailer maintains, within that other unit of local government, a retail location from which the tangible personal property is delivered to purchasers, or a warehouse from which the tangible personal property is delivered to purchasers. Any unit of local government denied retailers' occupation tax revenue because of an agreement that violates this Section may file an action in circuit court against only the county. Any agreement entered into prior to June 1, 2004 is not affected by this amendatory Act of the 93rd General Assembly. Any unit of local government that prevails in the circuit court action is entitled to damages in the amount of the tax revenue it was denied as a result of the agreement, statutory interest, costs, reasonable attorney's fees, and an amount equal to 50% of the tax.

(b) On and after the effective date of this amendatory Act of the 93rd General Assembly, a home rule unit shall not enter into any agreement prohibited by this Section. This Section is a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution.

(c) Any county that enters into an agreement to share or rebate any portion of retailers' occupation taxes generated by retail sales of tangible personal property must complete and submit a report by electronic filing to the Department of Revenue within 30 days after the execution of the agreement. Any county that has entered into such an agreement before the effective date of this amendatory Act of the 97th General Assembly that has not been terminated or expired as of the effective date of this amendatory Act of the 97th General Assembly shall submit a report with respect to the agreements within 90 days after the effective date of this amendatory Act of the 97th General Assembly.

Any agreement entered into after the effective date of this amendatory Act of the 98th General Assembly is not valid until the county entering into the agreement complies with the requirements set forth in this subsection. Any county that fails to comply with the requirements set forth in this subsection within 30 days after the execution of the agreement shall be responsible for paying to the Department of Revenue a delinquency penalty of \$20 per day for each day the county fails to submit a report by electronic filing to the Department of Revenue. A county that has previously failed to report an agreement in effect on the effective date of this subsection will begin to accrue a delinquency penalty for each day the agreement remains unreported beginning on the effective date of this subsection. The Department of Revenue may adopt rules to implement and administer these penalties.

(d) The report described in this Section shall be made on a form to be supplied by the Department of Revenue and shall contain the following:

- (1) the names of the county and the business entering into the agreement;
- (2) the location or locations of the business within the county;
- (3) a statement, to be answered in the affirmative or negative, as to whether or not the company maintains additional places of business in the State other than those described pursuant to paragraph (2);
- (4) the terms of the agreement, including (i) the manner in which the amount of any retailers' occupation tax to be shared, rebated, or refunded is to be determined each year for the duration of the agreement, (ii) the duration of the agreement, and (iii) the name of any business who is not a party to the agreement but who directly or indirectly receives a share, refund, or rebate of the retailers' occupation tax; and
- (5) a copy of the agreement to share or rebate any portion of retailers' occupation

taxes generated by retail sales of tangible personal property.

An updated report must be filed by the county within 30 days after the execution of any amendment made to an agreement.

Reports filed with the Department pursuant to this Section shall not constitute tax returns.

(e) The Department and the county shall redact the sales figures, the amount of sales tax collected, and the amount of sales tax rebated prior to disclosure of information contained in a report required by this Section or the Freedom of Information Act. The information redacted shall be exempt from the provisions of the Freedom of Information Act.

(f) All reports, except the copy of the agreement, required to be filed with the Department of Revenue pursuant to this Section shall be posted on the Department's website within 6 months after the effective date of this amendatory Act of the 97th General Assembly. The website shall be updated on a monthly basis to include newly received reports.

(Source: P.A. 97-976, eff. 1-1-13; 98-463, eff. 8-16-13.)

Section 60. The Illinois Municipal Code is amended by changing Section 8-11-21 as follows:
(65 ILCS 5/8-11-21)

Sec. 8-11-21. Agreements to share or rebate occupation taxes.

(a) On and after June 1, 2004, the corporate authorities of a municipality shall not enter into any agreement to share or rebate any portion of retailers' occupation taxes generated by retail sales of tangible personal property if: (1) the tax on those retail sales, absent the agreement, would have been paid to another unit of local government; and (2) the retailer maintains, within that other unit of local government, a retail location from which the tangible personal property is delivered to purchasers, or a warehouse from which the tangible personal property is delivered to purchasers. Any unit of local government denied retailers' occupation tax revenue because of an agreement that violates this Section may file an action in circuit court against only the municipality. Any agreement entered into prior to June 1, 2004 is not affected by this amendatory Act of the 93rd General Assembly. Any unit of local government that prevails in the circuit court action is entitled to damages in the amount of the tax revenue it was denied as a result of the agreement, statutory interest, costs, reasonable attorney's fees, and an amount equal to 50% of the tax.

(b) On and after the effective date of this amendatory Act of the 93rd General Assembly, a home rule unit shall not enter into any agreement prohibited by this Section. This Section is a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution.

(c) Any municipality that enters into an agreement to share or rebate any portion of retailers' occupation taxes generated by retail sales of tangible personal property must complete and submit a report by electronic filing to the Department of Revenue within 30 days after the execution of the agreement. Any municipality that has entered into such an agreement before the effective date of this amendatory Act of the 97th General Assembly that has not been terminated or expired as of the effective date of this amendatory Act of the 97th General Assembly shall submit a report with respect to the agreements within 90 days after the effective date of this amendatory Act of the 97th General Assembly.

Any agreement entered into on or after the effective date of this amendatory Act of the 98th General Assembly is not valid until the municipality entering into the agreement complies with the requirements set forth in this subsection. Any municipality that fails to comply with the requirements set forth in this subsection within the 30 days after the execution of the agreement shall be responsible for paying to the Department of Revenue a delinquency penalty of \$20 per day for each day the municipality fails to submit a report by electronic filing to the Department of Revenue. A municipality that has previously failed to report an agreement in effect on the effective date of this subsection will begin to accrue a delinquency penalty for each day the agreement remains unreported beginning on the effective date of this subsection. The Department of Revenue may adopt rules to implement and administer these penalties.

(d) The report described in this Section shall be made on a form to be supplied by the Department of Revenue and shall contain the following:

- (1) the names of the municipality and the business entering into the agreement;
- (2) the location or locations of the business within the municipality;
- (3) a statement, to be answered in the affirmative or negative, as to whether or not the company maintains additional places of business in the State other than those described pursuant to paragraph (2);
- (4) the terms of the agreement, including (i) the manner in which the amount of any retailers' occupation tax to be shared, rebated, or refunded is to be determined each year for the duration of the agreement, (ii) the duration of the agreement, and (iii) the name of any business who is not a party

to the agreement but who directly or indirectly receives a share, refund, or rebate of the retailers' occupation tax; and

(5) a copy of the agreement to share or rebate any portion of retailers' occupation taxes generated by retail sales of tangible personal property.

An updated report must be filed by the municipality within 30 days after the execution of any amendment made to an agreement.

Reports filed with the Department pursuant to this Section shall not constitute tax returns.

(e) The Department and the municipality shall redact the sales figures, the amount of sales tax collected, and the amount of sales tax rebated prior to disclosure of information contained in a report required by this Section or the Freedom of Information Act. The information redacted shall be exempt from the provisions of the Freedom of Information Act.

(f) All reports, except the copy of the agreement, required to be filed with the Department of Revenue pursuant to this Section shall be posted on the Department's website within 6 months after the effective date of this amendatory Act of the 97th General Assembly. The website shall be updated on a monthly basis to include newly received reports.

(Source: P.A. 97-976, eff. 1-1-13; 98-463, eff. 8-16-13.)"

Section 65. The Civic Center Code is amended by changing Section 245-12 as follows:

(70 ILCS 200/245-12)

Sec. 245-12. Use and occupation taxes.

(a) The Authority may adopt a resolution that authorizes a referendum on the question of whether the Authority shall be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax in one-quarter percent increments at a rate not to exceed 1%. The Authority shall certify the question to the proper election authorities who shall submit the question to the voters of the metropolitan area at the next regularly scheduled election in accordance with the general election law. The question shall be in substantially the following form:

"Shall the Salem Civic Center Authority be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax at the rate of (rate) for the sole purpose of obtaining funds for the support, construction, maintenance, or financing of a facility of the Authority?"

Votes shall be recorded as "yes" or "no". If a majority of all votes cast on the proposition are in favor of the proposition, the Authority is authorized to impose the tax.

(b) The Authority shall impose the retailers' occupation tax upon all persons engaged in the business of selling tangible personal property at retail in the metropolitan area, at the rate approved by referendum, on the gross receipts from the sales made in the course of such business within the metropolitan area. 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 Department of Revenue. The Department has full power to administer and enforce this Section: to collect all 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 tax or penalty hereunder. 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, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions therein other than the State rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except as to the disposition of taxes and penalties collected and provisions related to quarter monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 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 fully as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under this subsection may reimburse themselves for their seller'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 taxes that sellers are required to collect, 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 tax fund referenced under paragraph (g) of this Section.

If a tax is imposed under this subsection (b), a tax shall also be imposed at the same rate 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.

Nothing in this Section shall be construed to authorize the Authority 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 service occupation tax shall also be imposed at the same rate upon all persons engaged, in the metropolitan area, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the metropolitan area as an incident to a sale of service. 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 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 (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 metropolitan area), 2a, 2b, 3 through 3-55 (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), 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), 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 tax fund referenced under paragraph (g) 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 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 use tax shall also be imposed at the same rate upon the privilege of using, in the metropolitan area, any item of tangible personal property that is purchased outside the metropolitan area at retail from a retailer, and that is titled or registered at a location within the metropolitan area with an agency of this State's government. "Selling price" is defined as 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 area. The tax shall be collected by the Department of Revenue for the 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 has 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 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 the definition of "retailer maintaining a place of business in this State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a, 4, 6, 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 provisions relating to quarter monthly payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 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 subsection 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 tax fund referenced 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. 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) The results of any election authorizing a proposition to impose a tax under this Section or effecting a change in the rate of tax shall be certified by the proper election authorities and filed with the Illinois Department on or before the first day of April. In addition, an ordinance imposing, discontinuing, or effecting a change in the rate of tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before the first day of April. After proper receipt of such certifications, the Department shall proceed to administer and enforce this Section as of the first day of July next following such adoption and filing.

(g) The Department of Revenue shall, upon collecting any taxes and penalties as provided in this Section, pay the taxes and penalties over to the State Treasurer as trustee for the Authority. The taxes and penalties shall be held in a trust fund outside the State Treasury. On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the Authority, which shall be the balance in the fund, less any amount determined by the Department to be necessary for the payment of refunds. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the Authority, the Comptroller shall cause an order to be drawn for payment for the amount in accordance with the directions contained in the certification. Amounts received from the tax imposed under this Section shall be used only for the support, construction, maintenance, or financing of a facility of the Authority.

(h) When certifying the amount of a monthly disbursement to the Authority 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.

(i) This Section may be cited as the Salem Civic Center Use and Occupation Tax Law.

(Source: P.A. 90-328, eff. 1-1-98.)

Section 70. 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 provided 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), ~~2-12~~, 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, 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 99. Effective date. This Act takes effect upon becoming law."

AMENDMENT NO. 3 TO SENATE BILL 2612

AMENDMENT NO. 3. Amend Senate Bill 2612, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Department of Revenue Law of the Civil Administrative Code of Illinois is amended by changing Section 2505-190 and by adding Section 2505-755 as follows:

(20 ILCS 2505/2505-190) (was 20 ILCS 2505/39c-4)

Sec. 2505-190. Tax Compliance and Administration Fund.

(a) Amounts deposited into the Tax Compliance and Administration Fund, a special fund in the State treasury that is hereby created, must be appropriated to the Department to reimburse the Department for its costs of collecting, administering, and enforcing the tax laws that provide for deposits into the Fund.

(b) As soon as possible after July 1, 2015, and as soon as possible after each July 1 thereafter, the Director of the Department of Revenue shall certify the balance in the Tax Compliance and Administration

[May 29, 2014]

Fund as of July 1, less any amounts obligated, and the State Comptroller shall order transferred and the State Treasurer shall transfer from the Tax Compliance and Administration Fund to the General Revenue Fund the amount certified that exceeds \$2,500,000.

(Source: P.A. 91-239, eff. 1-1-00.)

(20 ILCS 2505/2505-755 new)

Sec. 2505-755. Use and Occupation Tax Reform Task Force.

(a) The Use and Occupation Tax Reform Task Force is hereby created. The Task Force shall consist of the following 13 members: the Speaker of the House of Representatives or his or her designee; the Minority Leader of the House of Representatives or his or her designee; the Senate President or his or her designee; the Senate Minority Leader or his or her designee; the Director of Revenue or his or her designee; the Executive Director of the Regional Transportation Authority or his or her designee; a representative of a statewide organization representing municipalities, appointed by the Governor; a representative of a statewide association representing taxpayers, appointed by the Governor; a representative of a statewide association representing manufacturers, appointed by the Governor; a representative of a statewide chamber of commerce, appointed by the Governor; a representative of a statewide association representing retail merchants, appointed by the Governor; a representative of a municipality, appointed by the Governor; and a representative of a county, appointed by the Governor.

(b) The Task Force shall conduct a study on modernizing State and local use and occupation taxes in Illinois, including the possible conversion to a destination-based taxing regime. The Task Force shall focus on the following areas: benefits to consumers and businesses; conversion costs; revenue impacts to local municipalities; and costs to the State to implement and enforce proposed changes.

(c) The members of the Task Force shall serve without compensation but shall be reimbursed for their reasonable and necessary expenses from funds appropriated for that purpose.

(d) The Task Force shall submit its findings to the General Assembly no later than January 1, 2016.

(e) The Department of Revenue shall provide administrative support to the Task Force.

(f) This Section is repealed on January 1, 2017.

Section 10. The State Finance Act is amended by changing Section 6z-17 as follows:

(30 ILCS 105/6z-17) (from Ch. 127, par. 142z-17)

Sec. 6z-17. State and Local Sales Tax Reform Fund.

(a) After deducting the amount transferred to the Tax Compliance and Administration Fund under subsection (b), of $\text{\textcircled{O}}$ the money paid into the State and Local Sales Tax Reform Fund: (i) subject to appropriation to the Department of Revenue, Municipalities having 1,000,000 or more inhabitants shall receive 20% and may expend such amount to fund and establish a program for developing and coordinating public and private resources targeted to meet the affordable housing needs of low-income and very low-income households within such municipality, (ii) 10% shall be transferred into the Regional Transportation Authority Occupation and Use Tax Replacement Fund, a special fund in the State treasury which is hereby created, (iii) until July 1, 2013, subject to appropriation to the Department of Transportation, the Madison County Mass Transit District shall receive .6%, and beginning on July 1, 2013, subject to appropriation to the Department of Revenue, 0.6% shall be distributed each month out of the Fund to the Madison County Mass Transit District, (iv) the following amounts, plus any cumulative deficiency in such transfers for prior months, shall be transferred monthly into the Build Illinois Fund and credited to the Build Illinois Bond Account therein:

Fiscal Year	Amount
1990	\$2,700,000
1991	1,850,000
1992	2,750,000
1993	2,950,000

From Fiscal Year 1994 through Fiscal Year 2025 the transfer shall total \$3,150,000 monthly, plus any cumulative deficiency in such transfers for prior months, and (v) the remainder of the money paid into the State and Local Sales Tax Reform Fund shall be transferred into the Local Government Distributive Fund and, except for municipalities with 1,000,000 or more inhabitants which shall receive no portion of such remainder, shall be distributed, subject to appropriation, in the manner provided by Section 2 of "An Act in relation to State revenue sharing with local government entities", approved July 31, 1969, as now or hereafter amended. Municipalities with more than 50,000 inhabitants according to the 1980 U.S. Census and located within the Metro East Mass Transit District receiving funds pursuant to provision (v) of this paragraph may expend such amounts to fund and establish a program for developing and coordinating public and private resources targeted to meet the affordable housing needs of low-income and very low-income households within such municipality.

[May 29, 2014]

(b) Beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month the Department of Revenue shall certify to the State Comptroller and the State Treasurer, and the State Comptroller shall order transferred and the State Treasurer shall transfer from the State and Local Sales Tax Reform Fund to the Tax Compliance and Administration Fund, an amount equal to 1/12 of 5% of 20% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department of Revenue under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department. The amount distributed under subsection (a) each month shall first be reduced by the amount transferred to the Tax Compliance and Administration Fund under this subsection (b). Moneys transferred to the Tax Compliance and Administration Fund under this subsection (b) shall be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue.

(Source: P.A. 98-44, eff. 6-28-13.)

Section 15. The Illinois Income Tax Act is amended by changing Section 901 as follows:

(35 ILCS 5/901) (from Ch. 120, par. 9-901)

Sec. 901. Collection Authority.

(a) In general.

The Department shall collect the taxes imposed by this Act. The Department shall collect certified past due child support amounts under Section 2505-650 of the Department of Revenue Law (20 ILCS 2505/2505-650). Except as provided in subsections (c), (e), (f), and (g) , and (h) of this Section, money collected pursuant to subsections (a) and (b) of Section 201 of this Act shall be paid into the General Revenue Fund in the State treasury; money collected pursuant to subsections (c) and (d) of Section 201 of this Act shall be paid into the Personal Property Tax Replacement Fund, a special fund in the State Treasury; and money collected under Section 2505-650 of the Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid into the Child Support Enforcement Trust Fund, a special fund outside the State Treasury, or to the State Disbursement Unit established under Section 10-26 of the Illinois Public Aid Code, as directed by the Department of Healthcare and Family Services.

(b) Local Government Distributive Fund.

Beginning August 1, 1969, and continuing through June 30, 1994, the Treasurer shall transfer each month from the General Revenue Fund to a special fund in the State treasury, to be known as the "Local Government Distributive Fund", an amount equal to 1/12 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1994, and continuing through June 30, 1995, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to 1/11 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1995 and continuing through January 31, 2011, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the net of (i) 1/10 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act during the preceding month (ii) minus, beginning July 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning July 1, 2004, zero. Beginning February 1, 2011, and continuing through January 31, 2015, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 6% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 5% individual income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 6.86% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 7% corporate income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning February 1, 2015 and continuing through January 31, 2025, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 8% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 3.75% individual income tax rate after 2014) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 9.14% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 5.25% corporate income tax rate after 2014) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning February 1, 2025, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 9.23% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 3.25% individual income tax rate after 2024) of the net revenue realized from the tax imposed by

[May 29, 2014]

subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 10% of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Net revenue realized for a month shall be defined as the revenue from the tax imposed by subsections (a) and (b) of Section 201 of this Act which is deposited in the General Revenue Fund, the Education Assistance Fund, the Income Tax Surcharge Local Government Distributive Fund, the Fund for the Advancement of Education, and the Commitment to Human Services Fund during the month minus the amount paid out of the General Revenue Fund in State warrants during that same month as refunds to taxpayers for overpayment of liability under the tax imposed by subsections (a) and (b) of Section 201 of this Act.

(c) Deposits Into Income Tax Refund Fund.

(1) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(1), (2), and (3), of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. The Department shall deposit 6% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999 through 2001, the Annual Percentage shall be 7.1%. For fiscal year 2003, the Annual Percentage shall be 8%. For fiscal year 2004, the Annual Percentage shall be 11.7%. Upon the effective date of this amendatory Act of the 93rd General Assembly, the Annual Percentage shall be 10% for fiscal year 2005. For fiscal year 2006, the Annual Percentage shall be 9.75%. For fiscal year 2007, the Annual Percentage shall be 9.75%. For fiscal year 2008, the Annual Percentage shall be 7.75%. For fiscal year 2009, the Annual Percentage shall be 9.75%. For fiscal year 2010, the Annual Percentage shall be 9.75%. For fiscal year 2011, the Annual Percentage shall be 8.75%. For fiscal year 2012, the Annual Percentage shall be 8.75%. For fiscal year 2013, the Annual Percentage shall be 9.75%. For fiscal year 2014, the Annual Percentage shall be 9.5%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, minus the amounts transferred into the Income Tax Refund Fund from the Tobacco Settlement Recovery Fund, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 7.6%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(2) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. The Department shall deposit 18% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999, 2000, and 2001, the Annual Percentage shall be 19%. For fiscal year 2003, the Annual Percentage shall be 27%. For fiscal year 2004, the Annual Percentage shall be 32%. Upon the effective date of this amendatory Act of the 93rd General Assembly, the Annual Percentage shall be 24% for fiscal year 2005. For fiscal year 2006, the Annual Percentage shall be 20%. For fiscal year 2007, the Annual Percentage shall be 17.5%. For fiscal year 2008, the Annual Percentage shall be 15.5%. For fiscal year 2009, the Annual Percentage shall be 17.5%. For fiscal year 2010, the Annual Percentage shall be 17.5%. For fiscal year 2011, the Annual Percentage shall be 17.5%. For fiscal year 2012, the Annual Percentage shall be 17.5%. For fiscal year 2013, the Annual Percentage shall be 14%. For fiscal year 2014, the Annual Percentage shall be 13.4%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 23%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(3) The Comptroller shall order transferred and the Treasurer shall transfer from the Tobacco Settlement Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000 in January, 2001, (ii) \$35,000,000 in January, 2002, and (iii) \$35,000,000 in January, 2003.
 (d) Expenditures from Income Tax Refund Fund.

(1) Beginning January 1, 1989, money in the Income Tax Refund Fund shall be expended exclusively for the purpose of paying refunds resulting from overpayment of tax liability under Section 201 of this Act, for paying rebates under Section 208.1 in the event that the amounts in the Homeowners' Tax Relief Fund are insufficient for that purpose, and for making transfers pursuant to this subsection (d).

(2) The Director shall order payment of refunds resulting from overpayment of tax liability under Section 201 of this Act from the Income Tax Refund Fund only to the extent that amounts collected pursuant to Section 201 of this Act and transfers pursuant to this subsection (d) and item (3) of subsection (c) have been deposited and retained in the Fund.

(3) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the Personal Property Tax Replacement Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year over the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year.

(4) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Personal Property Tax Replacement Fund to the Income Tax Refund Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year over the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year.

(4.5) As soon as possible after the end of fiscal year 1999 and of each fiscal year thereafter, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the General Revenue Fund any surplus remaining in the Income Tax Refund Fund as of the end of such fiscal year; excluding for fiscal years 2000, 2001, and 2002 amounts attributable to transfers under item (3) of subsection (c) less refunds resulting from the earned income tax credit.

(5) This Act shall constitute an irrevocable and continuing appropriation from the Income Tax Refund Fund for the purpose of paying refunds upon the order of the Director in accordance with the provisions of this Section.

(e) Deposits into the Education Assistance Fund and the Income Tax Surcharge Local Government Distributive Fund.

On July 1, 1991, and thereafter, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 7.3% into the Education Assistance Fund in the State Treasury. Beginning July 1, 1991, and continuing through January 31, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 3.0% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning February 1, 1993 and continuing through June 30, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 4.4% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning July 1, 1993, and continuing through June 30, 1994, of the amounts collected under subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 1.475% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury.

(f) Deposits into the Fund for the Advancement of Education. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act during the preceding month, minus deposits into the Income Tax Refund Fund, into the Fund for the Advancement of Education:

- (1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
- (2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (f) on or after the effective date of the reduction.

(g) Deposits into the Commitment to Human Services Fund. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act during the preceding month, minus deposits into the Income Tax Refund Fund, into the Commitment to Human Services Fund:

- (1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
- (2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (g) on or after the effective date of the reduction.

(h) Deposits into the Tax Compliance and Administration Fund. Beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department, an amount equal to 1/12 of 5% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department from the tax imposed by subsections (a), (b), (c), and (d) of Section 201 of this Act, net of deposits into the Income Tax Refund Fund made from those cash receipts.

(Source: P.A. 97-72, eff. 7-1-11; 97-732, eff. 6-30-12; 98-24, eff. 6-19-13.)

Section 20. The Use Tax Act is amended by changing Section 9 and 12 as follows:
(35 ILCS 105/9) (from Ch. 120, par. 439.9)

Sec. 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A retailer need not remit that part of any tax collected by him to the extent that he is required to remit and does remit the tax imposed by the Retailers' Occupation Tax Act, with respect to the sale of the same property.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the retailer, in collecting the tax (except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State), may collect for each tax return period, only the tax applicable to that part of the selling price actually received during such tax return period.

Except as provided in this Section, on or before the twentieth day of each calendar month, such retailer shall file a return for the preceding calendar month. Such return shall be filed on forms prescribed by the Department and shall furnish such information as the Department may reasonably require.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and

6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985, and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987, and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making

of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February, and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall

file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 3-55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

The transaction reporting return in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft and aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the date of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the tax that is imposed by this Act may be transmitted to the Department by way of the State agency with which, or State officer with whom, the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer, and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75%

discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Where a retailer collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the retailer refunds the selling price thereof to the purchaser, such retailer shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the retailer may deduct the amount of the tax so refunded by him to the purchaser from any other use tax which such retailer may be required to pay or remit to the Department, as shown by such return, if the amount of the tax to be deducted was previously remitted to the Department by such retailer. If the retailer has not previously remitted the amount of such tax to the Department, he is entitled to no deduction under this Act upon refunding such tax to the purchaser.

Any retailer filing a return under this Section shall also include (for the purpose of paying tax thereon) the total tax covered by such return upon the selling price of tangible personal property purchased by him at retail from a retailer, but as to which the tax imposed by this Act was not collected from the retailer filing such return, and such retailer shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable retailers, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the retailer has more than one business registered with the Department under separate registration under this Act, such retailer may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on 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.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury, 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are is now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act (CAA) Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act (CAA) Permit Fund under this Act and the Retailers' Occupation Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000

[May 29, 2014]

1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and
each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning

[May 29, 2014]

with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement. (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24, eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14; revised 9-9-13.)

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

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

(Source: P.A. 94-781, eff. 5-19-06; 94-1021, eff. 7-12-06; 95-331, eff. 8-21-07.)

Section 25. The Service Use Tax Act is amended by changing Section 9 and 12 as follows:

(35 ILCS 110/9) (from Ch. 120, par. 439.39)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A

serviceman need not remit that part of any tax collected by him to the extent that he is required to pay and does pay the tax imposed by the Service Occupation Tax Act with respect to his sale of service involving the incidental transfer by him of the same property.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable Rules and Regulations to be promulgated by the Department. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

If the serviceman is otherwise required to file a monthly return and if the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman is otherwise required to file a monthly or quarterly return and if the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

[May 29, 2014]

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Where a serviceman collects the tax with respect to the selling price of property which he sells and the purchaser thereafter returns such property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Use Tax, Service Occupation Tax, retailers' occupation tax or use tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

Any serviceman filing a return hereunder shall also include the total tax upon the selling price of tangible personal property purchased for use by him as an incident to a sale of service, and such serviceman shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Service Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registration hereunder, such serviceman shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Tax Reform Fund, a special fund in the State Treasury, the net revenue realized for the preceding month from the 1% tax on 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.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are ~~is~~ now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or

3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000

2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation

[May 29, 2014]

Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

(Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13; 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; revised 9-9-13.)

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

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

(Source: P.A. 94-781, eff. 5-19-06; 94-1021, eff. 7-12-06; 95-331, eff. 8-21-07.)

Section 30. The Service Occupation Tax Act is amended by changing Section 9 and 12 as follows:

(35 ILCS 115/9) (from Ch. 120, par. 439.109)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax at the time when he is required to file his return for the period during which such tax was collectible, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the serviceman, in collecting the tax may collect, for each tax return period, only the tax applicable to the part of the selling price actually received during such tax return period.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable rules and regulations to be promulgated by the Department of Revenue. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;

4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Prior to October 1, 2003, and on and after September 1, 2004 a serviceman may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Service Use Tax as provided in Section 3-70 of the Service Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-70 of the Service Use Tax Act. A Manufacturer's Purchase Credit certification, accepted prior to October 1, 2003 or on or after September 1, 2004 by a serviceman as provided in Section 3-70 of the Service Use Tax Act, may be used by that serviceman to satisfy Service Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchase Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

If the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Where a serviceman collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Occupation Tax, Service Use Tax, Retailers' Occupation Tax or Use Tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, the Use Tax Act or the Service Use Tax Act, to furnish all the return information required by all said Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registrations hereunder, such serviceman shall file separate returns for each registered business.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund the revenue realized for the preceding month from the 1% tax on 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.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that ~~are~~ is now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received

by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000

[May 29, 2014]

2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and
each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used

[May 29, 2014]

only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the taxpayer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the taxpayer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The taxpayer's annual return to the Department shall also disclose the cost of goods sold by the taxpayer during the year covered by such return, opening and closing inventories of such goods for such year, cost of goods used from stock or taken from stock and given away by the taxpayer during such year, pay roll information of the taxpayer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such taxpayer as hereinbefore provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The foregoing portion of this Section concerning the filing of an annual information return shall not apply to a serviceman who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, it shall be permissible for manufacturers, importers and wholesalers whose products are sold by numerous servicemen in Illinois, and who wish to do so, to assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the servicemen who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13; 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; revised 9-9-13.)

(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, ~~2-12~~, 2-54, 2a, 2b, 2c, 3 (except as to the disposition by the Department of the tax collected under this Act), 4 (except that the time limitation provisions shall run from the date when the tax is due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 7, 8, 9, 10, 11 and 12 of the "Retailers' Occupation Tax Act" which are not inconsistent with this Act, and Section 3-7 of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein. (Source: P.A. 94-781, eff. 5-19-06; 94-1021, eff. 7-12-06; 95-331, eff. 8-21-07.)

Section 35. The Retailers' Occupation Tax Act is amended by changing Section 3 and by adding Section 2-12 as follows:

(35 ILCS 120/2-12 new)

Sec. 2-12. Location where retailer is deemed to be engaged in the business of selling. The purpose of this Section is to specify where a retailer is deemed to be engaged in the business of selling tangible personal property for the purposes of this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, and for the purpose of collecting any other local retailers' occupation tax administered by the Department. This Section applies only with respect to the particular selling activities described in the following paragraphs. The provisions of this Section are not intended to, and shall not be interpreted to, affect where a retailer is deemed to be engaged in the business of selling with respect to any activity that is not specifically described in the following paragraphs.

(1) If a purchaser who is present at the retailer's place of business, having no prior commitment to the retailer, agrees to purchase and makes payment for tangible personal property at the retailer's place of business, then the transaction shall be deemed an over-the-counter sale occurring at the retailer's same place of business where the purchaser was present and made payment for that tangible personal property if the retailer regularly stocks the purchased tangible personal property or similar tangible personal property in the quantity, or similar quantity, for sale at the retailer's same place of business and then either (i) the purchaser takes possession of the tangible personal property at the same place of business or (ii) the retailer delivers or arranges for the tangible personal property to be delivered to the purchaser.

(2) If a purchaser, having no prior commitment to the retailer, agrees to purchase tangible personal property and makes payment over the phone, in writing, or via the Internet and takes possession of the tangible personal property at the retailer's place of business, then the sale shall be deemed to have occurred at the retailer's place of business where the purchaser takes possession of the property if the retailer regularly stocks the item or similar items in the quantity, or similar quantities, purchased by the purchaser.

(3) A retailer is deemed to be engaged in the business of selling food, beverages, or other tangible personal property through a vending machine at the location where the vending machine is located at the time the sale is made if (i) the vending machine is a device operated by coin, currency, credit card, token, coupon or similar device; (2) the food, beverage or other tangible personal property is contained within the vending machine and dispensed from the vending machine; and (3) the purchaser takes possession of the purchased food, beverage or other tangible personal property immediately.

(4) Minerals. A producer of coal or other mineral mined in Illinois is deemed to be engaged in the business of selling at the place where the coal or other mineral mined in Illinois is extracted from the earth. With respect to minerals (i) the term "extracted from the earth" means the location at which the coal or other mineral is extracted from the mouth of the mine, and (ii) a "mineral" includes not only coal, but also oil, sand, stone taken from a quarry, gravel and any other thing commonly regarded as a mineral and 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.

(35 ILCS 120/3) (from Ch. 120, par. 442)

Sec. 3. Except as provided in this Section, on or before the twentieth day of each calendar month, every person engaged in the business of selling tangible personal property at retail in this State during the preceding calendar month shall file a return with the Department, stating:

1. The name of the seller;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;
3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;
4. Total amount received by him during the preceding calendar month or quarter on charge and time sales of tangible personal property, and from services furnished, by him prior to the month or quarter for which the return is filed;
5. Deductions allowed by law;
6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;
7. The amount of credit provided in Section 2d of this Act;
8. The amount of tax due;
9. The signature of the taxpayer; and
10. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

[May 29, 2014]

Each return shall be accompanied by the statement of prepaid tax issued pursuant to Section 2e for which credit is claimed.

Prior to October 1, 2003, and on and after September 1, 2004 a retailer may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Use Tax as provided in Section 3-85 of the Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit certification, accepted by a retailer prior to October 1, 2003 and on and after September 1, 2004 as provided in Section 3-85 of the Use Tax Act, may be used by that retailer to satisfy Retailers' Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchaser Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due; and
6. Such other reasonable information as the Department may require.

Beginning on October 1, 2003, any person who is not a licensed distributor, importing distributor, or manufacturer, as defined in the Liquor Control Act of 1934, but is engaged in the business of selling, at retail, alcoholic liquor shall file a statement with the Department of Revenue, in a format and at a time prescribed by the Department, showing the total amount paid for alcoholic liquor purchased during the preceding month and such other information as is reasonably required by the Department. The Department may adopt rules to require that this statement be filed in an electronic or telephonic format. Such rules may provide for exceptions from the filing requirements of this paragraph. For the purposes of this paragraph, the term "alcoholic liquor" shall have the meaning prescribed in the Liquor Control Act of 1934.

Beginning on October 1, 2003, every distributor, importing distributor, and manufacturer of alcoholic liquor as defined in the Liquor Control Act of 1934, shall file a statement with the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term "electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

If a total amount of less than \$1 is payable, refundable or creditable, such amount shall be disregarded if it is less than 50 cents and shall be increased to \$1 if it is 50 cents or more.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has

an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Any amount which is required to be shown or reported on any return or other document under this Act shall, if such amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount in any case where the fractional part of a dollar is 50 cents or more, and decreased to the nearest whole-dollar amount where the fractional part of a dollar is less than 50 cents.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability with the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

Where the same person has more than one business registered with the Department under separate registrations under this Act, such person may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle retailer or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 2-5 of this Act, then that seller may report the transfer of all aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

Any retailer who sells only motor vehicles, watercraft, aircraft, or trailers that are required to be registered with an agency of this State, so that all retailers' occupation tax liability is required to be reported, and is reported, on such transaction reporting returns and who is not otherwise required to file

monthly or quarterly returns, need not file monthly or quarterly returns. However, those retailers shall be required to file returns on an annual basis.

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of The Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of The Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft or aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the day of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the Illinois use tax may be transmitted to the Department by way of the State agency with which, or State officer with whom the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a use tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of the tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Refunds made by the seller during the preceding return period to purchasers, on account of tangible personal property returned to the seller, shall be allowed as a deduction under subdivision 5 of his monthly or quarterly return, as the case may be, in case the seller had theretofore included the receipts from the sale of such tangible personal property in a return filed by him and had paid the tax imposed by this Act with respect to such receipts.

Where the seller is a corporation, the return filed on behalf of such corporation shall be signed by the president, vice-president, secretary or treasurer or by the properly accredited agent of such corporation.

Where the seller is a limited liability company, the return filed on behalf of the limited liability company shall be signed by a manager, member, or properly accredited agent of the limited liability company.

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters

(excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of \$25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to the effective date of this amendatory Act of 1985, each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is \$25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

The provisions of this paragraph apply on and after October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes that average in excess of \$20,000 per month during the preceding 4 complete calendar quarters shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which the liability is incurred. Each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of the quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than \$20,000. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or

the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

If a retailer of motor fuel is entitled to a credit under Section 2d of this Act which exceeds the taxpayer's liability to the Department under this Act for the month which the taxpayer is filing a return, the Department shall issue the taxpayer a credit memorandum for the excess.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund, a special fund in the State treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on 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.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund, a special fund in the State treasury which is hereby created, 4% of the net revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are is now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act (CAA) Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act (CAA) Permit Fund under this Act and the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to this Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and

Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as hereinafter defined), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; the "Annual Specified Amount" means the amounts specified below for fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000

[May 29, 2014]

2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility

[May 29, 2014]

certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from stock and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The provisions of this Section concerning the filing of an annual information return do not apply to a retailer who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

Any person who promotes, organizes, provides retail selling space for concessionaires or other types of sellers at the Illinois State Fair, DuQuoin State Fair, county fairs, local fairs, art shows, flea markets and

similar exhibitions or events, including any transient merchant as defined by Section 2 of the Transient Merchant Act of 1987, is required to file a report with the Department providing the name of the merchant's business, the name of the person or persons engaged in merchant's business, the permanent address and Illinois Retailers Occupation Tax Registration Number of the merchant, the dates and location of the event and other reasonable information that the Department may require. The report must be filed not later than the 20th day of the month next following the month during which the event with retail sales was held. Any person who fails to file a report required by this Section commits a business offense and is subject to a fine not to exceed \$250.

Any person engaged in the business of selling tangible personal property at retail as a concessionaire or other type of seller at the Illinois State Fair, county fairs, art shows, flea markets and similar exhibitions or events, or any transient merchants, as defined by Section 2 of the Transient Merchant Act of 1987, may be required to make a daily report of the amount of such sales to the Department and to make a daily payment of the full amount of tax due. The Department shall impose this requirement when it finds that there is a significant risk of loss of revenue to the State at such an exhibition or event. Such a finding shall be based on evidence that a substantial number of concessionaires or other sellers who are not residents of Illinois will be engaging in the business of selling tangible personal property at retail at the exhibition or event, or other evidence of a significant risk of loss of revenue to the State. The Department shall notify concessionaires and other sellers affected by the imposition of this requirement. In the absence of notification by the Department, the concessionaires and other sellers shall file their returns as otherwise required in this Section.

(Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24, eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14; revised 9-9-13.)

Section 40. The Telecommunications Excise Tax Act is amended by changing Section 6 as follows: (35 ILCS 630/6) (from Ch. 120, par. 2006)

Sec. 6. Except as provided hereinafter in this Section, on or before the last day of each month, each retailer maintaining a place of business in this State shall make a return to the Department for the preceding calendar month, stating:

1. His name;
2. The address of his principal place of business, or the address of the principal place of business (if that is a different address) from which he engages in the business of transmitting telecommunications;
3. Total amount of gross charges billed by him during the preceding calendar month for providing telecommunications during such calendar month;
4. Total amount received by him during the preceding calendar month on credit extended;
5. Deductions allowed by law;
6. Gross charges which were billed by him during the preceding calendar month and upon the basis of which the tax is imposed;
7. Amount of tax (computed upon Item 6);
8. Such other reasonable information as the Department may require.

Any taxpayer required to make payments under this Section may make the payments by electronic funds transfer. The Department shall adopt rules necessary to effectuate a program of electronic funds transfer. Any taxpayer who has average monthly tax billings due to the Department under this Act and the Simplified Municipal Telecommunications Tax Act that exceed \$1,000 shall make all payments by electronic funds transfer as required by rules of the Department and shall file the return required by this Section by electronic means as required by rules of the Department.

If the retailer's average monthly tax billings due to the Department under this Act and the Simplified Municipal Telecommunications Tax Act do not exceed \$1,000, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 30 of such year; with the return for April, May and June of a given year being due by July 31st of such year; with the return for July, August and September of a given year being due by October 31st of such year; and with the return of October, November and December of a given year being due by January 31st of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax billings due to the Department under this Act and the Simplified Municipal Telecommunications Tax Act do not exceed \$400, the Department may authorize his or her return to be filed on an annual basis, with the return for a given year being due by January 31st of the following year.

Notwithstanding any other provision of this Article containing the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him

responsible for filing returns under this Article, such retailer shall file a final return under this Article with the Department not more than one month after discontinuing such business.

In making such return, the retailer shall determine the value of any consideration other than money received by him and he shall include such value in his return. Such determination shall be subject to review and revision by the Department in the manner hereinafter provided for the correction of returns.

Each retailer whose average monthly liability to the Department under this Article and the Simplified Municipal Telecommunications Tax Act was \$25,000 or more during the preceding calendar year, excluding the month of highest liability and the month of lowest liability in such calendar year, and who is not operated by a unit of local government, shall make estimated payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which tax collection liability to the Department is incurred in an amount not less than the lower of either 22.5% of the retailer's actual tax collections for the month or 25% of the retailer's actual tax collections for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final liability of the retailer's return for that month. Any outstanding credit, approved by the Department, arising from the retailer's overpayment of its final liability for any month may be applied to reduce the amount of any subsequent quarter monthly payment or credited against the final liability of the retailer's return for any subsequent month. If any quarter monthly payment is not paid at the time or in the amount required by this Section, the retailer shall be liable for penalty and interest on the difference between the minimum amount due as a payment and the amount of such payment actually and timely paid, except insofar as the retailer has previously made payments for that month to the Department in excess of the minimum payments previously due.

The retailer making the return herein provided for shall, at the time of making such return, pay to the Department the amount of tax herein imposed, less a discount of 1% which is allowed to reimburse the retailer for the expenses incurred in keeping records, billing the customer, preparing and filing returns, remitting the tax, and supplying data to the Department upon request. No discount may be claimed by a retailer on returns not timely filed and for taxes not timely remitted.

On and after the effective date of this Article of 1985, \$1,000,000 of the moneys received by the Department of Revenue pursuant to this Article, other than moneys received pursuant to the additional taxes imposed by Public Act 90-548:

(1) \$1,000,000 shall be paid each month into the Common School Fund;

(2) beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, an amount equal to 1/12 of 5% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department from the tax under this Act and the Simplified Municipal Telecommunications Tax Act shall be paid each month into the Tax Compliance and Administration Fund; those moneys shall be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue; and

(3) the remainder shall be deposited into the General Revenue Fund.

On and after February 1, 1998, however, of the moneys received by the Department of Revenue pursuant to the additional taxes imposed by Public Act 90-548, ~~this amendatory Act of 1997~~ one-half shall be deposited into the School Infrastructure Fund and one-half shall be deposited into the Common School Fund. On and after the effective date of this amendatory Act of the 91st General Assembly, if in any fiscal year the total of the moneys deposited into the School Infrastructure Fund under this Act is less than the total of the moneys deposited into that Fund from the additional taxes imposed by Public Act 90-548 during fiscal year 1999, then, as soon as possible after the close of the fiscal year, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the School Infrastructure Fund an amount equal to the difference between the fiscal year total deposits and the total amount deposited into the Fund in fiscal year 1999.

(Source: P.A. 91-541, eff. 8-13-99; 91-870, 6-22-00; 92-526, eff. 1-1-03.)

Section 45. The Telecommunications Infrastructure Maintenance Fee Act is amended by changing Section 25 as follows:

(35 ILCS 635/25)

Sec. 25. Collection, enforcement, and administration of State telecommunications infrastructure maintenance fees.

(a) A telecommunications retailer shall charge each customer an additional charge equal to the State infrastructure maintenance fee attributable to that customer's service address. Such additional charge shall be shown separately on the bill to each customer.

(b) The State infrastructure maintenance fee shall be designated as a replacement for the personal property tax and shall be remitted by the telecommunications retailer to the Department; provided,

[May 29, 2014]

however, that the telecommunications retailer may retain an amount not to exceed 2% of the State infrastructure maintenance fee paid to the Department, with a timely paid and timely filed return to reimburse itself for expenses incurred in collecting, accounting for, and remitting the fee.

Beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, an amount equal to 1/12 of 5% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department from the tax under this Act shall be paid each month into the Tax Compliance and Administration Fund to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue. All remaining amounts herein remitted to the Department shall be paid into ~~transferred to~~ the Personal Property Tax Replacement Fund in the State Treasury.

(Source: P.A. 92-526, eff. 1-1-03.)

Section 55. The Counties Code is amended by changing Section 5-1014.3 as follows:
(55 ILCS 5/5-1014.3)

Sec. 5-1014.3. Agreements to share or rebate occupation taxes.

(a) On and after June 1, 2004, a county board shall not enter into any agreement to share or rebate any portion of retailers' occupation taxes generated by retail sales of tangible personal property if: (1) the tax on those retail sales, absent the agreement, would have been paid to another unit of local government; and (2) the retailer maintains, within that other unit of local government, a retail location from which the tangible personal property is delivered to purchasers, or a warehouse from which the tangible personal property is delivered to purchasers. Any unit of local government denied retailers' occupation tax revenue because of an agreement that violates this Section may file an action in circuit court against only the county. Any agreement entered into prior to June 1, 2004 is not affected by this amendatory Act of the 93rd General Assembly. Any unit of local government that prevails in the circuit court action is entitled to damages in the amount of the tax revenue it was denied as a result of the agreement, statutory interest, costs, reasonable attorney's fees, and an amount equal to 50% of the tax.

(b) On and after the effective date of this amendatory Act of the 93rd General Assembly, a home rule unit shall not enter into any agreement prohibited by this Section. This Section is a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution.

(c) Any county that enters into an agreement to share or rebate any portion of retailers' occupation taxes generated by retail sales of tangible personal property must complete and submit a report by electronic filing to the Department of Revenue within 30 days after the execution of the agreement. Any county that has entered into such an agreement before the effective date of this amendatory Act of the 97th General Assembly that has not been terminated or expired as of the effective date of this amendatory Act of the 97th General Assembly shall submit a report with respect to the agreements within 90 days after the effective date of this amendatory Act of the 97th General Assembly.

Any agreement entered into after the effective date of this amendatory Act of the 98th General Assembly is not valid until the county entering into the agreement complies with the requirements set forth in this subsection. Any county that fails to comply with the requirements set forth in this subsection within 30 days after the execution of the agreement shall be responsible for paying to the Department of Revenue a delinquency penalty of \$20 per day for each day the county fails to submit a report by electronic filing to the Department of Revenue. A county that has previously failed to report an agreement in effect on the effective date of this subsection will begin to accrue a delinquency penalty for each day the agreement remains unreported beginning on the effective date of this subsection. The Department of Revenue may adopt rules to implement and administer these penalties.

(d) The report described in this Section shall be made on a form to be supplied by the Department of Revenue and shall contain the following:

- (1) the names of the county and the business entering into the agreement;
- (2) the location or locations of the business within the county;
- (3) a statement, to be answered in the affirmative or negative, as to whether or not the company maintains additional places of business in the State other than those described pursuant to paragraph (2);
- (4) the terms of the agreement, including (i) the manner in which the amount of any retailers' occupation tax to be shared, rebated, or refunded is to be determined each year for the duration of the agreement, (ii) the duration of the agreement, and (iii) the name of any business who is not a party to the agreement but who directly or indirectly receives a share, refund, or rebate of the retailers' occupation tax; and
- (5) a copy of the agreement to share or rebate any portion of retailers' occupation

[May 29, 2014]

taxes generated by retail sales of tangible personal property.

An updated report must be filed by the county within 30 days after the execution of any amendment made to an agreement.

Reports filed with the Department pursuant to this Section shall not constitute tax returns.

(e) The Department and the county shall redact the sales figures, the amount of sales tax collected, and the amount of sales tax rebated prior to disclosure of information contained in a report required by this Section or the Freedom of Information Act. The information redacted shall be exempt from the provisions of the Freedom of Information Act.

(f) All reports, except the copy of the agreement, required to be filed with the Department of Revenue pursuant to this Section shall be posted on the Department's website within 6 months after the effective date of this amendatory Act of the 97th General Assembly. The website shall be updated on a monthly basis to include newly received reports.

(Source: P.A. 97-976, eff. 1-1-13; 98-463, eff. 8-16-13.)

Section 60. The Illinois Municipal Code is amended by changing Section 8-11-21 as follows:
(65 ILCS 5/8-11-21)

Sec. 8-11-21. Agreements to share or rebate occupation taxes.

(a) On and after June 1, 2004, the corporate authorities of a municipality shall not enter into any agreement to share or rebate any portion of retailers' occupation taxes generated by retail sales of tangible personal property if: (1) the tax on those retail sales, absent the agreement, would have been paid to another unit of local government; and (2) the retailer maintains, within that other unit of local government, a retail location from which the tangible personal property is delivered to purchasers, or a warehouse from which the tangible personal property is delivered to purchasers. Any unit of local government denied retailers' occupation tax revenue because of an agreement that violates this Section may file an action in circuit court against only the municipality. Any agreement entered into prior to June 1, 2004 is not affected by this amendatory Act of the 93rd General Assembly. Any unit of local government that prevails in the circuit court action is entitled to damages in the amount of the tax revenue it was denied as a result of the agreement, statutory interest, costs, reasonable attorney's fees, and an amount equal to 50% of the tax.

(b) On and after the effective date of this amendatory Act of the 93rd General Assembly, a home rule unit shall not enter into any agreement prohibited by this Section. This Section is a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution.

(c) Any municipality that enters into an agreement to share or rebate any portion of retailers' occupation taxes generated by retail sales of tangible personal property must complete and submit a report by electronic filing to the Department of Revenue within 30 days after the execution of the agreement. Any municipality that has entered into such an agreement before the effective date of this amendatory Act of the 97th General Assembly that has not been terminated or expired as of the effective date of this amendatory Act of the 97th General Assembly shall submit a report with respect to the agreements within 90 days after the effective date of this amendatory Act of the 97th General Assembly.

Any agreement entered into on or after the effective date of this amendatory Act of the 98th General Assembly is not valid until the municipality entering into the agreement complies with the requirements set forth in this subsection. Any municipality that fails to comply with the requirements set forth in this subsection within the 30 days after the execution of the agreement shall be responsible for paying to the Department of Revenue a delinquency penalty of \$20 per day for each day the municipality fails to submit a report by electronic filing to the Department of Revenue. A municipality that has previously failed to report an agreement in effect on the effective date of this subsection will begin to accrue a delinquency penalty for each day the agreement remains unreported beginning on the effective date of this subsection. The Department of Revenue may adopt rules to implement and administer these penalties.

(d) The report described in this Section shall be made on a form to be supplied by the Department of Revenue and shall contain the following:

(1) the names of the municipality and the business entering into the agreement;

(2) the location or locations of the business within the municipality;

(3) a statement, to be answered in the affirmative or negative, as to whether or not the company maintains additional places of business in the State other than those described pursuant to paragraph (2);

(4) the terms of the agreement, including (i) the manner in which the amount of any retailers' occupation tax to be shared, rebated, or refunded is to be determined each year for the duration of the agreement, (ii) the duration of the agreement, and (iii) the name of any business who is not a party

to the agreement but who directly or indirectly receives a share, refund, or rebate of the retailers' occupation tax; and

(5) a copy of the agreement to share or rebate any portion of retailers' occupation taxes generated by retail sales of tangible personal property.

An updated report must be filed by the municipality within 30 days after the execution of any amendment made to an agreement.

Reports filed with the Department pursuant to this Section shall not constitute tax returns.

(e) The Department and the municipality shall redact the sales figures, the amount of sales tax collected, and the amount of sales tax rebated prior to disclosure of information contained in a report required by this Section or the Freedom of Information Act. The information redacted shall be exempt from the provisions of the Freedom of Information Act.

(f) All reports, except the copy of the agreement, required to be filed with the Department of Revenue pursuant to this Section shall be posted on the Department's website within 6 months after the effective date of this amendatory Act of the 97th General Assembly. The website shall be updated on a monthly basis to include newly received reports.

(Source: P.A. 97-976, eff. 1-1-13; 98-463, eff. 8-16-13)."

Section 65. The Civic Center Code is amended by changing Section 245-12 as follows:

(70 ILCS 200/245-12)

Sec. 245-12. Use and occupation taxes.

(a) The Authority may adopt a resolution that authorizes a referendum on the question of whether the Authority shall be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax in one-quarter percent increments at a rate not to exceed 1%. The Authority shall certify the question to the proper election authorities who shall submit the question to the voters of the metropolitan area at the next regularly scheduled election in accordance with the general election law. The question shall be in substantially the following form:

"Shall the Salem Civic Center Authority be authorized to impose a retailers' occupation tax,

a service occupation tax, and a use tax at the rate of (rate) for the sole purpose of obtaining funds for the support, construction, maintenance, or financing of a facility of the Authority?"

Votes shall be recorded as "yes" or "no". If a majority of all votes cast on the proposition are in favor of the proposition, the Authority is authorized to impose the tax.

(b) The Authority shall impose the retailers' occupation tax upon all persons engaged in the business of selling tangible personal property at retail in the metropolitan area, at the rate approved by referendum, on the gross receipts from the sales made in the course of such business within the metropolitan area. 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 Department of Revenue. The Department has full power to administer and enforce this Section: to collect all 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 tax or penalty hereunder. 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, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions therein other than the State rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except as to the disposition of taxes and penalties collected and provisions related to quarter monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 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 fully as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under this subsection may reimburse themselves for their seller'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 taxes that sellers are required to collect, 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 tax fund referenced under paragraph (g) of this Section.

If a tax is imposed under this subsection (b), a tax shall also be imposed at the same rate 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.

Nothing in this Section shall be construed to authorize the Authority 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 service occupation tax shall also be imposed at the same rate upon all persons engaged, in the metropolitan area, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the metropolitan area as an incident to a sale of service. 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 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 (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 metropolitan area), 2a, 2b, 3 through 3-55 (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), 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), 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 tax fund referenced under paragraph (g) 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 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 use tax shall also be imposed at the same rate upon the privilege of using, in the metropolitan area, any item of tangible personal property that is purchased outside the metropolitan area at retail from a retailer, and that is titled or registered at a location within the metropolitan area with an agency of this State's government. "Selling price" is defined as 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 area. The tax shall be collected by the Department of Revenue for the 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 has 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 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 the definition of "retailer maintaining a place of business in this State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a, 4, 6, 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 provisions relating to quarter monthly payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 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 subsection 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 tax fund referenced 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. 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) The results of any election authorizing a proposition to impose a tax under this Section or effecting a change in the rate of tax shall be certified by the proper election authorities and filed with the Illinois Department on or before the first day of April. In addition, an ordinance imposing, discontinuing, or effecting a change in the rate of tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before the first day of April. After proper receipt of such certifications, the Department shall proceed to administer and enforce this Section as of the first day of July next following such adoption and filing.

(g) The Department of Revenue shall, upon collecting any taxes and penalties as provided in this Section, pay the taxes and penalties over to the State Treasurer as trustee for the Authority. The taxes and penalties shall be held in a trust fund outside the State Treasury. On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the Authority, which shall be the balance in the fund, less any amount determined by the Department to be necessary for the payment of refunds. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the Authority, the Comptroller shall cause an order to be drawn for payment for the amount in accordance with the directions contained in the certification. Amounts received from the tax imposed under this Section shall be used only for the support, construction, maintenance, or financing of a facility of the Authority.

(h) When certifying the amount of a monthly disbursement to the Authority 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.

(i) This Section may be cited as the Salem Civic Center Use and Occupation Tax Law.

(Source: P.A. 90-328, eff. 1-1-98.)

Section 70. 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

[May 29, 2014]

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 provided 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), ~~2-12~~, 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, 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 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 2612**, with House Amendments numbered 2 and 3, was referred to the Secretary's Desk.

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. 3125

A bill for AN ACT concerning safety.

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

House Amendment No. 2 to SENATE BILL NO. 3125

[May 29, 2014]

Passed the House, as amended, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 2 TO SENATE BILL 3125

AMENDMENT NO. 2. Amend Senate Bill 3125 by replacing everything after the enacting clause with the following:

"Section 5. The Carnival and Amusement Rides Safety Act is amended by changing Sections 2-1, 2-2, 2-3, 2-10, 2-15, 2-17, and 2-20 as follows:

(430 ILCS 85/2-1) (from Ch. 111 1/2, par. 4051)

Sec. 2-1. This Article shall be known and may be cited as the "Amusement Ride and Attraction Safety Act" "~~Carnival and Amusement Rides Safety Act~~".
(Source: P.A. 83-1240.)

(430 ILCS 85/2-2) (from Ch. 111 1/2, par. 4052)

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

1. "Director" means the Director of Labor or his or her designee.

2. "Department" means Department of Labor.

3. "Amusement attraction" means an enclosed building or structure, including electrical equipment which is an integral part of the building or structure, through which people walk without the aid of any moving device, that provides amusement, thrills or excitement at a fair, ~~or~~ carnival, ~~or an amusement enterprise~~, except any such enclosed building or structure which is subject to the jurisdiction of a local building code.

4. "Amusement ride" means:

(a) any mechanized device or combination of devices, including electrical equipment which is an integral part of the device or devices, which carries passengers along, around, or over a fixed or restricted course for the primary purpose of giving its passengers amusement, pleasure, thrills, or excitement;

(b) any ski lift, rope tow, or other device used to transport snow skiers;

(c) (blank);

(d) any dry slide over 20 feet in height, alpine slide, or toboggan slide;

(e) any tram, open car, or combination of open cars or wagons pulled by a tractor or other motorized device which is not licensed by the Secretary of State, which may, but does not necessarily follow a fixed or restricted course, and is used primarily for the purpose of giving its passengers amusement, pleasure, thrills or excitement, and for which an individual fee is charged or a donation accepted with the exception of hayrack rides;

(f) any bungee cord or similar elastic device; or

(g) any inflatable attraction.

5. "Carnival" or "amusement enterprise" means an enterprise which offers amusement or entertainment to the public by means of one or more amusement attractions or amusement rides.

6. "Fair" means an enterprise principally devoted to the exhibition of products of agriculture or industry in connection with which amusement rides or amusement attractions are operated.

7. "Operator" means a person, or the agent of a person, who owns or controls or has the duty to control the operation of an amusement ride or an amusement attraction at a carnival, amusement enterprise, or fair. "Operator" includes an agency of the State or any of its political subdivisions.

8. "Carnival worker" ~~or "amusement enterprise worker"~~ means a person who is employed (and is therefore not a volunteer) by a carnival, amusement enterprise, or fair to manage, physically operate, or assist in the operation of an amusement ride or amusement attraction when it is open to the public.

9. "Volunteer" means a person who operates or assists in the operation of an amusement ride or amusement attraction for an owner or operator without pay or lodging. An individual shall not be considered a volunteer if the individual is otherwise employed by the same owner or operator to perform the same type of service as those for which the individual proposes to volunteer.

10. "Inflatable attraction" means an amusement ride or device designed for use that may include, but not be limited to, bounce, climb, slide, or interactive play, which is made of flexible fabric, is kept inflated by continuous air flow by one or more blowers, and relies upon air pressure to maintain its shape.

(Source: P.A. 98-541, eff. 8-23-13.)

(430 ILCS 85/2-3) (from Ch. 111 1/2, par. 4053)

Sec. 2-3. There is hereby created the Amusement Ride and Attraction Safety Board ~~Carnival-Amusement Safety Board~~, hereafter in this Act referred to as the "Board", to consist of 9 members. One member shall

[May 29, 2014]

be the Director. Eight members shall be appointed by the Governor with the advice and consent of the Senate. The term of members shall be 4 years. Of the 8 appointed members of the Board, 2 shall be operators of amusement rides, 1 shall be a registered professional engineer, 1 shall represent the insurance industry, and 4 shall represent the general public. The Board shall advise the Department on carnival, amusement enterprise, and amusement safety matters.

(Source: P.A. 97-737, eff. 7-3-12.)

(430 ILCS 85/2-10) (from Ch. 111 1/2, par. 4060)

Sec. 2-10. No amusement ride or amusement attraction shall be operated at a carnival, amusement enterprise, or fair in this State without a permit having been issued by the Director to an operator of such equipment. At least 30 days prior to the first day of operation or the expiration of the permit, any person required to obtain a permit by this Act shall apply to the Director for a permit on a form furnished by the Director which form shall contain such information as the Director may require. The Director may waive the requirement that an application for a permit must be filed at least 30 days prior to the first day of operation or the expiration of the permit if the applicant gives satisfactory proof to the Director that he could not reasonably comply with the date requirement and if the applicant immediately applies for a permit after the need for a permit is first determined. For the purpose of determining if an amusement ride or amusement attraction is in safe operating condition and will provide protection to the public using such amusement ride or amusement attraction, each amusement ride or amusement attraction shall be inspected by the Director before it is initially placed in operation in this State, and shall thereafter be inspected at least once each year.

If, after inspection, an amusement ride or amusement attraction is found to comply with the rules adopted under this Act, the Director shall issue a permit for the operation of the amusement ride or amusement attraction. The permit shall be issued conditioned upon the payment of the permit fee and any applicable inspection fee at the time the application for permit to operate is filed with the Department and may be suspended as provided in the Department's rules.

If, after inspection, additions or alterations are contemplated which change a structure, mechanism, classification or capacity, the operator shall notify the Director of his intentions in writing and provide any plans or diagrams requested by the Director.

(Source: P.A. 96-151, eff. 8-7-09.)

(430 ILCS 85/2-15) (from Ch. 111 1/2, par. 4065)

Sec. 2-15. Penalties.

(a) Criminal penalties.

1. Any person who operates an amusement ride or amusement attraction at a carnival, amusement enterprise, or

fair without having obtained a permit from the Department or who violates any order or rule issued by the Department under this Act is guilty of a Class A misdemeanor. Each day shall constitute a separate and distinct offense.

2. Any person who interferes with, impedes, or obstructs in any manner the Director or any authorized representative of the Department in the performance of their duties under this Act is guilty of a Class A misdemeanor.

(b) Civil penalties. Unless otherwise provided in this Act, any person who operates an amusement ride or amusement attraction without having obtained a permit from the Department in violation of this Act is subject to a civil penalty not to exceed \$2,500 per violation for a first violation and not to exceed \$5,000 for a second or subsequent violation.

Prior to any determination, or the imposition of any civil penalty, under this subsection (b), the Department shall notify the operator in writing of the alleged violation. The Department shall afford the operator 10 working days after the date of the notice to request a hearing. Upon written request of the operator, the Department shall schedule a formal administrative hearing in compliance with Article 10 of the Illinois Administrative Procedure Act and the Department's rules of procedure in administrative hearings, except that formal discovery, such as production requests, interrogatories, requests to admit, and depositions shall not be allowed. The parties shall exchange documents and witness lists prior to hearing and may request third party subpoenas to be issued. The final determination by the Department of Labor shall be rendered within 5 working days after the conclusion of the hearing. Final determinations made under this Section are subject to the provisions of the Administrative Review Law. In determining the amount of a penalty, the Director may consider the appropriateness of the penalty to the person or entity charged, upon determination of the gravity of the violation. The penalties, when finally determined, may be recovered in a civil action brought by the Director of Labor in any circuit court. In this litigation, the Director of Labor shall be represented by the Attorney General.

(Source: P.A. 98-541, eff. 8-23-13; revised 11-15-13.)

[May 29, 2014]

(430 ILCS 85/2-17) (from Ch. 111 1/2, par. 4067)

Sec. 2-17. A municipality within its corporate limits and a county within unincorporated areas within its boundaries may inspect, license or regulate any amusement ride or amusement attraction operated at a carnival, amusement enterprise, or fair, provided that any safety standards or regulations implemented by a municipality or county in connection therewith shall be at least as stringent as those provided for in this Act and the rules and regulations adopted hereunder. Any municipality or county which inspects, licenses, or otherwise regulates amusement rides or amusement attractions may impose reasonable fees to cover the costs thereof.

(Source: P.A. 83-1240.)

(430 ILCS 85/2-20)

Sec. 2-20. Employment of carnival and amusement enterprise workers.

(a) Beginning on January 1, 2008, no person, firm, corporation, or other entity that owns or operates a carnival, amusement enterprise, or fair shall employ a carnival or amusement enterprise worker who (i) has been convicted of any offense set forth in Article 11 of the Criminal Code of 1961 or the Criminal Code of 2012, (ii) is a registered sex offender, as defined in the Sex Offender Registration Act, or (iii) has ever been convicted of any offense set forth in Article 9 of the Criminal Code of 1961 or the Criminal Code of 2012.

(b) A person, firm, corporation, or other entity that owns or operates a carnival, amusement enterprise, or fair must conduct a criminal history records check and perform a check of the National Sex Offender Public Registry for carnival or amusement enterprise workers at the time they are hired, and annually thereafter except if they are in the continued employ of the entity.

The criminal history records check performed under this subsection (b) shall be performed by the Illinois State Police, another State or federal law enforcement agency, or a business belonging to the National Association of Professional Background Check Screeners. Any criminal history checks performed by the Illinois State Police shall be pursuant to the Illinois Uniform Conviction Information Act.

Individuals who are under the age of 17 are exempt from the criminal history records check requirements set forth in this subsection (b).

(c) Any person, firm, corporation, or other entity that owns or operates a carnival, amusement enterprise, or fair must have a substance abuse policy in place for its workers, which shall include random drug testing of carnival or amusement enterprise workers.

(d) Any person, firm, corporation, or other entity that owns or operates a carnival, amusement enterprise, or fair that violates the provisions of subsection (a) of this Section or fails to conduct a criminal history records check or a sex offender registry check for carnival or amusement enterprise workers in its employ, as required by subsection (b) of this Section, shall be assessed a civil penalty in an amount not to exceed \$1,000 for a first offense, not to exceed \$5,000 for a second offense, and not to exceed \$15,000 for a third or subsequent offense. The collection of these penalties shall be enforced in a civil action brought by the Attorney General on behalf of the Department.

(e) A carnival, amusement enterprise, or fair owner is not responsible for:

(1) any personal information submitted by a carnival or amusement enterprise worker for criminal history

records check purposes; or

(2) any information provided by a third party for a criminal history records check or a sex offender registry check.

(f) Recordkeeping requirements. Any person, firm, corporation, or other entity that owns or operates a carnival, amusement enterprise, or fair subject to the provisions of this Act shall make, preserve, and make available to the Department, upon its request, all records that are required by this Act, including but not limited to a written substance abuse policy, evidence of the required criminal history records check and sex offender registry check, and any other information the Director may deem necessary and appropriate for enforcement of this Act.

(g) A carnival, amusement enterprise, or fair owner shall not be liable to any employee in carrying out the requirements of this Section.

(Source: P.A. 96-151, eff. 8-7-09; 97-1150, eff. 1-25-13.)"

Under the rules, the foregoing **Senate Bill No. 3125**, with House Amendment No. 2, was referred to the Secretary's Desk.

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

[May 29, 2014]

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 47

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 48

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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. 3794

A bill for AN ACT making appropriations.

HOUSE BILL NO. 4020

A bill for AN ACT concerning public aid.

Passed the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

The foregoing **House Bills Numbered 3794 and 4020** 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 concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5330

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5330

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5828

A bill for AN ACT concerning regulation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5828

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, Clerk:

[May 29, 2014]

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

HOUSE BILL 5853

A bill for AN ACT concerning State government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5853

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5922

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5922

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5925

A bill for AN ACT concerning health.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5925

Concurred in by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of 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 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. 97

WHEREAS, The Illinois Prescription Monitoring Program serves as a clinical tool to assist medical providers to better serve their patients while maximizing safety; the Program, in accordance with the enactment of Public Act 91-0576, began electronically collecting information on controlled substances dispensed in the State of Illinois on April 1, 2000; and

WHEREAS, The goal of the Illinois Prescription Monitoring Program is to assist prescribers and pharmacists in the effective treatment of patients seeking medical care, and the Illinois Prescription Monitoring Program website allows prescribers and pharmacists to view a current or prospective patient's prescription history; and

WHEREAS, The Illinois Prescription Monitoring Program has expanded its commitment to service and improved healthcare outcomes by helping prevent the misuse, abuse, and diversion of controlled substance medications; and

WHEREAS, The Illinois Prescription Monitoring Program is a component of and managed by the Illinois Department of Human Services and, through the services of the Illinois Prescription Monitoring

[May 29, 2014]

Program, has improved the ability to serve healthcare providers in augmenting the effectiveness of patient care while similarly successfully helping to reduce healthcare costs and dramatically improve patient safety; and

WHEREAS, The access to the Illinois Prescription Monitoring Program website is available to physicians, pharmacists, dentists, veterinarians, physician assistants, and advanced practice nurses, as well as other prescribers and dispensers; and

WHEREAS, Last year, the Illinois Prescription Monitoring Program collected 16.4 million prescription records; 22,000 prescribers and dispensers referred to its clinical data on a regular basis; and

WHEREAS, Illinois is a participating state in the evolving national program of Prescription Monitoring Program services through the National Association of Boards of Pharmacy to facilitate interstate sharing of data with other participating states on the "Interconnect"; and

WHEREAS, Using the Illinois Prescription Monitoring Program website is voluntary, free to registrants, provides fully functional availability for mobile devices, and is accessible 24 hours per day and 7 days a week to provide immediate access to patient prescription history; and

WHEREAS, The Illinois Prescription Monitoring Program is built on the foundation of improving healthcare outcomes while not denying information as needed to assist law enforcement and placing paramount priority on HIPAA privacy requirements; and

WHEREAS, The use of the Illinois Prescription Monitoring Program in the evaluation of a patient's controlled substance history is a tool for prescribers and dispensers to incorporate into their daily practice to prevent the accidental overdose or potential drug interactions; 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 month of June of 2014 as "Illinois Prescription Monitoring Program Month" in the State of Illinois.

Adopted by the House, May 29, 2014.

TIMOTHY D. MAPES, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 97 was referred to the Committee on Assignments.

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 3 to Senate Bill 2612

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 3794, sponsored by Senator Manar, was taken up, read by title a first time and referred to the Committee on Assignments.

House Bill No. 4020, sponsored by Senator Martinez, was taken up, read by title a first time and referred to the Committee on Assignments.

REPORTS FROM STANDING COMMITTEES

[May 29, 2014]

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

Motion to Concur in House Amendment 1 to Senate Bill 3405

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

Senator Hunter, Chairperson of the Committee on Human Services, to which was referred **House Bill No. 4665**, reported the same back with the recommendation that the bill do pass.

Under the rules, the bill was ordered to a second reading.

REPORTS FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its June 6, 2014 meeting, reported that the Committee recommends that **House Bill No. 3794** be re-referred to the Committee on Executive.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 29, 2014 meeting, to which was referred **House Bill No. 105** on August 9, 2013, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **House Bill No. 105** was returned to the order of third reading.

Senator Clayborne, Chairperson of the Committee on Assignments, during its June 6, 2014 meeting, reported the following Legislative Measure has been assigned to the indicated Standing Committee of the Senate:

Executive: **Senate Floor Amendment No. 2 to House Bill 105.**

At the hour of 7:25 o'clock p.m., the Chair announced the Senate stand adjourned until Friday, May 30, 2014, at 10:00 o'clock a.m.