SENATE JOURNAL

STATE OF ILLINOIS

ONE HUNDRED SECOND GENERAL ASSEMBLY

47TH LEGISLATIVE DAY

FRIDAY, MAY 21, 2021

12:11 O'CLOCK P.M.

NO. 47
[May 21, 2021]

SENATE
Daily Journal Index
47th Legislative Day

The Senate met pursuant to adjournment.
Senator Antonio Muñoz, Chicago, Illinois, presiding.
Silent prayer was observed by all members of the Senate.
Senator Bennett led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Thursday, May 20, 2021, be postponed, pending arrival of the printed Journal.
The motion prevailed.

MESSAGES FROM THE PRESIDENT

OFFICE OF THE SENATE PRESIDENT
DON HARMON
STATE OF ILLINOIS

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

160 N. LASALLE ST., STE. 720
CHICAGO, ILLINOIS 60601
312-814-2075

May 21, 2021

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

Dear Mr. Secretary:

Pursuant to the Senate Rule 2-10, I hereby extend the 3rd Reading deadline to May 31, 2021, for the following bills:

SB 0001	SB 0025	SB 0819
SB 0002	SB 0026	SB 0821
SB 0003	SB 0027	SB 0822
SB 0004	SB 0028	SB 0823
SB 0005	SB 0029	SB 0824
SB 0006	SB 0030	SB 0839
SB 0007	SB 0031	SB 0840
SB 0008	SB 0032	SB 0931
SB 0009	SB 0033	SB 0932
SB 0010	SB 0034	SB 0933
SB 0011	SB 0035	SB 0934
SB 0012	SB 0036	SB 0935
SB 0013	SB 0037	SB 0936
SB 0014	SB 0038	SB 0937
SB 0015	SB 0039	SB 0938
SB 0016	SB 0667	SB 0939
SB 0017	SB 0732	SB 0940
SB 0018	SB 0733	SB 1098
SB 0019	SB 0734	SB 1099
SB 0020	SB 0735	SB 1100
SB 0021	SB 0736	SB 1101
SB 0022	SB 0770	SB 1102
SB 0023	SB 0771	SB 1103
SB 0024	SB 0815	SB 1104

SB 1105	SB 1340	SB 1484
SB 1106	SB 1350	SB 1485
SB 1107	SB 1370	SB 1510
SB 1143	SB 1371	SB 1838
SB 1144	SB 1372	SB 2022
SB 1145	SB 1373	SB 2023
SB 1146	SB 1374	SB 2024
SB 1147	SB 1375	SB 2025
SB 1233	SB 1440	SB 2026
SB 1234	SB 1441	SB 2027
SB 1235	SB 1442	SB 2028
SB 1236	SB 1443	SB 2029
SB 1237	SB 1444	SB 2030
SB 1260	SB 1445	SB 2031
SB 1270	SB 1460	SB 2032
SB 1290	SB 1473	SB 2068
SB 1295	SB 1480	SB 2445
SB 1310	SB 1481	SB 2576
SB 1320	SB 1482	SB 2609
SB 1330	SB 1483	SB 2610

Sincerely,
s/Don Harmon
Don Harmon
Senate President

cc: Senate Republican Leader Dan McConchie

OFFICE OF THE SENATE PRESIDENT
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STATE OF ILLINOIS

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May 21, 2021

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

Dear Mr. Secretary:

Pursuant to the Senate Rule 2-10, I hereby extend the committee deadline to May 29, 2021 for the following bills:

HB 0017	HB 1954	HB 3138
HB 0026	HB 1975	HB 3173
HB 0132	HB 1976	HB 3205
HB 0220	HB 2380	HB 3260
HB 0292	HB 2401	HB 3280
HB 0307	HB 2431	HB 3308
HB 0355	HB 2567	HB 3416
HB 0370	HB 2590	HB 3443
HB 0394	HB 2620	HB 3445
HB 0453	HB 2621	HB 3452

HB 0640	HB 2628	HB 3490
HB 0684	HB 2755	HB 3498
HB 0721	HB 2766	HB 3573
HB 0731	HB 2770	HB 3582
HB 1711	HB 2778	HB 3662
HB 1724	HB 2789	HB 3666
HB 1737	HB 2863	HB 3697
HB 1738	HB 2870	HB 3699
HB 1839	HB 2878	HB 3714
HB 1855	HB 2908	HB 3743
HB 1879	HB 2947	HB 3882
HB 1931	HB 2987	HB 3886
HB 1950	HB 3100	HB 3934
HB 1953	HB 3136	

Pursuant to the Senate Rule 2-10, I hereby extend the committee deadline to May 29, 2021 and the 3rd Reading deadline to May 31st for the following bills:

SB 0052
SB 1712

Sincerely,
s/Don Harmon
Don Harmon
Senate President

cc: Senate Republican Leader Dan McConchie

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 310

Offered by Senator Barickman and all Senators:
Mourns the passing of Joseph Alexander "Joey" Hoopingarner.

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

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

SENATE RESOLUTION NO. 311

WHEREAS, All young adults who graduate from a public secondary or postsecondary school in this State should be able to: (1) demonstrate competence in managing their finances, (2) identify and avoid fraud, predatory financial practices, and identity theft, (3) navigate the terminology associated with on-boarding documents, including, but not limited to, tax documents, life insurance policies, health insurance plans, and retirement plan options, (4) understand the lending process and the importance of strong credit, (5) understand the basics of investing in the stock market, and (6) display an awareness of the cost and benefits of credit and compounding interest; therefore, be it

RESOLVED, BY THE SENATE OF THE ONE HUNDRED SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the Bank on Commission, housed in the Illinois Comptroller's Office, to develop recommendations for improving the financial capability of students enrolled in Illinois' public colleges and universities; and be it further

RESOLVED, That the Bank on Commission leadership is urged to select at least one member of the commission to lead a task force charged with identifying recommendations to improve the financial literacy outcomes of students enrolled in two and four year public colleges and universities in Illinois; and be it further

RESOLVED, That the task force should be composed of young adults, financial institutions, community-based organizations, practitioners, teachers, and professors who are encouraged to serve in an advisory capacity to the commission and may or may not be part of the larger Bank on Commission; and be it further

RESOLVED, That relevant state agencies, including the Illinois Board of Higher Education, the Illinois Student Assistance Commission, the Illinois State Board of Education, and the State Treasurer's Office, should fully cooperate in submitting needed information for the aforementioned task force to develop thorough, well-informed recommendations; and be it further

RESOLVED, That we urge the task force to complete its work and submit its recommendations to the Governor's Office and the General Assembly no later than December 31, 2022.

REPORT FROM STANDING COMMITTEE

Senator Murphy, Chair of the Committee on Executive Appointments, to which was referred **Appointment Messages Numbered 1010236, 1010238, 1010239, 1010244, 1010245, 1010248, 1010249, 1010250, 1010251, 1010253, 1010254, 1010257, 1010260, 1010264, 1010265, 1010266, 1010268, 1010269, 1010270, 1010272, 1010278, 1010279, 1010280, 1010281, 1010282, 1010283, 1010285, 1010286, 1010288, 1010291, 1010292, 1010293, 1010294, 1010297, 1010304, 1010306, 1010307, 1010309, 1010312, 1010313, 1010322, 1010323, 1010324, 1010325, 1010331, 1010332, 1010333, 1010334, 1010335, 1010336, 1010337, 1010338, 1010339, 1010340, 1010346, 1010348, 1010349, 1010351, 1010352, 1010353, 1010354, 1010358, 1010359, 1010360, 1010361, 1010362, 1010364, 1010366, 1010367, 1010370, 1010372, 1010374, 1010375, 1010376, 1010377, 1010378, 1010379, 1010381, 1010386, 1010390 and 1010395**, reported the same back with the recommendation that the Senate do recommend consent.

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

INTRODUCTION OF BILL

SENATE BILL NO. 2903. Introduced by Senator Hastings, a bill for AN ACT concerning identification.

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. Hollman, Clerk:

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

HOUSE BILL NO. 156

A bill for AN ACT concerning education.

Passed the House, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

The foregoing **House Bill No. 156** was taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Hollman, 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. 265

A bill for AN ACT concerning public aid.

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. 265

Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 265

AMENDMENT NO. 1 . Amend Senate Bill 265 on page 5, by replacing lines 17 through 22 with "The Supplemental Low-Income".

Under the rules, the foregoing **Senate Bill No. 265**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, 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. 340

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. 1 to SENATE BILL NO. 340

Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 340

AMENDMENT NO. 1 . Amend Senate Bill 340 on page 1, line 9, by replacing "December 31, 2031" with "December 31, 2024"; and

on page 1, by replacing lines 18 through 22 with the following:
"contribution, but not to exceed $500 per contributing employee per taxable year.".

Under the rules, the foregoing **Senate Bill No. 340**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, 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. 730

A bill for AN ACT concerning civil 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. 730

Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 730

AMENDMENT NO. 1 . Amend Senate Bill 730 by replacing everything after the enacting clause with the following:

"Article 1. General Provisions

Section 1-1. Short title. This Act may be cited as the Electronic Wills and Remote Witnesses Act.

Section 1-5. Purpose. The purpose of this Act is to provide for: (1) the valid execution, attestation, self-proving, and probate of electronic wills, paper copies of electronic wills, and wills attested to by witnesses through audio-video communication; and (2) the valid execution, attestation, and witnessing of documents, other than wills, through audio-video communication.

Section 1-10. Applicability. Any document executed under this Act is executed in this State; however, executing a document under this Act does not automatically confer jurisdiction in the courts of this State.

Section 1-15. Relation to Probate Act of 1975 and common law. All electronic wills, paper copies of electronic wills, and wills attested to under this Act are subject to all requirements of the Probate Act of 1975 and the common law, but to the extent the common law or any provision of the Probate Act of 1975 conflicts with or is modified by this Act, the requirements of this Act control.

Section 1-20. Definitions. As used in this Act:

"Audio-video communication" means communication by which a person can hear, see, and communicate with another person in real time using electronic means. A person's visual or hearing impairment does not prohibit or limit that person's use of audio-visual communication under this Act.

"Electronic record" means a record generated, communicated, received, or stored by electronic means for use in an information system or for transmission from one information system to another.

"Electronic signature" means a signature in electronic form that uses a security procedure under the Electronic Commerce Security Act and attached to or logically associated with an electronic record.

"Electronic will" is a will that is created and maintained as a tamper-evident electronic record.

"Identity proofing" means a process or service through which a third person affirms the identity of an individual through a review of personal information from public and proprietary data sources, including: (1) by means of dynamic knowledge-based authentication, including a review of personal information from public or proprietary data sources; or (2) by means of an analysis of biometric data, including, but not limited to, facial recognition, voiceprint analysis, or fingerprint analysis.

"Paper copy" means a tamper-evident electronic record that is printed and contains the following: (1) the text of the document; (2) the electronic signature of the signer; (3) a readable copy of the evidence of any changes displayed in the electronic record; and (4) any exhibits, attestation clauses, affidavits, or other items forming a part of the document or contained in the electronic record.

"Paper document" means a document that is written or printed on paper.

"Physical presence" means being in the same physical location as another person and close enough to see and know the other person is signing a document.

"Presence" includes: (1) physical presence; or (2) being in a different physical location from another person, but able, using audio-video communication, to know the person is signing a document in real time.

"Remote witness" means a person attesting to a document who is in the presence of the signer or testator through audio-video communication.

"Rule of law" means any statute, ordinance, common law rule, court decision, or other rule of law enacted, established, or promulgated by this State or any agency, commission, department, court, other authority, or political subdivision of this State.

"Signature" includes an electronic signature and an ink signature.

"Tamper-evident" means a feature of an electronic record by which any change to the electronic record is displayed.

Article 5. Electronic Wills

Section 5-5. Signing electronic wills.

(a) To be valid under this Act, an electronic will shall be executed by the testator or by some person in the testator's presence and at the testator's direction, and attested to in the testator's presence by 2 or more credible witnesses.

(b) The testator may sign the electronic will with the testator's electronic signature or may direct another person in the presence of the testator to sign the electronic will. A person signing at the testator's direction shall not be an attesting witness, a person receiving a beneficial legacy or interest under the will, or the spouse or child of a person receiving a beneficial legacy or interest under the will.

(c) Each witness shall sign the electronic will with an electronic signature in the presence of the testator after seeing the testator sign, seeing the testator direct another person in the testator's presence to sign, or seeing the testator acknowledge the signature as the testator's act.

(d) If the will is attested to by a remote witness, the requirements for an attestation by a remote witness under Section 15-10 also apply.

Section 5-10. Revocation.

(a) An electronic will may be revoked in the following ways:

(1) execution of a later will declaring the revocation;

(2) execution of a later will to the extent that it is inconsistent with the prior will; or

(3) execution of a written instrument by the testator declaring the revocation.

(b) If there is evidence that a testator signed an electronic will and neither an electronic will nor a certified paper copy of the electronic will can be located after a testator's death, there is a presumption that the testator revoked the electronic will even if no instrument or later will revoking the electronic will can be located.

Section 5-15. Digital assets and electronic commerce.

(a) At any time during the administration of the estate without further notice or, if there is no grant of administration, upon such notice and in such a manner as the court directs, the court may issue an order under the Revised Uniform Fiduciary Access to Digital Assets Act (2015) for a custodian of an account held under a terms-of-service agreement to disclose digital assets for the purposes of obtaining an electronic will from a deceased user's account. If there is no grant of administration at the time the court issues the order, the court's order shall grant disclosure to the petitioner who is deemed a personal representative under the Revised Uniform Fiduciary Access to Digital Assets Act (2015).

(b) Except as specified in this Act, the Electronic Commerce Security Act does not apply to the execution or revocation of an electronic will.

Article 10. Certified Paper Copies

Section 10-5. Certified paper copy. Where a rule of law requires information to be presented or retained in its original form, or provides consequences for the information not being presented or retained in its original form, that rule of law is satisfied by a certified paper copy of the electronic record.

Section 10-10. Creation of a certified paper copy.

(a) A certified paper copy is a paper copy of an electronic record that has been certified by the person who converts the electronic record to a paper copy.

(b) The person certifying a paper copy shall state the following:

(1) the date that the person prepared the paper copy;

(2) the name of the person who prepared the paper copy;

(3) the date that the person who prepared the paper copy came into possession of the electronic record;

(4) a description of how the person who prepared the paper copy came into possession of the electronic record;

(5) confirmation that the paper copy is a complete and correct copy of the electronic record; and

(6) confirmation that the electronic record is a tamper-evident electronic record.

(c) The statements by a person who prepares a certified paper copy shall be made by:

(1) testimony before the court;

(2) a written statement certified under Section 1-109 of the Code of Civil Procedure attached to the paper copy; or

(3) an affidavit attached to the paper copy.

(d) A certified paper copy of a tamper-evident electronic record, other than an electronic will, may be created any time after the signer signs the electronic record under the Electronic Commerce Security Act.

(e) A certified paper copy of an electronic will may be created any time after the testator signs the electronic will or directs another person in the testator's presence to sign the electronic will.

Section 10-15. Witnessing a certified paper copy.

(a) A certified paper copy of an electronic record may be witnessed after it is prepared. The witness shall be in the signer's presence when the signer acknowledges the electronic signature as the signer's act.

(b) If an electronic will is not attested to by 2 or more credible witnesses, a certified paper copy of the electronic will may be attested to by witnesses in the testator's presence after the testator acknowledges the electronic signature as the testator's act.

Article 15. Remote Witnesses

Section 15-5. Remote witness for document other than a will.

(a) A person may witness any document, other than a will, using audio-video communication between the individual signing the document and the witness. The signatures may be contained in a single document or the document may be signed in counterparts. The counterparts of a document may be electronic records, paper copies, or any combination thereof.

(b) During the audio-video communication:

(1) the witness shall determine the identity of the signer;

(2) the signer of the document shall sign the document; if the document is an electronic record, it shall be a tamper-evident electronic record; and

(3) the witness shall sign the document previously signed or acknowledged by the signer, or if signed in counterparts, a separate witness's signature page of the document.

(c) If the witness is signing a document in counterparts, then the witness's signed signature page or a copy of the same shall be attached to the document within 10 business days of the signing and before the signer's death or incapacity. The document becomes effective when the witness's signed signature page or a copy of the same is attached to the document.

Section 15-10. Remote attestation for will.

(a) To be valid under this Act, a will attested to through audio-video communication shall designate this State as its place of execution, be signed by the testator or by some person at the testator's direction and in the testator's presence, and be attested to in the presence of the testator by 2 or more credible witnesses who are located in the United States at the time of the attestation.

(b) The will being attested to by audio-video communication may be an electronic will, a paper copy of an electronic will, or a paper document. An electronic will being attested to shall be a single document containing all the signature pages, attestation clauses, and affidavits forming a part of the will. A will that is a paper copy of an electronic will or a paper document may have separate signature pages, attestation clauses, or affidavits that are electronic records or paper documents. Separate signature pages, attestation clauses, or affidavits may be distributed to the witness before the audio-video communication.

(c) The testator shall sign the will or direct a person in the testator's presence to sign. A person signing at the testator's direction shall not be an attesting witness, a person receiving a beneficial legacy or interest under the will, or the spouse or child of a person receiving a beneficial legacy or interest under the will.

(d) During an audio-video communication:

(1) the witness shall determine the testator's identity;

(2) the testator shall sign the will, direct another person in the testator's presence to sign the will, or acknowledge the signature as the testator's act; and

(3) the witness shall attest to the will in the testator's presence.

(e) If the will consists of separate signature pages, attestation clauses, or affidavits forming a part of the will, the testator or a person appointed by the testator shall attach the witness's signed signature page, attestation clause, or affidavit forming a part of the will or a copy of the same to the paper document containing the testator's signature or a paper copy of the electronic will within 10 business days of the attestation.

Section 15-15. Determining a signer's or testator's identity. A witness shall determine a signer's or testator's identity by one or more of the following methods:

(1) personal knowledge;

(2) a government-issued identification;

(3) another form of identification that includes a photograph of the holder; or

(4) identity proofing.

Section 15-20. Remote witnessing and notarization during the COVID-19 emergency declaration.

(a) The purpose of this Section is to give statutory approval to the notary and witness guidelines provided in Executive Order 2020-14.

(b) Notwithstanding any provision of law or rule, effective March 26, 2020 and ending 30 days after the expiration of the Governor's emergency declaration regarding COVID-19, a notarial act or an act of witnessing, including when a person must "appear before", act "in the presence of", or any variation thereof, may be performed through means of 2-way audio-video communication technology that allows for direct contemporaneous interaction by sight and sound between the individual signing the document, the witness, and the notary public.

(c) A notarial act satisfies the "appearing before" requirement under Section 6-102 of the Illinois Notary Public Act if the notary public performs a remote notarization via 2-way audio-video communication technology, if the notary public commissioned in this State is physically within the State while performing the notarial act and the transaction follows any guidance or rules provided by the Secretary of State in existence on the date of notarization.

(d) An act of witnessing and the technology used in the audio-video communication shall substantially comply with the following process:

(1) the 2-way audio-video communication shall be recorded and preserved by the signatory or the signatory's designee for a period of at least 3 years;

(2) the signatory shall attest to being physically located in the State during the 2-way audio-video communication;

(3) the witness shall attest to being physically located in the State during the 2-way audio-video communication;

(4) the signatory shall affirmatively state on the 2-way audio-video communication what document the signatory is signing;

(5) each page of the document being witnessed shall be shown to the witness on the 2-way audio-video communication technology in a means clearly legible to the witness;

(6) the act of signing shall be captured sufficiently up close on the 2-way audio-video communication for the witness to observe;

(7) the signatory shall transmit by overnight mail, fax, electronic, or other means a legible copy of the entire signed document directly to the witness no later than the day after the document is signed;

(8) the witness shall sign the transmitted copy of the document as a witness and transmit the signed copy of the document back via overnight mail, fax, electronic, or other means to the signatory within 24 hours of receipt; and

(9) if necessary, the witness may sign the original signed document as of the date of the original execution by the signatory if the witness receives the original signed document together with the electronically witnessed copy within 30 days from the date of the remote witnessing.

(e) The prohibition on electronic signatures on certain documents in subsection (c) of Section 120 of the Electronic Commerce Security Act remains in full effect.

(f) Notwithstanding any law or rule of this State to the contrary, absent an express prohibition in a document against signing in counterparts, all legal documents, including, but not limited to, deeds, last wills and testaments, trusts, durable powers of attorney for property, and powers of attorney for health care, may be signed in counterparts by the witnesses and the signatory. A notary public shall be presented with a fax or electronic copy of the document signature pages showing the witness signatures on the same date the document is signed by the signatory if the notary public is being asked to certify to the appearance of the witnesses to a document.

(g) Any technology issues that may occur do not impact the validity or effect of any instrument or document signed under this Section. As used in this Section, "technology issues" include, but are not limited to, problems with the Internet connection, user error related to the use of technology, the file containing a recorded act becoming corrupted, or other temporary malfunctions involving the technology used in an act of witnessing or a notarial act.

Article 20. Admission of Wills to Probate

Section 20-5. Electronic will. In addition to the requirements of Section 6-2 of the Probate Act of 1975, the petitioner shall state in the petition to have an electronic will admitted to probate that the

electronic will is a tamper-evident electronic record and it has not been altered apart from the electronic signatures and other information that arises in the normal course of communication, storage, and display.

Section 20-10. Admission of paper copy of electronic will. Before being admitted to probate, a paper copy of an electronic will shall be:

(1) certified under Section 10-10; or

(2) supported by sufficient evidence to overcome the presumption under subsection (b) of Section 5-10 that the testator revoked the electronic will.

Section 20-15. Admission of wills attested to by witnesses who are physically present. An electronic will or paper copy of an electronic will attested to by witnesses who are all in the testator's physical presence at the time of attestation shall be sufficiently proved under Section 6-4 of the Probate Act of 1975 to be admitted to probate.

Section 20-20. Admission of wills attested to by a remote witness.

(a) A will, other than a will signed under Section 15-20, attested to by one or more remote witnesses is sufficiently proved to be admitted to probate when each of at least 2 of the attesting witnesses make the statements described in subsection (b), and if the testator appointed a person to attach any separate signature pages, attestation clauses, or affidavits forming a part of a paper copy of an electronic will or paper document, each appointed person, other than the testator, makes the statements described in subsection (d).

(b) Each attesting witness shall state that:

(1) the attesting witness was present and saw the testator or some person in the testator's presence and by the testator's direction sign the will in the presence of the witness or the testator acknowledged it to the witness as the testator's act;

(2) the will was attested to by the witness in the presence of the testator;

(3) the witness believed the testator to be of sound mind and memory at the time of signing or acknowledging the will; and

(4) if the attesting witness is a remote witness, the method used to determine the testator's identity.

(c) The statements of an attesting witness under subsection (b) may be made by:

(1) testimony before the court;

(2) an attestation clause signed by the witness and attached to the will within 10 business days of the execution;

(3) an affidavit that is signed by the witness at the time of attestation and is attached to the will within 10 business days; or

(4) an affidavit that is signed after the time of attestation and is attached to an accurate copy of the will.

(d) Any person appointed by the testator to attach to the will the witnesses' signed signature pages, attestation clauses, or affidavits forming a part of the will or copies of the same shall state:

(1) that the signed signature pages, attestation clauses, or affidavits forming a part of the will or copies of the same were attached within 10 business days of each witness's attestation;

(2) that the person attached the signed signature pages, attestation clauses, or affidavits forming a part of the will or copies of the same to the testator's complete and correct will; and

(3) if the signed signature pages, attestation clauses, or affidavits forming a part of the will were signed as electronic records, the statements required to certify the paper copies of the electronic records under Section 10-10.

(e) The statements under subsection (d) by any person, other than the testator, attaching the attesting witnesses signature pages, attestation clauses, affidavits, or copies of the same may be made by:

(1) testimony before the court;

(2) a written statement certified under Section 1-109 of the Code of Civil Procedure that is signed and attached to the will when attaching the signature pages, attestation clauses, affidavits of the witnesses, or copies of the same; or

(3) an affidavit signed at or after the time of attaching the signature pages, attestation clauses, affidavits of the witnesses, or copies of the same and attached to the will or an accurate copy of the will.

Section 20-25. Admission of a will signed during the COVID-19 emergency declaration. A will attested to by a remote witness under Section 15-20 is sufficiently proved to be admitted to probate when each of at least 2 attesting witnesses:

(1) sign an attestation clause or affidavit substantially complying with the statements required under subsection (a) of Section 6-4 of the Probate Act of 1975 within 48 hours of the act of witnessing, and the attestation clause, affidavit, or a copy of the same is attached to the will signed by the testator or an accurate copy of the will;

(2) sign an attestation clause or affidavit at or after the act of witnessing that is attached to the will or an accurate copy of the will stating the testator and remote witness to the will substantially complied with Section 15-20 and the remote witness believed the testator to be of sound mind and memory at the time of the signing; or

(3) testify in court that the testator and remote witness substantially complied with Section 15-20 and that the remote witness believed the testator to be of sound mind and memory at the time of the signing.

Section 20-30. Evidence of fraud, forgery, compulsion, or other improper conduct. Nothing in this Article prohibits any party from introducing evidence of fraud, forgery, compulsion, or other improper conduct that in the opinion of the court is deemed sufficient to invalidate the will when being admitted. The proponent may also introduce any other evidence competent to establish the validity of a will. If the proponent establishes the validity of the will by sufficient competent evidence, it shall be admitted to probate unless there is proof of fraud, forgery, compulsion, or other improper conduct that in the opinion of the court is deemed sufficient to invalidate the will.

Section 20-35. Formal proof of will with remote witness under Section 20-20. If a will has been admitted to probate under Section 20-20 before notice, any person entitled to notice under Section 6-10 of the Probate Act of 1975 may file a petition within 42 days after the effective date of the original order admitting the will to probate to require proof of the will, pursuant to this Section. The court shall set the matter for hearing upon such notice to interested persons as the court directs. At the hearing, the proponent shall establish the will by testimony of the relevant parties as provided in paragraph (1) of subsection (c) of Section 10-10, paragraph (1) of subsection (c) of Section 20-20, or paragraph (1) of subsection (e) of Section 20-20 or deposition of the relevant parties following the procedures in Section 6-5 of the Probate Act of 1975 or other evidence as provided in the Probate Act of 1975, but not as provided by paragraph (2) or (3) of subsection (c) of Section 10-10, paragraph (2) or (3) of subsection (c) of Section 20-20, or paragraph (2) or (3) of subsection (e) of Section 20-20, as if the will had not originally been admitted to probate. If the proponent establishes the will by sufficient competent evidence, the original order admitting it to probate and the original order appointing the representative shall be confirmed and effective as to all persons, including creditors, as of the dates of their entries, unless there is proof of fraud, forgery, compulsion, or other improper conduct that in the opinion of the court is sufficient to invalidate or destroy the will. The time for filing a petition to contest a will under Section 8-1 of the Probate Act of 1975 is not extended by the filing of the petition under this Section if the order admitting the will to probate is confirmed, but if that order is vacated, the time for filing the petition under Section 8-2 of the Probate Act of 1975 runs from the date of vacation of the order admitting the will to probate.

Section 20-40. Formal proof of an electronic will. If a petition is filed for proof of an electronic will under Section 6-21 of the Probate Act of 1975 or Section 20-35 of this Act, the Court shall determine whether the electronic will is a tamper-evident electronic record and has not been altered apart from the electronic signatures and other information that arises in the normal course of communication, storage, and display.

Section 20-45. Formal proof of will witnessed during the COVID-19 emergency declaration. Testimony or other evidence at a hearing for formal proof of a will under Section 6-21 of the Probate of 1975 by a remote witness who witnessed the will under Section 15-20 shall establish the testator and remote witness substantially complied with the requirements of Section 15-20 and the remote witness believed the testator to be of sound mind and memory at the time of the signing. Formal proof of a will signed under Section 15-20 does not require testimony or other evidence that the remote witness attested to the will in the presence of the testator. Testimony by the remote witness that conflicts with a statement in the attestation

clause or affidavit that the remote witness attested to the will in the presence of the testator does not affect proof of the will or the credibility of the remote witness.

Article 95. Amendatory Provisions

Section 95-5. The Electronic Commerce Security Act is amended by changing Sections 5-115, 5-120, 5-125, and 10-130 as follows:

(5 ILCS 175/5-115)

Sec. 5-115. Electronic records.

(a) Where a rule of law requires information to be "written" or "in writing", or provides for certain consequences if it is not, an electronic record satisfies that rule of law.

(b) The provisions of this Section shall not apply:

(1) when its application would involve a construction of a rule of law that is clearly inconsistent with the manifest intent of the lawmaking body or repugnant to the context of the same rule of law, provided that the mere requirement that information be "in writing", "written", or "printed" shall not by itself be sufficient to establish such intent;

(2) to any rule of law governing the creation or execution of a will ~~or trust~~; and

(3) to any record that serves as a unique and transferable instrument of rights and obligations under the Uniform Commercial Code including, without limitation, negotiable instruments and other instruments of title wherein possession of the instrument is deemed to confer title, unless an electronic version of such record is created, stored, and transferred in a manner that allows for the existence of only one unique, identifiable, and unalterable original with the functional attributes of an equivalent physical instrument, that can be possessed by only one person, and which cannot be copied except in a form that is readily identifiable as a copy.

(Source: P.A. 101-163, eff. 1-1-20.)

(5 ILCS 175/5-120)

Sec. 5-120. Electronic signatures.

(a) Where a rule of law requires a signature, or provides for certain consequences if a document is not signed, an electronic signature satisfies that rule of law.

(a-5) In the course of exercising any permitting, licensing, or other regulatory function, a municipality may accept, but shall not require, documents with an electronic signature, including, but not limited to, the technical submissions of a design professional with an electronic signature.

(b) An electronic signature may be proved in any manner, including by showing that a procedure existed by which a party must of necessity have executed a symbol or security procedure for the purpose of verifying that an electronic record is that of such party in order to proceed further with a transaction.

(c) The provisions of this Section shall not apply:

(1) when its application would involve a construction of a rule of law that is clearly inconsistent with the manifest intent of the lawmaking body or repugnant to the context of the same rule of law, provided that the mere requirement of a "signature" or that a record be "signed" shall not by itself be sufficient to establish such intent;

(2) to any rule of law governing the creation or execution of a will ~~or trust~~; and

(3) to any record that serves as a unique and transferable instrument of rights and obligations under the Uniform Commercial Code including, without limitation, negotiable instruments and other instruments of title wherein possession of the instrument is deemed to confer title, unless an electronic version of such record is created, stored, and transferred in a manner that allows for the existence of only one unique, identifiable, and unalterable original with the functional attributes of an equivalent physical instrument, that can be possessed by only one person, and which cannot be copied except in a form that is readily identifiable as a copy.

(Source: P.A. 101-163, eff. 1-1-20.)

(5 ILCS 175/5-125)

Sec. 5-125. Original.

(a) Where a rule of law requires information to be presented or retained in its original form, or provides consequences for the information not being presented or retained in its original form, that rule of law is satisfied by an electronic record if there exists reliable assurance as to the integrity of the information from the time when it was first generated in its final form, as an electronic record or otherwise.

(b) The criteria for assessing integrity shall be whether the information has remained complete and unaltered, apart from the addition of any endorsement or other information that arises in the normal course of communication, storage and display. The standard of reliability required to ensure that information has remained complete and unaltered shall be assessed in the light of the purpose for which the information was generated and in the light of all the relevant circumstances.

(c) The provisions of this Section do not apply to any record that serves as a unique and transferable instrument of rights and obligations under the Uniform Commercial Code including, without limitation, negotiable instruments and other instruments of title wherein possession of the instrument is deemed to confer title, unless an electronic version of such record is created, stored, and transferred in a manner that allows for the existence of only one unique, identifiable, and unalterable original with the functional attributes of an equivalent physical instrument, that can be possessed by only one person, and which cannot be copied except in a form that is readily identifiable as a copy.

(Source: P.A. 90-759, eff. 7-1-99.)

(5 ILCS 175/10-130)

Sec. 10-130. Attribution of signature.

(a) Except as provided by another applicable rule of law, a secure electronic signature is attributable to the person to whom it correlates, whether or not authorized, if:

(1) the electronic signature resulted from acts of a person that obtained the signature device or other information necessary to create the signature from a source under the control of the alleged signer, creating the appearance that it came from that party;

(2) the access or use occurred under circumstances constituting a failure to exercise reasonable care by the alleged signer; and

(3) the relying party relied reasonably and in good faith to its detriment on the apparent source of the electronic record.

(b) The provisions of this Section shall not apply to transactions and documents intended primarily for personal, family, or household use, or otherwise defined as consumer transactions by applicable law including, but not limited to, credit card and automated teller machine transactions except to the extent allowed by applicable consumer law, trust agreements, powers of attorney for property or health care, beneficiary designation forms, and deeds transferring residential real property.

(Source: P.A. 90-759, eff. 7-1-99.)

Section 95-10. The Probate Act of 1975 is amended by changing Sections 1-2.18, 6-5, 6-6, 8-1, and 8-2 and by adding Sections 1-2.25 and 1-2.26 as follows:

(755 ILCS 5/1-2.18) (from Ch. 110 1/2, par. 1-2.18)

Sec. 1-2.18. "Will" includes electronic will, certified paper copy of an electronic will, testament and codicil.

(Source: P.A. 81-213.)

(755 ILCS 5/1-2.25 new)

Sec. 1-2.25. Where this Act requires information to be "written" or "in writing", or provides for certain consequences if it is not, an electronic record under the Electronic Wills and Remote Witnesses Act satisfies the provisions of this Act.

(755 ILCS 5/1-2.26 new)

Sec. 1-2.26. "In the presence of" and any variation thereof includes:

(1) being in the same physical location as another person and close enough to see and know the other person is signing a document; or

(2) being in a different physical location from another person, but able, using electronic means, to see, hear, communicate, and know that the person is signing a document in real time.

(755 ILCS 5/6-5) (from Ch. 110 1/2, par. 6-5)

Sec. 6-5. Deposition of witness.~~)~~ When a witness to a will or other party who shall testify to have a will admitted to probate resides outside the county in which the will is offered for probate or is unable to attend court and can be found and is mentally and physically capable of testifying, the court, upon the petition of any person seeking probate of the will and upon such notice of the petition to persons interested as the court directs, may issue a commission with the will or a photographic copy thereof attached. The commission shall be directed to any judge, notary public, mayor or other chief magistrate of a city or United States consul, vice-consul, consular agent, secretary of legation or commissioned officer in active service of the armed forces of the United States and shall authorize and require the authorized person ~~him~~ to cause that

witness or other party to come before the authorized person ~~him~~ at such time and place as the authorized person ~~he~~ designates and to take the deposition of the witness or other party on oath or affirmation and upon all such written interrogatories and cross-interrogatories as may be enclosed with the commission. With the least possible delay the person taking the deposition shall certify it, the commission, and the interrogatories to the court from which the commission issued. When the deposition of a witness or other party is so taken and returned to the court, the ~~his~~ testimony of the witness or other party has the same effect as if the witness or other party ~~he~~ testified in the court from which the commission issued. When the commission is issued to the officer by ~~his~~ official title only and not by name, the seal of the ~~his~~ office attached to the officer's ~~his~~ certificate is sufficient evidence of the officer's ~~his~~ identity and official character.

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

(755 ILCS 5/6-6) (from Ch. 110 1/2, par. 6-6)

Sec. 6-6. Proof of handwriting of a deceased or inaccessible witness or a witness with a disability.~~)~~

(a) If a witness to a will or other party who shall testify to have a will admitted (1) is dead, (2) is blind, (3) is mentally or physically incapable of testifying, (4) cannot be found, (5) is in active service of the armed forces of the United States or (6) is outside this State, the court may admit proof of the handwriting of the witness or other party and such other secondary evidence as is admissible in any court of record to establish electronic records or written contracts and may admit the will to probate as though it had been proved by the testimony of the witness or other party. On motion of any interested person or on its own motion, the court may require that the deposition of any such witness or other party, who can be found, is mentally and physically capable of testifying and is not in the active service of the armed forces of the United States outside of the continental United States, be taken as the best evidence thereof.

(b) As used in this Section, "continental United States" means the States of the United States and the District of Columbia.

(Source: P.A. 99-143, eff. 7-27-15.)

(755 ILCS 5/8-1) (from Ch. 110 1/2, par. 8-1)

Sec. 8-1. Contest of admission of will to probate; notice.

(a) Within 6 months after the admission to probate of a domestic will in accordance with the provisions of Section 6-4 or Section 20-20 or 20-25 of the Electronic Wills and Remote Witnesses Act, or of a foreign will in accordance with the provisions of Article VII of this Act, any interested person may file a petition in the proceeding for the administration of the testator's estate or, if no proceeding is pending, in the court in which the will was admitted to probate, to contest the validity of the will.

(b) The petitioner shall cause a copy of the petition to be mailed or delivered to the representative, to his or her attorney of record, and to each heir and legatee whose name is listed in the petition to admit the will to probate and in any amended petition filed in accordance with Section 6-11, at the address stated in the petition or amended petition. Filing a pleading constitutes a waiver of the mailing or delivery of the notice to the person filing the pleading. Failure to mail or deliver a copy of the petition to an heir or a legatee does not extend the time within which a petition to contest the will may be filed under subsection (a) of this Section or affect the validity of the judgement entered in the proceeding.

(c) Any contestant or proponent may demand a trial by jury. An issue shall be made whether or not the instrument produced is the will of the testator. The contestant shall in the first instance proceed with proof to establish the invalidity of the will. At the close of the contestant's case, the proponent may present evidence to sustain the will. An authenticated transcript of the testimony of any witness or other party taken at the time of the hearing on the admission of the will to probate, or an affidavit of any witness or other party received as evidence under subsection 6-4(b), paragraphs (c) and (e) of Section 20-20 of the Electronic Wills and Remote Witnesses Act, or Section 20-25 of the Electronic Wills and Remote Witnesses Act, is admissible in evidence.

(d) The right to institute or continue a proceeding to contest the validity of a will survives and descends to the heir, legatee, representative, grantee or assignee of the person entitled to institute the proceeding.

(e) It is the duty of the representative to defend a proceeding to contest the validity of the will. The court may order the representative to defend the proceeding or prosecute an appeal from the judgment. If the representative fails or refuses to do so when ordered by the court, or if there is no representative then acting, the court, upon its motion or on application of any interested person, may appoint a special administrator to defend or appeal in his stead.

(f) An action to set aside or contest the validity of a revocable inter vivos trust agreement or declaration of trust to which a legacy is provided by the settlor's will which is admitted to probate shall be

commenced within and not after the time to contest the validity of a will as provided in subsection (a) of this Section and Section 13-223 of the Code of Civil Procedure.

(g) This amendatory Act of 1995 applies to pending cases as well as cases commenced on or after its effective date.

(Source: P.A. 89-364, eff. 8-18-95.)

(755 ILCS 5/8-2) (from Ch. 110 1/2, par. 8-2)

Sec. 8-2. Contest of denial of admission of will to probate.

(a) Within 6 months after the entry of an order denying admission to probate of a domestic will in accordance with the provisions of Section 6-4 or Section 20-20 or 20-25 of the Electronic Wills and Remote Witnesses Act, or of a foreign will in accordance with the provisions of Article VII of this Act, any interested person desiring to contest the denial of admission may file a petition to admit the will to probate in the proceeding for the administration of the decedent's estate or, if no proceeding is pending, in the court which denied admission of the will to probate. The petition must state the facts required to be stated in Section 6-2 or 6-20, whichever is applicable.

(b) The petitioner shall cause a copy of the petition to be mailed or delivered to the representative, to his or her attorney of record, and to each heir and legatee whose name is listed in the petition to admit the will to probate and in any amended petition filed in accordance with Section 6-11, at the address stated in the petition or amended petition. Filing a pleading constitutes a waiver of the mailing or delivery of the notice to the person filing the pleading. Failure to mail or deliver a copy of the petition to an heir or legatee does not extend the time within which a petition to admit the will to probate may be filed under subsection (a) of Section 8-1 or affect the validity of the judgment entered in the proceeding.

(c) Any proponent or contestant may demand a trial by jury. An issue shall be made whether or not the instrument produced is the will of the testator. The proponent shall in the first instance proceed with proof to establish the validity of the will and may introduce any evidence competent to establish a will. Any interested person may oppose the petition and may introduce any evidence admissible in a will contest under Section 8-1. At the close of the contestant's case, the proponent may present further evidence to sustain the will.

(d) The right to institute or continue a proceeding to contest the denial of admission of a will to probate survives and descends to the heir, legatee, representative, grantee or assignee of the person entitled to institute the proceeding.

(e) The court may order the representative to defend a proceeding to probate the will or prosecute an appeal from the judgment. If the representative fails or refuses to do so when ordered by the court, or if there is no representative then acting, the court, upon its motion or on application of any interested person, may appoint a special administrator to do so in his stead.

(f) A person named as executor in a will that has been denied admission to probate has no duty to file or support a petition under Section 8-2.

(g) This amendatory Act of 1995 applies to pending cases as well as cases commenced on or after its effective date.

(Source: P.A. 89-364, eff. 8-18-95.)

Article 99. Effective Date

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

Under the rules, the foregoing **Senate Bill No. 730**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, 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. 808

A bill for AN ACT concerning education.

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. 808

Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 808

AMENDMENT NO. 1 . Amend Senate Bill 808 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 21B-30 as follows:

(105 ILCS 5/21B-30)

Sec. 21B-30. Educator testing.

(a) (Blank).

(b) The State Board of Education, in consultation with the State Educator Preparation and Licensure Board, shall design and implement a system of examinations, which shall be required prior to the issuance of educator licenses. These examinations and indicators must be based on national and State professional teaching standards, as determined by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board. The State Board of Education may adopt such rules as may be necessary to implement and administer this Section.

(c) (Blank).

(c-5) The State Board must adopt rules to implement a paraprofessional competency test. This test would allow an applicant seeking an Educator License with Stipulations with a paraprofessional educator endorsement to obtain the endorsement if he or she passes the test and meets the other requirements of subparagraph (J) of paragraph (2) of Section 21B-20 other than the higher education requirements.

(d) All applicants seeking a State license shall be required to pass a test of content area knowledge for each area of endorsement for which there is an applicable test. There shall be no exception to this requirement. No candidate shall be allowed to student teach or serve as the teacher of record until he or she has passed the applicable content area test.

(e) (Blank).

(f) Except as otherwise provided in this Article, beginning on September 1, 2015, all candidates completing teacher preparation programs in this State and all candidates subject to Section 21B-35 of this Code are required to pass a teacher performance assessment approved by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board. A candidate may not be required to submit test materials by video submission. Subject to appropriation, an individual who holds a Professional Educator License and is employed for a minimum of one school year by a school district designated as Tier 1 under Section 18-8.15 may, after application to the State Board, receive from the State Board a refund for any costs associated with completing the teacher performance assessment under this subsection.

(g) The content area knowledge test and the teacher performance assessment shall be the tests that from time to time are designated by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board, and may be tests prepared by an educational testing organization or tests designed by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board. The test of content area knowledge shall assess content knowledge in a specific subject field. The tests must be designed to be racially neutral to ensure that no person taking the tests is discriminated against on the basis of race, color, national origin, or other factors unrelated to the person's ability to perform as a licensed employee. The score required to pass the tests shall be fixed by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board. The tests shall be administered not fewer than 3 times a year at such time and place as may be designated by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board.

The State Board shall implement a test or tests to assess the speaking, reading, writing, and grammar skills of applicants for an endorsement or a license issued under subdivision (G) of paragraph (2) of Section 21B-20 of this Code in the English language and in the language of the transitional bilingual education program requested by the applicant.

(h) Except as provided in Section 34-6 of this Code, the provisions of this Section shall apply equally in any school district subject to Article 34 of this Code.

(i) The rules developed to implement and enforce the testing requirements under this Section shall include without limitation provisions governing test selection, test validation and determination of a passing score, administration of the tests, frequency of administration, applicant fees, frequency of applicants taking the tests, the years for which a score is valid, and appropriate special accommodations. The State Board of

Education shall develop such rules as may be needed to ensure uniformity from year to year in the level of difficulty for each form of an assessment.
(Source: P.A. 100-596, eff. 7-1-18; 100-863, eff. 8-14-18; 100-932, eff. 8-17-18; 101-81, eff. 7-12-19; 101-220, eff. 8-7-19; 101-594, eff. 12-5-19.)

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

Under the rules, the foregoing **Senate Bill No. 808**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, 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. 1561

A bill for AN ACT concerning human rights.
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. 1561
Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1561

AMENDMENT NO. 1 . Amend Senate Bill 1561 by replacing line 24 on page 15 through line 2 on page 16 with the following:

"(1) refuse to engage in loan modification services;
(2) alter the terms, conditions, or privileges of such services; or
(3) discriminate in making such services available, including, but not limited to, by making a statement, advertisement, representation, inquiry, listing, offer, or solicitation that indicates a preference or the intention to make such a preference in making such services available.".

Under the rules, the foregoing **Senate Bill No. 1561**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, 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. 2007

A bill for AN ACT concerning health.
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. 2007
Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2007

AMENDMENT NO. 1 . Amend Senate Bill 2007 by replacing everything after the enacting clause with the following:

"Section 5. The Food Handling Regulation Enforcement Act is amended by changing Section 4 as follows:
(410 ILCS 625/4)
Sec. 4. Cottage food operation.
(a) For the purpose of this Section:
A food is "acidified" if: (i) acid or acid ingredients are added to it to produce a final equilibrium pH of 4.6 or below; or (ii) it is fermented to produce a final equilibrium pH of 4.6 or below.

"Canned food" means food ~~preserved in air tight, vacuum sealed containers~~ that has been ~~are~~ heat processed sufficiently under United States Department of Agriculture guidelines to enable storing the food at normal home temperatures.

"Cottage food operation" means an operation conducted by a person who produces or packages food or drink, other than foods and drinks listed as prohibited in paragraph (1.5) of subsection (b) of this Section, in a kitchen located in that person's primary domestic residence or another appropriately designed and equipped kitchen on a farm ~~residential or commercial style kitchen on that property~~ for direct sale by the owner, a family member, or employee.

"Cut leafy greens" means fresh leafy greens whose leaves have been cut, shredded, sliced, chopped, or torn. "Cut leafy greens" does not mean cut-to-harvest leafy greens.

"Department" means the Department of Public Health.

"Equilibrium pH" means the final potential of hydrogen measured in an acidified food after all the components of the food have achieved the same acidity.

"Farmers' market" means a common facility or area where farmers gather to sell a variety of fresh fruits and vegetables and other locally produced farm and food products directly to consumers.

"Leafy greens" includes iceberg lettuce; romaine lettuce; leaf lettuce; butter lettuce; baby leaf lettuce, such as immature lettuce or leafy greens; escarole; endive; spring mix; spinach; cabbage; kale; arugula; and chard. "Leafy greens" does not include microgreens or herbs such as cilantro or parsley.

"Local health department" means a State-certified health department of a unit of local government in which a cottage food operation is located.

"Local public health department association" means an association solely representing 2 or more State-certified local health departments.

"Low-acid canned food" means any canned food with a finished equilibrium pH greater than 4.6 and a water activity (aw) greater than 0.85.

~~"Main ingredient" means an agricultural product that is the defining or distinctive ingredient in a cottage food product, though not necessarily by predominance of weight.~~

"Microgreen" means an edible plant seedling grown in soil or substrate and harvested above the soil or substrate line.

"Potentially hazardous food" means a food that is potentially hazardous according to the Department's administrative rules. Potentially hazardous food (PHF) in general means a food that requires time and temperature control for safety (TCS) to limit pathogenic microorganism growth or toxin formation.

"Sprout" means any seedling intended for human consumption that was produced in a manner that does not meet the definition of microgreen.

(b) A cottage food operation may produce homemade food and drink provided that all of the following conditions are met: ~~Notwithstanding any other provision of law and except as provided in subsections (c), (d), and (e) of this Section, neither the Department nor the Department of Agriculture nor the health department of a unit of local government may regulate the transaction of food or drink by a cottage food operation providing that all of the following conditions are met:~~

(1) (Blank).

(1.3) A cottage food operation must register with the local health department for the unit of local government in which it is located, but may sell products outside of the unit of local government where the cottage food operation is located. A copy of the certificate of registration must be available upon request by any local health department.

(1.5) A cottage food operation ~~may produce homemade food and drink. However, a cottage food operation, unless properly licensed, certified, and compliant with all requirements to sell a listed food item under the laws and regulations pertinent to that food item,~~ shall not sell or offer to sell the following food items or processed foods containing the following food items, except as indicated:

(A) meat, poultry, fish, seafood, or shellfish;

(B) dairy, except as an ingredient in a non-potentially hazardous baked good or candy, such as caramel, subject to paragraph (4), or as an ingredient in a baked good frosting, such as buttercream ~~(1.8)~~;

(C) eggs, except as an ingredient in a non-potentially hazardous food, including ~~baked good or in~~ dry noodles, or as an ingredient in a baked good frosting, such as buttercream, if the eggs are not raw;

(D) pumpkin pies, sweet potato pies, cheesecakes, custard pies, creme pies, and pastries with potentially hazardous fillings or toppings;

(E) garlic in oil or oil infused with garlic, except if the garlic oil is acidified;

(F) low-acid canned foods; ~~canned foods, except for the following, which may be canned only in Mason-style jars with new lids:~~

~~(i) fruit jams, fruit jellies, fruit preserves, or fruit butters;~~

~~(ii) syrups;~~

~~(iii) whole or cut fruit canned in syrup;~~

~~(iv) acidified fruit or vegetables prepared and offered for sale in compliance with paragraph (1.6); and~~

~~(v) condiments such as prepared mustard, horseradish, or ketchup that do not contain ingredients prohibited under this Section and that are prepared and offered for sale in compliance with paragraph (1.6);~~

(G) sprouts;

(H) cut leafy greens, except for cut leafy greens that are dehydrated, acidified, or blanched and frozen;

(I) cut or pureed fresh tomato or melon;

(J) dehydrated tomato or melon;

(K) frozen cut melon;

(L) wild-harvested, non-cultivated mushrooms;

(M) alcoholic beverages; or

(N) kombucha.

(1.6) In order to sell canned tomatoes or a canned product containing tomatoes, a cottage food operator shall either:

(A) follow exactly a recipe that has been tested by the United States Department of Agriculture or by a state cooperative extension located in this State or any other state in the United States; or

(B) submit the recipe, at the cottage food operator's expense, to a commercial laboratory according to the commercial laboratory's directions to test that the product has been adequately acidified; use only the varietal or proportionate varietals of tomato included in the tested recipe for all subsequent batches of such recipe; and provide documentation of the annual test results of the recipe submitted under this subparagraph upon registration and to an inspector upon request during any inspection authorized by ~~paragraph (2) of~~ subsection (d).

(2) In order to sell a fermented or acidified food, a cottage food operation shall either:

(A) submit a recipe that has been tested by the United States Department of Agriculture or a cooperative extension system located in this State or any other state in the United States; or

(B) submit a written food safety plan for each category of products for which the cottage food operator uses the same procedures, such as pickles, kimchi, or hot sauce, and a pH test for a single product that is representative of that category; the written food safety plan shall be submitted annually upon registration and each pH test shall be submitted every 3 years; the food safety plan shall adhere to guidelines developed by the Department.

(3) A fermented or acidified food shall be packaged according to one of the following standards:

(A) A fermented or acidified food that is canned must be processed in a boiling water bath in a Mason-style jar or glass container with a tight-fitting lid.

(B) A fermented or acidified food that is not canned shall be sold in any container that is new, clean, and seals properly and must be stored, transported, and sold at or below 41 degrees.

(4) In order to sell a baked good with cheese, a local health department may require a cottage food operation to submit a recipe, at the cottage food operator's expense, to a commercial laboratory to verify that it is non-potentially hazardous before allowing the cottage food operation to sell the baked good as a cottage food.

(5) For a cottage food operation that does not utilize a municipal water supply, such as an operation using a private well, a local health department may require a water sample test to verify that the water source being used meets public safety standards related to E. coli coliform. If a test is requested, it must be conducted at the cottage food operator's expense.

(6) A person preparing or packaging a product as part of a cottage food operation must be a Department-approved certified food protection manager.

(7) Food packaging must conform with the labeling requirements of the Illinois Food, Drug and Cosmetic Act. A cottage food product shall be prepackaged and the food packaging shall be affixed with a prominent label that includes the following:

(A) the name of the cottage food operation and unit of local government in which the cottage food operation is located;

(B) the identifying registration number provided by the local health department on the certificate of registration and the name of the municipality or county in which the registration was filed;

(C) the common or usual name of the food product;

(D) all ingredients of the food product, including any color, artificial flavor, and preservative, listed in descending order by predominance of weight shown with the common or usual names;

(E) the following phrase in prominent lettering: "This product was produced in a home kitchen not inspected by a health department that may also process common food allergens. If you have safety concerns, contact your local health department.";

(F) the date the product was processed; and

(G) allergen labeling as specified under federal labeling requirements.

(8) Food packaging may include the designation "Illinois-grown", "Illinois-sourced", or "Illinois farm product" if the packaged product is a local farm or food product as that term is defined in Section 5 of the Local Food, Farms, and Jobs Act.

(9) In the case of a product that is difficult to properly label or package, or for other reasons, the local health department of the location where the product is sold may grant permission to sell products that are not prepackaged, in which case other prominent written notice shall be provided to the purchaser.

(10) At the point of sale, notice must be provided in a prominent location that states the following: "This product was produced in a home kitchen not inspected by a health department that may also process common food allergens." At a physical display, notice shall be a placard. Online, notice shall be a message on the cottage food operation's online sales interface at the point of sale.

(11) Food and drink produced by a cottage food operation shall be sold directly to consumers for their own consumption and not for resale. Sales directly to consumers include, but are not limited to, sales at or through:

(A) farmers' markets;

(B) fairs, festivals, public events, or online;

(C) pickup from the private home or farm of the cottage food operator, if the pickup is not prohibited by any law of the unit of local government that applies equally to all cottage food operations; in a municipality with a population of 1,000,000 or more, a cottage food operator shall comply with any law of the municipality that applies equally to all home-based businesses;

(D) delivery to the customer; and

(E) pickup from a third-party private property with the consent of the third-party property holder.

(12) Only food that is non-potentially hazardous may be shipped. A cottage food product shall not be shipped out of State. Each cottage food product that is shipped must be sealed in a manner that reveals tampering, including, but not limited to, a sticker or pop top.

(c) A local health department shall register any eligible cottage food operation that meets the requirements of this Section and shall issue a certificate of registration with an identifying registration number to each registered cottage food operation. A local health department may establish a self-certification program for cottage food operators to affirm compliance with applicable laws, rules, and regulations. Registration shall be completed annually and the local health department may impose a fee not to exceed $50.

(d) In the event of a consumer complaint or foodborne illness outbreak, upon notice from a different local health department, or if the Department or a local health department has reason to believe that an imminent health hazard exists or that a cottage food operation's product has been found to be misbranded, adulterated, or not in compliance with the conditions for cottage food operations set forth in this Section, the Department or the local health department may:

(1) inspect the premises of the cottage food operation in question;

(2) set a reasonable fee for the inspection; and

(3) invoke penalties and the cessation of the sale of cottage food products until it deems that the situation has been addressed to the satisfaction of the Department or local health department; if the situation is not amenable to being addressed, the local health department may revoke the cottage food operation's registration following a process outlined by the local health department.

(e) A local health department that receives a consumer complaint or a report of foodborne illness related to a cottage food operator in another jurisdiction shall refer the complaint or report to the local health department where the cottage food operator is registered.

(f) By January 1, 2022, the Department, in collaboration with local public health department associations and other stakeholder groups, shall write and issue administrative guidance to local health departments on the following:

(1) development of a standard registration form, including, if applicable, a written food safety plan;

(2) development of a Home-Certification Self Checklist Form;

(3) development of a standard inspection form and inspection procedures; and

(4) procedures for cottage food operation workspaces that include, but are not limited to, cleaning products, general sanitation, and requirements for functional equipment.

(g) A person who produces or packages a non-potentially hazardous baked good for sale by a religious, charitable, or nonprofit organization for fundraising purposes is exempt from the requirements of this Section.

(h) A home rule unit may not regulate cottage food operations in a manner inconsistent with the regulation by the State of cottage food operations under this Section. 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 powers and functions exercised by the State.

~~(1.7) A State certified local public health department that regulates the service of food by a cottage food operation in accordance with subsection (d) of this Section may require a cottage food operation to submit a canned food that is subject to paragraph (1.6), at the cottage food operator's expense, to a commercial laboratory to verify that the product has a final equilibrium pH of 4.6 or below.~~

~~(1.8) A State certified local public health department that regulates the service of food by a cottage food operation in accordance with subsection (d) of this Section may require a cottage food operation to submit a recipe for any baked good containing cheese, at the cottage food operator's expense, to a commercial laboratory to verify that it is non-potentially hazardous before allowing the cottage food operation to sell the baked good as a cottage food.~~

~~(2) The food is to be sold at a farmers' market, with the exception that cottage foods that have a locally grown agricultural product as the main ingredient may be sold on the farm where the agricultural product is grown or delivered directly to the consumer.~~

~~(3) (Blank).~~

~~(4) The food packaging conforms to the labeling requirements of the Illinois Food, Drug and Cosmetic Act and includes the following information on the label of each of its products:~~

~~(A) the name and address of the cottage food operation;~~

~~(B) the common or usual name of the food product;~~

~~(C) all ingredients of the food product, including any colors, artificial flavors, and preservatives, listed in descending order by predominance of weight shown with common or usual names;~~

~~(D) the following phrase: "This product was produced in a home kitchen not subject to public health inspection that may also process common food allergens.";~~

~~(E) the date the product was processed; and~~

~~(F) allergen labeling as specified in federal labeling requirements.~~

~~(5) The name and residence of the person preparing and selling products as a cottage food operation are registered with the health department of a unit of local government where the cottage food operation resides. No fees shall be charged for registration. Registration shall be for a minimum period of one year.~~

~~(6) The person preparing or packaging products as a cottage food operation has a Department approved Food Service Sanitation Management Certificate.~~

~~(7) At the point of sale, a placard is displayed in a prominent location that states the following: "This product was produced in a home kitchen not subject to public health inspection that may also process common food allergens.".~~

~~(c) Notwithstanding the provisions of subsection (b) of this Section, if the Department or the health department of a unit of local government has received a consumer complaint or has reason to believe that an imminent health hazard exists or that a cottage food operation's product has been found to be misbranded, adulterated, or not in compliance with the exception for cottage food operations pursuant to this Section, then it may invoke cessation of sales of cottage food products until it deems that the situation has been addressed to the satisfaction of the Department.~~

~~(d) Notwithstanding the provisions of subsection (b) of this Section, a State-certified local public health department may, upon providing a written statement to the Department, regulate the service of food by a cottage food operation. The regulation by a State-certified local public health department may include all of the following requirements:~~

~~(1) That the cottage food operation (A) register with the State-certified local public health department, which shall be for a minimum of one year and include a reasonable fee set by the State-certified local public health department that is no greater than $25 notwithstanding paragraph (5) of subsection (b) of this Section and (B) agree in writing at the time of registration to grant access to the State-certified local public health department to conduct an inspection of the cottage food operation's primary domestic residence in the event of a consumer complaint or foodborne illness outbreak.~~

~~(2) That in the event of a consumer complaint or foodborne illness outbreak the State-certified local public health department is allowed to (A) inspect the premises of the cottage food operation in question and (B) set a reasonable fee for that inspection.~~

(i) ~~(e)~~ The Department may adopt rules as may be necessary to implement the provisions of this Section.

(Source: P.A. 100-35, eff. 1-1-18; 100-1069, eff. 8-24-18; 101-81, eff. 7-12-19.)

Section 99. Effective date. This Act takes effect January 1, 2022.".

Under the rules, the foregoing **Senate Bill No. 2007**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, 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. 2153

A bill for AN ACT concerning nursing.

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. 2153

Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2153

AMENDMENT NO. 1 . Amend Senate Bill 2153 by replacing everything from line 9 on page 1 through line 24 on page 5 with the following:

"(210 ILCS 85/7) (from Ch. 111 1/2, par. 148)

Sec. 7. (a) The Director after notice and opportunity for hearing to the applicant or licensee may deny, suspend, or revoke a permit to establish a hospital or deny, suspend, or revoke a license to open, conduct, operate, and maintain a hospital in any case in which he finds that there has been a substantial failure to comply with the provisions of this Act, the Hospital Report Card Act, or the Illinois Adverse Health Care Events Reporting Law of 2005 or the standards, rules, and regulations established by virtue of any of those Acts. The Department may impose fines on hospitals, not to exceed $500 per occurrence, for failing to (1) initiate a criminal background check on a patient that meets the criteria for hospital-initiated background checks or (2) report the death of a person known to be a resident of a facility licensed under the ID/DD

Community Care Act or the MC/DD Act to the coroner or medical examiner within 24 hours as required by Section 6.09a of this Act. In assessing whether to impose such a fine for failure to initiate a criminal background check, the Department shall consider various factors including, but not limited to, whether the hospital has engaged in a pattern or practice of failing to initiate criminal background checks. Money from fines shall be deposited into the Long Term Care Provider Fund.

(a-5) If a hospital demonstrates a pattern or practice of failing to substantially comply with the requirements of Section 10.10 or the hospital's written staffing plan, the hospital shall provide a plan of correction to the Department within 60 days. The Department may impose fines as follows: (i) if a hospital fails to implement a written staffing plan for nursing services, a fine not to exceed $500 per occurrence may be imposed; (ii) if a hospital demonstrates a pattern or practice of failing to substantially comply with a plan of correction within 60 days after the plan takes effect, a fine not to exceed $500 per occurrence may be imposed; and (iii) if a hospital demonstrates for a second or subsequent time a pattern or practice of failing to substantially comply with a plan of correction within 60 days after the plan takes effect, a fine not to exceed $1,000 per occurrence may be imposed. Reports of violations of Section 10.10 shall be subject to public disclosure under Section 6.14a. Money from fines within this subsection (a-5) shall be deposited into the Hospital Licensure Fund, and money from fines for violations of Section 10.10 shall be used for scholarships under the Nursing Education Scholarship Law.

(b) Such notice shall be effected by registered mail or by personal service setting forth the particular reasons for the proposed action and fixing a date, not less than 15 days from the date of such mailing or service, at which time the applicant or licensee shall be given an opportunity for a hearing. Such hearing shall be conducted by the Director or by an employee of the Department designated in writing by the Director as Hearing Officer to conduct the hearing. On the basis of any such hearing, or upon default of the applicant or licensee, the Director shall make a determination specifying his findings and conclusions. In case of a denial to an applicant of a permit to establish a hospital, such determination shall specify the subsection of Section 6 under which the permit was denied and shall contain findings of fact forming the basis of such denial. A copy of such determination shall be sent by registered mail or served personally upon the applicant or licensee. The decision denying, suspending, or revoking a permit or a license shall become final 35 days after it is so mailed or served, unless the applicant or licensee, within such 35 day period, petitions for review pursuant to Section 13.

(c) The procedure governing hearings authorized by this Section shall be in accordance with rules promulgated by the Department and approved by the Hospital Licensing Board. A full and complete record shall be kept of all proceedings, including the notice of hearing, complaint, and all other documents in the nature of pleadings, written motions filed in the proceedings, and the report and orders of the Director and Hearing Officer. All testimony shall be reported but need not be transcribed unless the decision is appealed pursuant to Section 13. A copy or copies of the transcript may be obtained by any interested party on payment of the cost of preparing such copy or copies.

(d) The Director or Hearing Officer shall upon his own motion, or on the written request of any party to the proceeding, issue subpoenas requiring the attendance and the giving of testimony by witnesses, and subpoenas duces tecum requiring the production of books, papers, records, or memoranda. All subpoenas and subpoenas duces tecum issued under the terms of this Act may be served by any person of full age. The fees of witnesses for attendance and travel shall be the same as the fees of witnesses before the Circuit Court of this State, such fees to be paid when the witness is excused from further attendance. When the witness is subpoenaed at the instance of the Director, or Hearing Officer, such fees shall be paid in the same manner as other expenses of the Department, and when the witness is subpoenaed at the instance of any other party to any such proceeding the Department may require that the cost of service of the subpoena or subpoena duces tecum and the fee of the witness be borne by the party at whose instance the witness is summoned. In such case, the Department in its discretion, may require a deposit to cover the cost of such service and witness fees. A subpoena or subpoena duces tecum issued as aforesaid shall be served in the same manner as a subpoena issued out of a court.

(e) Any Circuit Court of this State upon the application of the Director, or upon the application of any other party to the proceeding, may, in its discretion, compel the attendance of witnesses, the production of books, papers, records, or memoranda and the giving of testimony before the Director or Hearing Officer conducting an investigation or holding a hearing authorized by this Act, by an attachment for contempt, or otherwise, in the same manner as production of evidence may be compelled before the court.

(f) The Director or Hearing Officer, or any party in an investigation or hearing before the Department, may cause the depositions of witnesses within the State to be taken in the manner prescribed by law for like

depositions in civil actions in courts of this State, and to that end compel the attendance of witnesses and the production of books, papers, records, or memoranda.
(Source: P.A. 99-180, eff. 7-29-15.)"; and

by deleting everything from line 25 on page 17 through line 23 on page 18.

Under the rules, the foregoing **Senate Bill No. 2153**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, 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. 2265

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. 2265
Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2265

AMENDMENT NO. 1 . Amend Senate Bill 2265 on page 2, lines 15 and 16, by deleting ", including, but not limited to, a licensed practical nurse,"; and

on page 9, immediately below line 3, by inserting the following:
"(d) In this Section only, "licensed nurse" means an advanced practice registered nurse, a registered nurse, or a licensed practical nurse.".

Under the rules, the foregoing **Senate Bill No. 2265**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, 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. 2290

A bill for AN ACT concerning State government.
Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:
House Amendment No. 1 to SENATE BILL NO. 2290
House Amendment No. 3 to SENATE BILL NO. 2290
Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2290

AMENDMENT NO. 1 . Amend Senate Bill 2290 as follows:

on page 1, immediately below line 3, by inserting the following:

"Section 1. Short title. This Act may be cited as the Illinois Broadband Adoption Fund Act.

Section 5. Definitions. As used in this Act:
"Broadband Internet" means lines or wireless channels that terminate at an end-user location and enable the end-user to receive a minimum service level of 25 megabits per second download speed and 3 megabits per second upload speed.
"Covered agencies" means those social service agencies receiving State or federal funds to assist persons eligible under the Illinois Broadband Adoption Program.

"Department" means the Department of Human Services.

"Fund" refers to the Illinois Broadband Adoption Fund.

"Provider" means a provider of broadband Internet in this State.

Section 10. Illinois Broadband Adoption Program. The Illinois Broadband Adoption Program is established for the purpose of expanding availability of broadband Internet connectivity throughout the State by:

(1) providing financial assistance to State residents to whom broadband Internet service is available, but who may require assistance to adopt or maintain service due to economic hardship;

(2) promoting the adoption of home broadband Internet service by State residents; and

(3) supporting digital skills training for State residents.

Section 15. Illinois Broadband Adoption Fund.

(a) The Illinois Broadband Adoption Fund is established for the purpose of providing financial assistance under this Act. The Department shall administer the fund.

(b) The fund consists of:

(1) money received through the federal American Rescue Plan and other vehicles designed to address and relieve economic hardship for State households;

(2) money appropriated by the General Assembly;

(3) money transferred to the fund under the Treasurer as Custodian of Funds Act; and

(4) donations, gifts, and money received from any other source, including transfers from other funds or accounts.

(c) The Treasurer shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Section 20. Application for financial assistance.

(a) The Department may determine qualifications for broadband Internet provider participation and enter into an agreement with each provider under which the provider agrees to accept vouchers distributed by the Department under this Act as a form of payment for the provider's broadband Internet service.

(b) In coordination with the covered agencies, the Department shall send information regarding the availability of financial assistance under this Act to each eligible family or person receiving the public assistance in Section (d). The information must include:

(1) the name and contact information of each provider who has entered into an agreement with the Department as described in subsection (a) whose broadband Internet service is available in their area; and

(2) instructions for applying to the Department for financial assistance under this Section.

(c) An individual who receives information under subsection (b) may apply for financial assistance under this Section in the manner specified by the Department. Upon receipt of an application, the Department shall determine:

(1) the applicant's eligibility for financial assistance;

(2) the amount of financial assistance for which the applicant is eligible; and

(3) whether the applicant is eligible for a single payment or a recurring payment of financial assistance, based on the Department's assessment of the applicant's need.

(d) An applicant for financial assistance under this Act is automatically eligible for financial assistance under this Act if:

(1) the applicant is receiving, or the applicant's household includes, an individual who is receiving benefits under:

(A) the Temporary Assistance for Needy Families (TANF) program;

(B) the federal Supplemental Nutrition Assistance Program (SNAP); or

(C) the Medicaid program; or

(2) the applicant's household includes a child who is eligible for free or reduced-price lunch.

(e) If the Department determines under subsection (c) that an individual is eligible for financial assistance, or that the individual is eligible for financial assistance under subsection (d), the Department may provide financial assistance to the individual or to the broadband Internet provider designated by the individual in the form of one or more vouchers, each in the amount of $50, that can be used by the individual to pay one or more of the following expenses:

(1) fees charged by a broadband Internet provider for installation, activation, equipment purchase, Wi-Fi extenders, or other one-time expenses of providing broadband Internet service to the individual;

(2) monthly subscription fees charged by a broadband Internet provider for the provision of broadband Internet service to the individual household, including modem, router, or other service or equipment charges; and

(3) overdue amounts owed to provider, including administrative fees and penalties.

A voucher or similar designation of eligibility may be provided by the Department in printed or electronic form.

(f) A provider that receives a voucher under this Section from an individual household who subscribes to the provider's broadband Internet service shall deduct the amount of the voucher from the amount owed by the subscriber for the provider's provision of broadband Internet service to the individual household on a monthly basis.

(g) If the fund does not receive an ongoing appropriation from the General Assembly, the Department shall provide a 90-day notice to participating households and broadband Internet providers that financial support will be discontinued."; and

on page 1, line 4, by replacing "Section 5" with "Section 100"; and

on page 1, line 23, by replacing "if" with "when"; and

on page 3, by replacing lines 6 though 17 with the following:

"(e) The Department may adopt any rules necessary to administer the provisions of this Section."; and

on page 3, immediately below line 17, by inserting the following:

"Section 105. The State Finance Act is amended by adding Section 5.935 as follows:
"(30 ILCS 105/5.935 new)
Sec. 5.935. The Illinois Broadband Adoption Fund."; and

on page 3, line 18, by replacing "Section 99" with "Section 999".

AMENDMENT NO. 3 TO SENATE BILL 2290

AMENDMENT NO. 3 . Amend Senate Bill 2290, AS AMENDED, with reference to page and line numbers of House Amendment No. 1 as follows:

on page 2, line 17, after "established", by inserting "as a special fund within the State treasury"; and

on page 5, line 7, by replacing "the amount of" with "an amount of up to".

Under the rules, the foregoing **Senate Bill No. 2290**, with House Amendments numbered 1 and 3, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, 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. 2531

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. 1 to SENATE BILL NO. 2531

Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2531

AMENDMENT NO. 1 . Amend Senate Bill 2531 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Income Tax Act is amended by changing Sections 201, 203, and 901 as follows:

(35 ILCS 5/201)

(Text of Section without the changes made by P.A. 101-8, which did not take effect (see Section 99 of P.A. 101-8))

Sec. 201. Tax imposed.

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

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

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

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

(3) In the case of an individual, trust or estate, for taxable years beginning after June 30, 1989, and ending prior to January 1, 2011, an amount equal to 3% of the taxpayer's net income for the taxable year.

(4) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 3% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 5% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(5) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 5% of the taxpayer's net income for the taxable year.

(5.1) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 5% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 3.75% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(5.2) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2015, and ending prior to July 1, 2017, an amount equal to 3.75% of the taxpayer's net income for the taxable year.

(5.3) In the case of an individual, trust, or estate, for taxable years beginning prior to July 1, 2017, and ending after June 30, 2017, an amount equal to the sum of (i) 3.75% of the taxpayer's net income for the period prior to July 1, 2017, as calculated under Section 202.5, and (ii) 4.95% of the taxpayer's net income for the period after June 30, 2017, as calculated under Section 202.5.

(5.4) In the case of an individual, trust, or estate, for taxable years beginning on or after July 1, 2017, an amount equal to 4.95% of the taxpayer's net income for the taxable year.

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

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

(8) In the case of a corporation, for taxable years beginning after June 30, 1989, and ending prior to January 1, 2011, an amount equal to 4.8% of the taxpayer's net income for the taxable year.

(9) In the case of a corporation, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 4.8% of the taxpayer's net income for the

period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(10) In the case of a corporation, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 7% of the taxpayer's net income for the taxable year.

(11) In the case of a corporation, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 7% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 5.25% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(12) In the case of a corporation, for taxable years beginning on or after January 1, 2015, and ending prior to July 1, 2017, an amount equal to 5.25% of the taxpayer's net income for the taxable year.

(13) In the case of a corporation, for taxable years beginning prior to July 1, 2017, and ending after June 30, 2017, an amount equal to the sum of (i) 5.25% of the taxpayer's net income for the period prior to July 1, 2017, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after June 30, 2017, as calculated under Section 202.5.

(14) In the case of a corporation, for taxable years beginning on or after July 1, 2017, an amount equal to 7% of the taxpayer's net income for the taxable year.

The rates under this subsection (b) are subject to the provisions of Section 201.5.

(b-5) Surcharge; sale or exchange of assets, properties, and intangibles of organization gaming licensees. For each of taxable years 2019 through 2027, a surcharge is imposed on all taxpayers on income arising from the sale or exchange of capital assets, depreciable business property, real property used in the trade or business, and Section 197 intangibles (i) of an organization licensee under the Illinois Horse Racing Act of 1975 and (ii) of an organization gaming licensee under the Illinois Gambling Act. The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to those sales and exchanges. The surcharge imposed shall not apply if:

(1) the organization gaming license, organization license, or racetrack property is transferred as a result of any of the following:

(A) bankruptcy, a receivership, or a debt adjustment initiated by or against the initial licensee or the substantial owners of the initial licensee;

(B) cancellation, revocation, or termination of any such license by the Illinois Gaming Board or the Illinois Racing Board;

(C) a determination by the Illinois Gaming Board that transfer of the license is in the best interests of Illinois gaming;

(D) the death of an owner of the equity interest in a licensee;

(E) the acquisition of a controlling interest in the stock or substantially all of the assets of a publicly traded company;

(F) a transfer by a parent company to a wholly owned subsidiary; or

(G) the transfer or sale to or by one person to another person where both persons were initial owners of the license when the license was issued; or

(2) the controlling interest in the organization gaming license, organization license, or racetrack property is transferred in a transaction to lineal descendants in which no gain or loss is recognized or as a result of a transaction in accordance with Section 351 of the Internal Revenue Code in which no gain or loss is recognized; or

(3) live horse racing was not conducted in 2010 at a racetrack located within 3 miles of the Mississippi River under a license issued pursuant to the Illinois Horse Racing Act of 1975.

The transfer of an organization gaming license, organization license, or racetrack property by a person other than the initial licensee to receive the organization gaming license is not subject to a surcharge. The Department shall adopt rules necessary to implement and administer this subsection.

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

other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

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

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

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

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

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code,

equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

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

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

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

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the

property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all such certifications immediately. For tax years ending after December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

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

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

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

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

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

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

(3) For purposes of this subsection (e), "manufacturing" means the material staging and production of tangible personal property by procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes some existing material into new shapes, new qualities, or new combinations. For purposes of this subsection (e) the term "mining" shall have the same meaning as the term "mining" in Section 613(c) of the Internal Revenue Code. For purposes of this subsection (e), the term "retailing" means the sale of tangible personal property for use or consumption and not for resale, or services rendered in conjunction with the sale of tangible personal property for use or consumption and not for resale. For purposes of this subsection (e), "tangible personal property" has the same meaning as when that term is used in the Retailers' Occupation Tax Act, and, for taxable years ending after December 31, 2008, does not include the generation, transmission, or distribution of electricity.

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

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

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

(7) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the Personal Property Tax Replacement Income Tax for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit

for such property was originally allowed by eliminating such property from such computation and, (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (7), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(8) Unless the investment credit is extended by law, the basis of qualified property shall not include costs incurred after December 31, 2018, except for costs incurred pursuant to a binding contract entered into on or before December 31, 2018.

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

For taxable years ending on or after December 31, 2000, a partner that qualifies its partnership for a subtraction under subparagraph (I) of paragraph (2) of subsection (d) of Section 203 or a shareholder that qualifies a Subchapter S corporation for a subtraction under subparagraph (S) of paragraph (2) of subsection (b) of Section 203 shall be allowed a credit under this subsection (e) equal to its share of the credit earned under this subsection (e) during the taxable year by the partnership or Subchapter S corporation, determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. This paragraph is exempt from the provisions of Section 250.

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

(1) A taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service in an Enterprise Zone created pursuant to the Illinois Enterprise Zone Act or, for property placed in service on or after July 1, 2006, a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (f) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. The credit shall be .5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service in the Enterprise Zone or River Edge Redevelopment Zone and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1985, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

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

(8) For taxable years beginning on or after January 1, 2021, there shall be allowed an Enterprise Zone construction jobs credit against the taxes imposed under subsections (a) and (b) of this Section as provided in Section 13 of the Illinois Enterprise Zone Act.

The credit or credits may not reduce the taxpayer's liability to less than zero. If the amount of the credit or credits exceeds the taxpayer's liability, the excess may be carried forward and applied against the taxpayer's liability in succeeding calendar years in the same manner provided under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one taxable year that are available to offset a liability, the earlier credit shall be applied first.

For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for the purposes of federal and State income taxation, there shall be allowed a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code.

The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this amendatory Act of the 101st General Assembly~~) shall not exceed $20,000,000 in any State fiscal year.

This paragraph (8) is exempt from the provisions of Section 250.

(g) (Blank).

(h) Investment credit; High Impact Business.

(1) Subject to subsections (b) and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service by a Department of Commerce and Economic Opportunity designated High Impact Business. The credit shall be .5% of the basis for such property. The credit shall not be available (i) until the minimum investments in qualified property set forth in subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act have been satisfied or (ii) until the time authorized in subsection (b-5) of the Illinois Enterprise Zone Act for entities designated as High Impact Businesses under subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D) of

Section 5.5 of the Illinois Enterprise Zone Act, and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. The credit applicable to such investments shall be taken in the taxable year in which such investments have been completed. The credit for additional investments beyond the minimum investment by a designated high impact business authorized under subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1987, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

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

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

(h-5) High Impact Business construction ~~constructions~~ jobs credit. For taxable years beginning on or after January 1, 2021, there shall also be allowed a High Impact Business construction jobs credit against the tax imposed under subsections (a) and (b) of this Section as provided in subsections (i) and (j) of Section 5.5 of the Illinois Enterprise Zone Act.

The credit or credits may not reduce the taxpayer's liability to less than zero. If the amount of the credit or credits exceeds the taxpayer's liability, the excess may be carried forward and applied against the

taxpayer's liability in succeeding calendar years in the manner provided under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one taxable year that are available to offset a liability, the earlier credit shall be applied first.

For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for the purposes of federal and State income taxation, there shall be allowed a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code.

The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this amendatory Act of the 101st General Assembly~~) shall not exceed $20,000,000 in any State fiscal year.

This subsection (h-5) is exempt from the provisions of Section 250.

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

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

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

(j) Training expense credit. Beginning with tax years ending on or after December 31, 1986 and prior to December 31, 2003, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) under this Section for all amounts paid or accrued, on behalf of all persons employed by the taxpayer in Illinois or Illinois residents employed outside of Illinois by a taxpayer, for educational or vocational training in semi-technical or technical fields or semi-skilled or skilled fields, which were deducted from gross income in the computation of taxable income. The credit against the tax imposed by subsections (a) and (b) shall be 1.6% of such training expenses. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (j) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

Any credit allowed under this subsection which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. No carryforward credit may be claimed in any tax year ending on or after December 31, 2003.

(k) Research and development credit. For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2027, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited

liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

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

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

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

No inference shall be drawn from Public Act 91-644 ~~this amendatory Act of the 91st General Assembly~~ in construing this Section for taxable years beginning before January 1, 1999.

It is the intent of the General Assembly that the research and development credit under this subsection (k) shall apply continuously for all tax years ending on or after December 31, 2004 and ending prior to January 1, 2027, including, but not limited to, the period beginning on January 1, 2016 and ending on July 6, 2017 (the effective date of Public Act 100-22) ~~this amendatory Act of the 100th General Assembly~~. All actions taken in reliance on the continuation of the credit under this subsection (k) by any taxpayer are hereby validated.

(l) Environmental Remediation Tax Credit.

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

subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

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

(m) Education expense credit. Beginning with tax years ending after December 31, 1999, a taxpayer who is the custodian of one or more qualifying pupils shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for qualified education expenses incurred on behalf of the qualifying pupils. The credit shall be equal to 25% of qualified education expenses, but in no event may the total credit under this subsection claimed by a family that is the custodian of qualifying pupils exceed (i) $500 for tax years ending prior to December 31, 2017, and (ii) $750 for tax years ending on or after December 31, 2017. In no event shall a credit under this subsection reduce the taxpayer's liability under this Act to less than zero. Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2017, no taxpayer may claim a credit under this subsection (m) if the taxpayer's adjusted gross income for the taxable year exceeds (i) $500,000, in the case of spouses filing a joint federal tax return or (ii) $250,000, in the case of all other taxpayers. This subsection is exempt from the provisions of Section 250 of this Act.

For purposes of this subsection:

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

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

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

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

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

(i) For tax years ending on or after December 31, 2006, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14a of the Environmental Protection Act that were paid in performing environmental remediation at a site within a River Edge Redevelopment Zone for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant

to the Site Remediation Program of the Environmental Protection Act. Determinations as to credit availability for purposes of this Section shall be made consistent with rules adopted by the Pollution Control Board pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

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

(o) For each of taxable years during the Compassionate Use of Medical Cannabis Program, a surcharge is imposed on all taxpayers on income arising from the sale or exchange of capital assets, depreciable business property, real property used in the trade or business, and Section 197 intangibles of an organization registrant under the Compassionate Use of Medical Cannabis Program Act. The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to those sales and exchanges. The surcharge imposed does not apply if:

(1) the medical cannabis cultivation center registration, medical cannabis dispensary registration, or the property of a registration is transferred as a result of any of the following:

(A) bankruptcy, a receivership, or a debt adjustment initiated by or against the initial registration or the substantial owners of the initial registration;

(B) cancellation, revocation, or termination of any registration by the Illinois Department of Public Health;

(C) a determination by the Illinois Department of Public Health that transfer of the registration is in the best interests of Illinois qualifying patients as defined by the Compassionate Use of Medical Cannabis Program Act;

(D) the death of an owner of the equity interest in a registrant;

(E) the acquisition of a controlling interest in the stock or substantially all of the assets of a publicly traded company;

(F) a transfer by a parent company to a wholly owned subsidiary; or

(G) the transfer or sale to or by one person to another person where both persons were initial owners of the registration when the registration was issued; or

(2) the cannabis cultivation center registration, medical cannabis dispensary registration, or the controlling interest in a registrant's property is transferred in a transaction to lineal descendants in which no gain or loss is recognized or as a result of a transaction in accordance with Section 351 of the Internal Revenue Code in which no gain or loss is recognized.

(p) Pass-through entity tax.

(1) For taxable years ending on or after December 31, 2021 and beginning prior to January 1, 2026, a partnership (other than a publicly traded partnership under Section 7704 of the Internal Revenue Code) or Subchapter S corporation may elect to apply the provisions of this subsection. A separate election shall be made for each taxable year. Such election shall be made at such time, and in such form and manner as prescribed by the Department, and, once made, is irrevocable.

(2) Entity-level tax. A partnership or Subchapter S corporation electing to apply the provisions of this subsection shall be subject to a tax for the privilege of earning or receiving income in this State in an amount equal to 4.95% of the taxpayer's net income for the taxable year.

(3) Net income defined.

(A) In general. For purposes of paragraph (2), the term net income has the same meaning as defined in Section 202 of this Act, except that the following provisions shall not apply:

(i) the standard exemption allowed under Section 204;

(ii) the deduction for net losses allowed under Section 207;

(iii) in the case of an S corporation, the modification under Section 203(b)(2)(S); and

(iv) in the case of a partnership, the modifications under Section 203(d)(2)(H) and Section 203(d)(2)(I).

(B) Special rule for tiered partnerships. If a taxpayer making the election under paragraph (1) is a partner of another taxpayer making the election under paragraph (1), net income shall be computed as provided in subparagraph (A), except that the taxpayer shall subtract its distributive share of the net income of the electing partnership (including its distributive share of the net income of the electing partnership derived as a distributive share from electing partnerships in which it is a partner).

(4) Credit for entity level tax. Each partner or shareholder of a taxpayer making the election under this Section shall be allowed a credit against the tax imposed under subsections (a) and (b) of Section 201 of this Act for the taxable year of the partnership or Subchapter S corporation for which an election is in effect ending within or with the taxable year of the partner or shareholder in an amount equal to 4.95% times the partner or shareholder's distributive share of the net income of the electing partnership or Subchapter S corporation, but not to exceed the partner's or shareholder's share of the tax imposed under paragraph (1) which is actually paid by the partnership or Subchapter S corporation. If the taxpayer is a partnership or Subchapter S corporation that is itself a partner of a partnership making the election under paragraph (1), the credit under this paragraph shall be allowed to the taxpayer's partners or shareholders (or if the partner is a partnership or Subchapter S corporation then its partners or shareholders) in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. If the amount of the credit allowed under this paragraph exceeds the partner's or shareholder's liability for tax imposed under subsections (a) and (b) of Section 201 of this Act for the taxable year, such excess shall be treated as an overpayment for purposes of Section 909 of this Act.

(5) Nonresidents. A nonresident individual who is a partner or shareholder of a partnership or Subchapter S corporation for a taxable year for which an election is in effect under paragraph (1) shall not be required to file an income tax return under this Act for such taxable year if the only source of net income of the individual (or the individual and the individual's spouse in the case of a joint return) is from an entity making the election under paragraph (1) and the credit allowed to the partner or shareholder under paragraph (4) equals or exceeds the individual's liability for the tax imposed under subsections (a) and (b) of Section 201 of this Act for the taxable year.

(6) Liability for tax. Except as provided in this paragraph, a partnership or Subchapter S making the election under paragraph (1) is liable for the entity-level tax imposed under paragraph (2). If the electing partnership or corporation fails to pay the full amount of tax deemed assessed under paragraph (2), the partners or shareholders shall be liable to pay the tax assessed (including penalties and interest). Each partner or shareholder shall be liable for the unpaid assessment based on the ratio of the partner's or shareholder's share of the net income of the partnership over the total net income of the partnership. If the partnership or Subchapter S corporation fails to pay the tax assessed (including penalties and interest) and thereafter an amount of such tax is paid by the partners or shareholders, such amount shall not be collected from the partnership or corporation.

(7) Foreign tax. For purposes of the credit allowed under Section 601(b)(3) of this Act, tax paid by a partnership or Subchapter S corporation to another state which, as determined by the Department, is substantially similar to the tax imposed under this subsection, shall be considered tax paid by the partner or shareholder to the extent that the partner's or shareholder's share of the income of the partnership or Subchapter S corporation allocated and apportioned to such other state bears to the total income of the partnership or Subchapter S corporation allocated or apportioned to such other state.

(8) Suspension of withholding. The provisions of Section 709.5 of this Act shall not apply to a partnership or Subchapter S corporation for the taxable year for which an election under paragraph (1) is in effect.

(9) Requirement to pay estimated tax. For each taxable year for which an election under paragraph (1) is in effect, a partnership or Subchapter S corporation is required to pay estimated tax for such taxable year under Sections 803 and 804 of this Act if the amount payable as estimated tax can reasonably be expected to exceed $500.

(10) The provisions of this subsection shall apply only with respect to taxable years for which the limitation on individual deductions applies under Section 164(b)(6) of the Internal Revenue Code.

(Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19; 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 11-18-20.)

(Text of Section with the changes made by P.A. 101-8, which did not take effect (see Section 99 of P.A. 101-8))

Sec. 201. Tax imposed.

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

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

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

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

(3) In the case of an individual, trust or estate, for taxable years beginning after June 30, 1989, and ending prior to January 1, 2011, an amount equal to 3% of the taxpayer's net income for the taxable year.

(4) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 3% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 5% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(5) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 5% of the taxpayer's net income for the taxable year.

(5.1) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 5% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 3.75% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(5.2) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2015, and ending prior to July 1, 2017, an amount equal to 3.75% of the taxpayer's net income for the taxable year.

(5.3) In the case of an individual, trust, or estate, for taxable years beginning prior to July 1, 2017, and ending after June 30, 2017, an amount equal to the sum of (i) 3.75% of the taxpayer's net income for the period prior to July 1, 2017, as calculated under Section 202.5, and (ii) 4.95% of the taxpayer's net income for the period after June 30, 2017, as calculated under Section 202.5.

(5.4) In the case of an individual, trust, or estate, for taxable years beginning on or after July 1, 2017 ~~and beginning prior to January 1, 2021~~, an amount equal to 4.95% of the taxpayer's net income for the taxable year.

~~(5.5) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2021, an amount calculated under the rate structure set forth in Section 201.1.~~

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

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

(8) In the case of a corporation, for taxable years beginning after June 30, 1989, and ending prior to January 1, 2011, an amount equal to 4.8% of the taxpayer's net income for the taxable year.

(9) In the case of a corporation, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 4.8% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(10) In the case of a corporation, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 7% of the taxpayer's net income for the taxable year.

(11) In the case of a corporation, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 7% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 5.25% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(12) In the case of a corporation, for taxable years beginning on or after January 1, 2015, and ending prior to July 1, 2017, an amount equal to 5.25% of the taxpayer's net income for the taxable year.

(13) In the case of a corporation, for taxable years beginning prior to July 1, 2017, and ending after June 30, 2017, an amount equal to the sum of (i) 5.25% of the taxpayer's net income for the period prior to July 1, 2017, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after June 30, 2017, as calculated under Section 202.5.

(14) In the case of a corporation, for taxable years beginning on or after July 1, 2017 ~~and beginning prior to January 1, 2021~~, an amount equal to 7% of the taxpayer's net income for the taxable year.

~~(15) In the case of a corporation, for taxable years beginning on or after January 1, 2021, an amount equal to 7.99% of the taxpayer's net income for the taxable year.~~

The rates under this subsection (b) are subject to the provisions of Section 201.5.

(b-5) Surcharge; sale or exchange of assets, properties, and intangibles of organization gaming licensees. For each of taxable years 2019 through 2027, a surcharge is imposed on all taxpayers on income arising from the sale or exchange of capital assets, depreciable business property, real property used in the trade or business, and Section 197 intangibles (i) of an organization licensee under the Illinois Horse Racing Act of 1975 and (ii) of an organization gaming licensee under the Illinois Gambling Act. The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to those sales and exchanges. The surcharge imposed shall not apply if:

(1) the organization gaming license, organization license, or racetrack property is transferred as a result of any of the following:

(A) bankruptcy, a receivership, or a debt adjustment initiated by or against the initial licensee or the substantial owners of the initial licensee;

(B) cancellation, revocation, or termination of any such license by the Illinois Gaming Board or the Illinois Racing Board;

(C) a determination by the Illinois Gaming Board that transfer of the license is in the best interests of Illinois gaming;

(D) the death of an owner of the equity interest in a licensee;

(E) the acquisition of a controlling interest in the stock or substantially all of the assets of a publicly traded company;

(F) a transfer by a parent company to a wholly owned subsidiary; or

(G) the transfer or sale to or by one person to another person where both persons were initial owners of the license when the license was issued; or

(2) the controlling interest in the organization gaming license, organization license, or racetrack property is transferred in a transaction to lineal descendants in which no gain or loss is recognized or as a result of a transaction in accordance with Section 351 of the Internal Revenue Code in which no gain or loss is recognized; or

(3) live horse racing was not conducted in 2010 at a racetrack located within 3 miles of the Mississippi River under a license issued pursuant to the Illinois Horse Racing Act of 1975.

The transfer of an organization gaming license, organization license, or racetrack property by a person other than the initial licensee to receive the organization gaming license is not subject to a surcharge. The Department shall adopt rules necessary to implement and administer this subsection.

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

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

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

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

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

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code,

equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

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

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

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

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986,

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

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

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

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

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

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

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

(3) For purposes of this subsection (e), "manufacturing" means the material staging and production of tangible personal property by procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes some existing material into new shapes, new qualities, or new combinations. For purposes of this subsection (e) the term "mining" shall have the same meaning as the term "mining" in Section 613(c) of the Internal Revenue Code. For purposes of this subsection (e), the term "retailing" means the sale of tangible personal property for use or consumption and not for resale, or services rendered in conjunction with the sale of tangible personal property for use or consumption and not for resale. For purposes of this subsection (e), "tangible personal property" has the same meaning as when that term is used in the Retailers' Occupation Tax Act, and, for taxable years ending after December 31, 2008, does not include the generation, transmission, or distribution of electricity.

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

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

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

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

(8) Unless the investment credit is extended by law, the basis of qualified property shall not include costs incurred after December 31, 2018, except for costs incurred pursuant to a binding contract entered into on or before December 31, 2018.

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

For taxable years ending on or after December 31, 2000, a partner that qualifies its partnership for a subtraction under subparagraph (I) of paragraph (2) of subsection (d) of Section 203 or a shareholder that qualifies a Subchapter S corporation for a subtraction under subparagraph (S) of paragraph (2) of subsection (b) of Section 203 shall be allowed a credit under this subsection (e) equal to its share of the credit earned under this subsection (e) during the taxable year by the partnership or Subchapter S corporation, determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. This paragraph is exempt from the provisions of Section 250.

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

(1) A taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service in an Enterprise Zone created pursuant to the Illinois Enterprise Zone Act or, for property placed in service on or after July 1, 2006, a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (f) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. The credit shall be .5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service in the Enterprise Zone or River Edge Redevelopment Zone and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1985, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

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

(8) For taxable years beginning on or after January 1, 2021, there shall be allowed an Enterprise Zone construction jobs credit against the taxes imposed under subsections (a) and (b) of this Section as provided in Section 13 of the Illinois Enterprise Zone Act.

The credit or credits may not reduce the taxpayer's liability to less than zero. If the amount of the credit or credits exceeds the taxpayer's liability, the excess may be carried forward and applied against the taxpayer's liability in succeeding calendar years in the same manner provided under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one taxable year that are available to offset a liability, the earlier credit shall be applied first.

For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for the purposes of federal and State income taxation, there shall be allowed a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code.

The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this amendatory Act of the 101st General Assembly~~) shall not exceed $20,000,000 in any State fiscal year.

This paragraph (8) is exempt from the provisions of Section 250.

(g) (Blank).

(h) Investment credit; High Impact Business.

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

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

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

(h-5) High Impact Business construction ~~constructions~~ jobs credit. For taxable years beginning on or after January 1, 2021, there shall also be allowed a High Impact Business construction jobs credit against the tax imposed under subsections (a) and (b) of this Section as provided in subsections (i) and (j) of Section 5.5 of the Illinois Enterprise Zone Act.

The credit or credits may not reduce the taxpayer's liability to less than zero. If the amount of the credit or credits exceeds the taxpayer's liability, the excess may be carried forward and applied against the taxpayer's liability in succeeding calendar years in the manner provided under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one taxable year that are available to offset a liability, the earlier credit shall be applied first.

For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for the purposes of federal and State income taxation, there shall be allowed a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code.

The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this amendatory Act of the 101st General Assembly~~) shall not exceed $20,000,000 in any State fiscal year.

This subsection (h-5) is exempt from the provisions of Section 250.

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

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

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

(j) Training expense credit. Beginning with tax years ending on or after December 31, 1986 and prior to December 31, 2003, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) under this Section for all amounts paid or accrued, on behalf of all persons employed by the taxpayer in Illinois or Illinois residents employed outside of Illinois by a taxpayer, for educational or vocational training in semi-technical or technical fields or semi-skilled or skilled fields, which were deducted from gross income in the computation of taxable income. The credit against the tax imposed by subsections (a) and (b) shall be 1.6% of such training expenses. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (j) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

Any credit allowed under this subsection which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. No carryforward credit may be claimed in any tax year ending on or after December 31, 2003.

(k) Research and development credit. For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2027, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

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

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

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

No inference shall be drawn from Public Act 91-644 ~~this amendatory Act of the 91st General Assembly~~ in construing this Section for taxable years beginning before January 1, 1999.

It is the intent of the General Assembly that the research and development credit under this subsection (k) shall apply continuously for all tax years ending on or after December 31, 2004 and ending prior to January 1, 2027, including, but not limited to, the period beginning on January 1, 2016 and ending on July 6, 2017 (the effective date of Public Act 100-22) ~~this amendatory Act of the 100th General Assembly.~~ All actions taken in reliance on the continuation of the credit under this subsection (k) by any taxpayer are hereby validated.

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control

Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site, except that the $100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed $40,000 per year with a maximum total of $150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

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

(m) Education expense credit. Beginning with tax years ending after December 31, 1999, a taxpayer who is the custodian of one or more qualifying pupils shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for qualified education expenses incurred on behalf of the qualifying pupils. The credit shall be equal to 25% of qualified education expenses, but in no event may the total credit under this subsection claimed by a family that is the custodian of qualifying pupils exceed (i) $500 for tax years ending prior to December 31, 2017, and (ii) $750 for tax years ending on or after December 31, 2017. In no event shall a credit under this subsection reduce the taxpayer's liability under this Act to less than zero. Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2017, no taxpayer may claim a credit under this subsection (m) if the taxpayer's adjusted gross income for the taxable year exceeds (i) $500,000, in the case of spouses filing a joint federal tax return or (ii) $250,000, in the case of all other taxpayers. This subsection is exempt from the provisions of Section 250 of this Act.

For purposes of this subsection:

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

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

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

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

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

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

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

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

(o) For each of taxable years during the Compassionate Use of Medical Cannabis Program, a surcharge is imposed on all taxpayers on income arising from the sale or exchange of capital assets, depreciable business property, real property used in the trade or business, and Section 197 intangibles of an organization registrant under the Compassionate Use of Medical Cannabis Program Act. The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to those sales and exchanges. The surcharge imposed does not apply if:

(1) the medical cannabis cultivation center registration, medical cannabis dispensary registration, or the property of a registration is transferred as a result of any of the following:

(A) bankruptcy, a receivership, or a debt adjustment initiated by or against the initial registration or the substantial owners of the initial registration;

(B) cancellation, revocation, or termination of any registration by the Illinois Department of Public Health;

(C) a determination by the Illinois Department of Public Health that transfer of the registration is in the best interests of Illinois qualifying patients as defined by the Compassionate Use of Medical Cannabis Program Act;

(D) the death of an owner of the equity interest in a registrant;

(E) the acquisition of a controlling interest in the stock or substantially all of the assets of a publicly traded company;

(F) a transfer by a parent company to a wholly owned subsidiary; or

(G) the transfer or sale to or by one person to another person where both persons were initial owners of the registration when the registration was issued; or

(2) the cannabis cultivation center registration, medical cannabis dispensary registration, or the controlling interest in a registrant's property is transferred in a transaction to lineal descendants in which no gain or loss is recognized or as a result of a transaction in accordance with Section 351 of the Internal Revenue Code in which no gain or loss is recognized.

(p) Pass-through entity tax.

(1) For taxable years ending on or after December 31, 2021 and beginning prior to January 1, 2026, a partnership (other than a publicly traded partnership under Section 7704 of the Internal Revenue Code) or Subchapter S corporation may elect to apply the provisions of this subsection. A separate election shall be made for each taxable year. Such election shall be made at such time, and in such form and manner as prescribed by the Department, and, once made, is irrevocable.

(2) Entity-level tax. A partnership or Subchapter S corporation electing to apply the provisions of this subsection shall be subject to a tax for the privilege of earning or receiving income in this State in an amount equal to 4.95% of the taxpayer's net income for the taxable year.

(3) Net income defined.

(A) In general. For purposes of paragraph (2), the term net income has the same meaning as defined in Section 202 of this Act, except that the following provisions shall not apply:

(i) the standard exemption allowed under Section 204;

(ii) the deduction for net losses allowed under Section 207;

(iii) in the case of an S corporation, the modification under Section 203(b)(2)(S); and

(iv) in the case of a partnership, the modifications under Section 203(d)(2)(H) and Section 203(d)(2)(I).

(B) Special rule for tiered partnerships. If a taxpayer making the election under paragraph (1) is a partner of another taxpayer making the election under paragraph (1), net income shall be computed as provided in subparagraph (A), except that the taxpayer shall subtract its distributive share of the net income of the electing partnership (including its distributive share of the net income of the electing partnership derived as a distributive share from electing partnerships in which it is a partner).

(4) Credit for entity level tax. Each partner or shareholder of a taxpayer making the election under this Section shall be allowed a credit against the tax imposed under subsections (a) and (b) of Section 201 of this Act for the taxable year of the partnership or Subchapter S corporation for which an election is in effect ending within or with the taxable year of the partner or shareholder in an amount equal to 4.95% times the partner or shareholder's distributive share of the net income of the electing partnership or Subchapter S corporation, but not to exceed the partner's or shareholder's share of the tax imposed under paragraph (1) which is actually paid by the partnership or Subchapter S corporation. If the taxpayer is a partnership or Subchapter S corporation that is itself a partner of a partnership making the election under paragraph (1), the credit under this paragraph shall be allowed to the taxpayer's partners or shareholders (or if the partner is a partnership or Subchapter S corporation then its partners or shareholders) in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. If the amount of the credit allowed under this paragraph exceeds the partner's or shareholder's liability for tax imposed under subsections (a) and (b) of Section 201 of this Act for the taxable year, such excess shall be treated as an overpayment for purposes of Section 909 of this Act.

(5) Nonresidents. A nonresident individual who is a partner or shareholder of a partnership or Subchapter S corporation for a taxable year for which an election is in effect under paragraph (1) shall not be required to file an income tax return under this Act for such taxable year if the only source of net income of the individual (or the individual and the individual's spouse in the case of a joint return) is from an entity making the election under paragraph (1) and the credit allowed to the partner or shareholder under paragraph (4) equals or exceeds the individual's liability for the tax imposed under subsections (a) and (b) of Section 201 of this Act for the taxable year.

(6) Liability for tax. Except as provided in this paragraph, a partnership or Subchapter S making the election under paragraph (1) is liable for the entity-level tax imposed under paragraph (2). If the electing partnership or corporation fails to pay the full amount of tax deemed assessed under paragraph (2), the partners or shareholders shall be liable to pay the tax assessed (including penalties

and interest). Each partner or shareholder shall be liable for the unpaid assessment based on the ratio of the partner's or shareholder's share of the net income of the partnership over the total net income of the partnership. If the partnership or Subchapter S corporation fails to pay the tax assessed (including penalties and interest) and thereafter an amount of such tax is paid by the partners or shareholders, such amount shall not be collected from the partnership or corporation.

(7) Foreign tax. For purposes of the credit allowed under Section 601(b)(3) of this Act, tax paid by a partnership or Subchapter S corporation to another state which, as determined by the Department, is substantially similar to the tax imposed under this subsection, shall be considered tax paid by the partner or shareholder to the extent that the partner's or shareholder's share of the income of the partnership or Subchapter S corporation allocated and apportioned to such other state bears to the total income of the partnership or Subchapter S corporation allocated or apportioned to such other state.

(8) Suspension of withholding. The provisions of Section 709.5 of this Act shall not apply to a partnership or Subchapter S corporation for the taxable year for which an election under paragraph (1) is in effect.

(9) Requirement to pay estimated tax. For each taxable year for which an election under paragraph (1) is in effect, a partnership or Subchapter S corporation is required to pay estimated tax for such taxable year under Sections 803 and 804 of this Act if the amount payable as estimated tax can reasonably be expected to exceed $500.

(10) The provisions of this subsection shall apply only with respect to taxable years for which the limitation on individual deductions applies under Section 164(b)(6) of the Internal Revenue Code.

(Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for effective date; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19; 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 11-18-20.)

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

Sec. 203. Base income defined.

(a) Individuals.

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

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

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

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

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

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

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

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

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

(D-16) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (Z) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (Z), then an amount equal to that subtraction modification.

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

(D-17) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(D-18) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total

business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

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

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

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

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

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

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

(D-19) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and

costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this Act;.

(D-20) For taxable years beginning on or after January 1, 2002 and ending on or before December 31, 2006, in the case of a distribution from a qualified tuition program under Section 529 of the Internal Revenue Code, other than (i) a distribution from a College Savings Pool created under Section 16.5 of the State Treasurer Act or (ii) a distribution from the Illinois Prepaid Tuition Trust Fund, an amount equal to the amount excluded from gross income under Section 529(c)(3)(B). For taxable years beginning on or after January 1, 2007, in the case of a distribution from a qualified tuition program under Section 529 of the Internal Revenue Code, other than (i) a distribution from a College Savings Pool created under Section 16.5 of the State Treasurer Act, (ii) a distribution from the Illinois Prepaid Tuition Trust Fund, or (iii) a distribution from a qualified tuition program under Section 529 of the Internal Revenue Code that (I) adopts and determines that its offering materials comply with the College Savings Plans Network's disclosure principles and (II) has made reasonable efforts to inform in-state residents of the existence of in-state qualified tuition programs by informing Illinois residents directly and, where applicable, to inform financial intermediaries distributing the program to inform in-state residents of the existence of in-state qualified tuition programs at least annually, an amount equal to the amount excluded from gross income under Section 529(c)(3)(B).

For the purposes of this subparagraph (D-20), a qualified tuition program has made reasonable efforts if it makes disclosures (which may use the term "in-state program" or "in-state plan" and need not specifically refer to Illinois or its qualified programs by name) (i) directly to prospective participants in its offering materials or makes a public disclosure, such as a website posting; and (ii) where applicable, to intermediaries selling the out-of-state program in the same manner that the out-of-state program distributes its offering materials;

(D-20.5) For taxable years beginning on or after January 1, 2018, in the case of a distribution from a qualified ABLE program under Section 529A of the Internal Revenue Code, other than a distribution from a qualified ABLE program created under Section 16.6 of the State Treasurer Act, an amount equal to the amount excluded from gross income under Section 529A(c)(1)(B) of the Internal Revenue Code;

(D-21) For taxable years beginning on or after January 1, 2007, in the case of transfer of moneys from a qualified tuition program under Section 529 of the Internal Revenue Code that is administered by the State to an out-of-state program, an amount equal to the amount of moneys previously deducted from base income under subsection (a)(2)(Y) of this Section;

(D-21.5) For taxable years beginning on or after January 1, 2018, in the case of the transfer of moneys from a qualified tuition program under Section 529 or a qualified ABLE program under Section 529A of the Internal Revenue Code that is administered by this State to an ABLE account established under an out-of-state ABLE account program, an amount equal to the contribution component of the transferred amount that was previously deducted from base income under subsection (a)(2)(Y) or subsection (a)(2)(HH) of this Section;

(D-22) For taxable years beginning on or after January 1, 2009, and prior to January 1, 2018, in the case of a nonqualified withdrawal or refund of moneys from a qualified tuition program under Section 529 of the Internal Revenue Code administered by the State that is not used for qualified expenses at an eligible education institution, an amount equal to the contribution component of the nonqualified withdrawal or refund that was previously deducted from base income under subsection (a)(2)(y) of this Section, provided that the withdrawal or refund did not result from the beneficiary's death or disability. For taxable years beginning on or after January 1, 2018: (1) in the case of a nonqualified withdrawal or refund, as defined under Section 16.5 of the State Treasurer Act, of moneys from a qualified tuition program under Section 529 of the Internal Revenue Code administered by the State, an amount equal to the contribution component of the nonqualified withdrawal or refund that was previously deducted from base income under subsection (a)(2)(Y) of this Section, and (2) in the case of a nonqualified withdrawal or refund from a qualified ABLE program under Section 529A of the Internal Revenue Code administered by the State that is not used for qualified disability expenses, an amount equal to the contribution component of the nonqualified withdrawal or

refund that was previously deducted from base income under subsection (a)(2)(HH) of this Section;

(D-23) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

(D-24) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year;

(D-25) In the case of a resident, an amount equal to the amount of tax for which a credit is allowed pursuant to Section 201(p)(7) of this Act;

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

(E) For taxable years ending before December 31, 2001, any amount included in such total in respect of any compensation (including but not limited to any compensation paid or accrued to a serviceman while a prisoner of war or missing in action) paid to a resident by reason of being on active duty in the Armed Forces of the United States and in respect of any compensation paid or accrued to a resident who as a governmental employee was a prisoner of war or missing in action, and in respect of any compensation paid to a resident in 1971 or thereafter for annual training performed pursuant to Sections 502 and 503, Title 32, United States Code as a member of the Illinois National Guard or, beginning with taxable years ending on or after December 31, 2007, the National Guard of any other state. For taxable years ending on or after December 31, 2001, any amount included in such total in respect of any compensation (including but not limited to any compensation paid or accrued to a serviceman while a prisoner of war or missing in action) paid to a resident by reason of being a member of any component of the Armed Forces of the United States and in respect of any compensation paid or accrued to a resident who as a governmental employee was a prisoner of war or missing in action, and in respect of any compensation paid to a resident in 2001 or thereafter by reason of being a member of the Illinois National Guard or, beginning with taxable years ending on or after December 31, 2007, the National Guard of any other state. The provisions of this subparagraph (E) are exempt from the provisions of Section 250;

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

(G) The valuation limitation amount;

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

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

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

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

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

(M) With the exception of any amounts subtracted under subparagraph (N), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2)~~,~~ and 265(a)(2) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) of the Internal Revenue Code; and (ii) for taxable

years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

(P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code or of any itemized deduction taken from adjusted gross income in the computation of taxable income for restoration of substantial amounts held under claim of right for the taxable year;

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

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

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

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

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

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

(W) For taxable years beginning on or after January 1, 1998, all amounts included in the taxpayer's federal gross income in the taxable year from amounts converted from a regular IRA to a Roth IRA. This paragraph is exempt from the provisions of Section 250;

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

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

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

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

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (Z) is exempt from the provisions of Section 250;

(AA) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for

which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to that addition modification.

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

This subparagraph (AA) is exempt from the provisions of Section 250;

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

(CC) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of that addition modification, and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of that addition modification. This subparagraph (CC) is exempt from the provisions of Section 250;

(DD) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-17) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (DD) is exempt from the provisions of Section 250;

(EE) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-18) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person. This subparagraph (EE) is exempt from the provisions of Section 250;

(FF) An amount equal to any amount awarded to the taxpayer during the taxable year by the Court of Claims under subsection (c) of Section 8 of the Court of Claims Act for time unjustly served in a State prison. This subparagraph (FF) is exempt from the provisions of Section 250;

(GG) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(a)(2)(D-19), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (GG), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (GG). This subparagraph (GG) is exempt from the provisions of Section 250; and

(HH) For taxable years beginning on or after January 1, 2018 and prior to January 1, 2023, a maximum of $10,000 contributed in the taxable year to a qualified ABLE account under

Section 16.6 of the State Treasurer Act, except that amounts excluded from gross income under Section 529(c)(3)(C)(i) or Section 529A(c)(1)(C) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (HH). For purposes of this subparagraph (HH), contributions made by an employer on behalf of an employee, or matching contributions made by an employee, shall be treated as made by the employee.

(b) Corporations.

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

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

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

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

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

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

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

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

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

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

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

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

(E-11) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (T) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for

which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (T), then an amount equal to that subtraction modification.

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

(E-12) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(E-13) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable

year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(b)(2)(E-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

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

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

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

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

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

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

(E-14) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(b)(2)(E-12) or Section 203(b)(2)(E-13) of this Act;

(E-15) For taxable years beginning after December 31, 2008, any deduction for dividends paid by a captive real estate investment trust that is allowed to a real estate investment trust under Section 857(b)(2)(B) of the Internal Revenue Code for dividends paid;

(E-16) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

(E-17) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year;

(E-18) for taxable years beginning after December 31, 2018, an amount equal to the deduction allowed under Section 250(a)(1)(A) of the Internal Revenue Code for the taxable year.

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

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

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

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

(I) With the exception of any amounts subtracted under subparagraph (J), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2)~~,~~ and 265(a)(2) and amounts disallowed as interest expense by Section 291(a)(3) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, for tax years ending on or after December 31, 2011, amounts disallowed as deductions by Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code and the policyholders' share of tax-exempt interest of a life insurance company under Section 807(a)(2)(B) of the Internal Revenue Code (in the case of a life insurance company with gross income from a decrease in reserves for the tax year) or Section 807(b)(1)(B) of the Internal Revenue Code (in the case of a life insurance company allowed a deduction for an increase in reserves for the tax year); the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

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

(M) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the River Edge Redevelopment Zone Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(f) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(f) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the

date that it was placed in service in the River Edge Redevelopment Zone. The subtraction modification available to the taxpayer in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence. This subparagraph (M) is exempt from the provisions of Section 250;

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

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

(O) An amount equal to: (i) 85% for taxable years ending on or before December 31, 1992, or, a percentage equal to the percentage allowable under Section 243(a)(1) of the Internal Revenue Code of 1986 for taxable years ending after December 31, 1992, of the amount by which dividends included in taxable income and received from a corporation that is not created or organized under the laws of the United States or any state or political subdivision thereof, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 965 of the Internal Revenue Code, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends, and including, for taxable years ending on or after December 31, 2008, dividends received from a captive real estate investment trust; plus (ii) 100% of the amount by which dividends, included in taxable income and received, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 964 of the Internal Revenue Code and including, for taxable years ending on or after December 31, 2008, dividends received from a captive real estate investment trust, from any such corporation specified in clause (i) that would but for the provisions of Section 1504(b)(3) of the Internal Revenue Code be treated as a member of the affiliated group which includes the dividend recipient, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends. This subparagraph (O) is exempt from the provisions of Section 250 of this Act;

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

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

(R) On and after July 20, 1999, in the case of an attorney-in-fact with respect to whom an interinsurer or a reciprocal insurer has made the election under Section 835 of the Internal Revenue Code, 26 U.S.C. 835, an amount equal to the excess, if any, of the amounts paid or incurred by that interinsurer or reciprocal insurer in the taxable year to the attorney-in-fact over the deduction allowed to that interinsurer or reciprocal insurer with respect to the

attorney-in-fact under Section 835(b) of the Internal Revenue Code for the taxable year; the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

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

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (T) is exempt from the provisions of Section 250;

(U) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

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

This subparagraph (U) is exempt from the provisions of Section 250;

(V) The amount of: (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification, (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification, and (iii) any insurance premium income (net of deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-19), Section 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section 203(d)(2)(D-9), but not to exceed the amount of that addition modification. This subparagraph (V) is exempt from the provisions of Section 250;

(W) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total

business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-12) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (W) is exempt from the provisions of Section 250;

(X) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person. This subparagraph (X) is exempt from the provisions of Section 250;

(Y) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(b)(2)(E-14), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (Y), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (Y). This subparagraph (Y) is exempt from the provisions of Section 250; and

(Z) The difference between the nondeductible controlled foreign corporation dividends under Section 965(e)(3) of the Internal Revenue Code over the taxable income of the taxpayer, computed without regard to Section 965(e)(2)(A) of the Internal Revenue Code, and without regard to any net operating loss deduction. This subparagraph (Z) is exempt from the provisions of Section 250.

(3) Special rule. For purposes of paragraph (2)(A), "gross income" in the case of a life insurance company, for tax years ending on and after December 31, 1994, and prior to December 31, 2011, shall mean the gross investment income for the taxable year and, for tax years ending on or after December 31, 2011, shall mean all amounts included in life insurance gross income under Section 803(a)(3) of the Internal Revenue Code.

(c) Trusts and estates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(G-11) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (R) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (R), then an amount equal to that subtraction modification.

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

(G-12) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(G-13) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(c)(2)(G-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes: (1) expenses, losses, and costs for or related to the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

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

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

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

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

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

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

(G-14) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(c)(2)(G-12) or Section 203(c)(2)(G-13) of this Act;

(G-15) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

(G-16) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year;

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

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

(I) The valuation limitation amount;

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

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

(L) With the exception of any amounts subtracted under subparagraph (K), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2) and

265(a)(2) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, (iii) for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

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

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

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

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

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

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (R) is exempt from the provisions of Section 250;

(S) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

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

This subparagraph (S) is exempt from the provisions of Section 250;

(T) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification. This subparagraph (T) is exempt from the provisions of Section 250;

(U) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-12) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (U) is exempt from the provisions of Section 250;

(V) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person. This subparagraph (V) is exempt from the provisions of Section 250;

(W) in the case of an estate, an amount equal to all amounts included in such total pursuant to the provisions of Section 111 of the Internal Revenue Code as a recovery of items previously deducted by the decedent from adjusted gross income in the computation of taxable income. This subparagraph (W) is exempt from Section 250;

(X) an amount equal to the refund included in such total of any tax deducted for federal income tax purposes, to the extent that deduction was added back under subparagraph (F). This subparagraph (X) is exempt from the provisions of Section 250;

(Y) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(c)(2)(G-14), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (Y), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (Y). This subparagraph (Y) is exempt from the provisions of Section 250; and

(Z) For taxable years beginning after December 31, 2018 and before January 1, 2026, the amount of excess business loss of the taxpayer disallowed as a deduction by Section 461(l)(1)(B) of the Internal Revenue Code.

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

(d) Partnerships.

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

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

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

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

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

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

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

(D-6) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (O) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (O), then an amount equal to that subtraction modification.

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

(D-7) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the

taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(D-8) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(d)(2)(D-7) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets;

This paragraph shall not apply to the following:

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

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

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

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

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

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

(D-9) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

(D-10) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

(D-11) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year;

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

(E) The valuation limitation amount;

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

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

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

partnership, whichever is greater; this subparagraph (H) is exempt from the provisions of Section 250;

(I) An amount equal to all amounts of income distributable to an entity subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act including amounts distributable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code; this subparagraph (I) is exempt from the provisions of Section 250;

(J) With the exception of any amounts subtracted under subparagraph (G), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2)~~,~~ and 265(a)(2) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, (iii) for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

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

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

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

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

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (O) is exempt from the provisions of Section 250;

(P) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

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

This subparagraph (P) is exempt from the provisions of Section 250;

(Q) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification. This subparagraph (Q) is exempt from Section 250;

(R) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(d)(2)(D-7) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (R) is exempt from Section 250;

(S) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(d)(2)(D-8) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (S) is exempt from Section 250; and

(T) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(d)(2)(D-9), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (T), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (T). This subparagraph (T) is exempt from the provisions of Section 250.

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

(1) In general. Subject to the provisions of paragraph (2) and subsection (b)(3), for purposes of this Section and Section 803(e), a taxpayer's gross income, adjusted gross income, or taxable income for the taxable year shall mean the amount of gross income, adjusted gross income or taxable income properly reportable for federal income tax purposes for the taxable year under the provisions of the Internal Revenue Code. Taxable income may be less than zero. However, for taxable years ending on

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

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

(A) Certain life insurance companies. In the case of a life insurance company subject to the tax imposed by Section 801 of the Internal Revenue Code, life insurance company taxable income, plus the amount of distribution from pre-1984 policyholder surplus accounts as calculated under Section 815a of the Internal Revenue Code;

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

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

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

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

(F) Cooperatives. In the case of a cooperative corporation or association, the taxable income of such organization determined in accordance with the provisions of Section 1381 through 1388 of the Internal Revenue Code, but without regard to the prohibition against offsetting losses from patronage activities against income from nonpatronage activities; except that a cooperative corporation or association may make an election to follow its federal income tax treatment of patronage losses and nonpatronage losses. In the event such election is made, such losses shall be computed and carried over in a manner consistent with subsection (a) of Section 207 of this Act and apportioned by the apportionment factor reported by the cooperative on its Illinois income tax return filed for the taxable year in which the losses are incurred. The election shall be effective for all taxable years with original returns due on or after the date of the election. In addition, the cooperative may file an amended return or returns, as allowed under this Act, to provide that the election shall be effective for losses incurred or carried forward for taxable years occurring prior to the date of the election. Once made, the election may only be revoked upon approval of the Director. The Department shall adopt rules setting forth requirements for documenting the elections and any resulting Illinois net loss and the standards to be used by the Director in evaluating requests to revoke elections. Public Act 96-932 is declaratory of existing law;

(G) Subchapter S corporations. In the case of: (i) a Subchapter S corporation for which there is in effect an election for the taxable year under Section 1362 of the Internal Revenue Code, the taxable income of such corporation determined in accordance with Section 1363(b) of the Internal Revenue Code, except that taxable income shall take into account those items

which are required by Section 1363(b)(1) of the Internal Revenue Code to be separately stated; and (ii) a Subchapter S corporation for which there is in effect a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982, the taxable income of such corporation determined in accordance with the federal Subchapter S rules as in effect on July 1, 1982; and

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

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

(f) Valuation limitation amount.

(1) In general. The valuation limitation amount referred to in subsections (a)(2)(G), (c)(2)(I) and (d)(2)(E) is an amount equal to:

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

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

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

(A) If the fair market value of property referred to in paragraph (1) was readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is the lesser of (i) the excess of such fair market value over the taxpayer's basis (for determining gain) for such property on that date (determined under the Internal Revenue Code as in effect on that date), or (ii) the total gain realized and reportable for federal income tax purposes in respect of the sale, exchange or other disposition of such property.

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

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

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

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

(Source: P.A. 100-22, eff. 7-6-17; 100-905, eff. 8-17-18; 101-9, eff. 6-5-19; 101-81, eff. 7-12-19; revised 9-20-19.)

(35 ILCS 5/901)

(Text of Section without the changes made by P.A. 101-8, which did not take effect (see Section 99 of P.A. 101-8))

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 of the Civil Administrative Code of Illinois. Except as provided in subsections (b), (c), (e), (f), (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 of the Civil Administrative Code of Illinois 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, 2017, 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) 6.06% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 4.95% individual income tax rate after July 1, 2017) 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) 6.85% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 7% corporate income tax rate after July 1, 2017) 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; and (iii) beginning February 1, 2022, 6.06% of the net revenue realized from the tax imposed by subsection (p) of Section 201 of this Act upon electing pass through entities. 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.

Notwithstanding any provision of law to the contrary, beginning on July 6, 2017 (the effective date of Public Act 100-23), those amounts required under this subsection (b) to be transferred by the Treasurer into the Local Government Distributive Fund from the General Revenue Fund shall be directly deposited into the Local Government Distributive Fund as the revenue is realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act.

For State fiscal year 2020 only, notwithstanding any provision of law to the contrary, the total amount of revenue and deposits under this Section attributable to revenues realized during State fiscal year 2020 shall be reduced by 5%.

(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. 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 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 fiscal year 2015, the Annual Percentage shall be 10%. For fiscal year 2018, the Annual Percentage shall be 9.8%. For fiscal year 2019, the Annual Percentage shall be 9.7%. For fiscal year 2020, the Annual Percentage shall be 9.5%. For fiscal year 2021, the Annual Percentage shall be 9%. 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. 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 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 fiscal year 2015, the Annual Percentage shall be 14%. For fiscal year 2018, the Annual Percentage shall be 17.5%. For fiscal year 2019, the Annual Percentage shall be 15.5%. For fiscal year 2020, the Annual Percentage shall be 14.25%. For fiscal year 2021, the Annual Percentage shall be 14%. 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 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, 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, 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 August 26, 2014 (the effective date of Public Act 98-1098), 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. 100-22, eff. 7-6-17; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-621, eff. 7-20-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-636, eff. 6-10-20.)

(Text of Section with the changes made by P.A. 101-8, which did not take effect (see Section 99 of P.A. 101-8))

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 of the Civil Administrative Code of Illinois. Except as provided in subsections (b), (c), (e), (f), (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 of the Civil Administrative Code of Illinois 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, 2017 ~~and continuing through January 31, 2021~~, 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) 6.06% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 4.95% individual income tax rate after July 1, 2017) 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) 6.85% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 7% corporate income tax rate after July 1, 2017) 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; and (iii) beginning February 1, 2022, 6.06% of the net revenue realized from the tax imposed by subsection (p) of Section 201 of this Act upon electing pass-through entities. ~~Beginning February 1, 2021, 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) 5.32% 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) 6.16% 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.

Notwithstanding any provision of law to the contrary, beginning on July 6, 2017 (the effective date of Public Act 100-23), those amounts required under this subsection (b) to be transferred by the Treasurer into the Local Government Distributive Fund from the General Revenue Fund shall be directly deposited into the Local Government Distributive Fund as the revenue is realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act.

For State fiscal year 2020 only, notwithstanding any provision of law to the contrary, the total amount of revenue and deposits under this Section attributable to revenues realized during State fiscal year 2020 shall be reduced by 5%.

(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. 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 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 fiscal year 2015, the Annual Percentage shall be 10%. For fiscal year 2018, the Annual Percentage shall be 9.8%. For fiscal year 2019, the Annual Percentage shall be 9.7%. For fiscal year 2020, the Annual Percentage shall be 9.5%. For fiscal year 2021, the Annual Percentage shall be 9%. 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. 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 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 fiscal year 2015, the Annual Percentage shall be 14%. For fiscal year 2018, the Annual Percentage shall be 17.5%. For fiscal year 2019, the Annual Percentage shall be 15.5%. For fiscal year 2020, the Annual Percentage shall be 14.25%. For fiscal year 2021, the Annual Percentage shall be 14%. 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 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, 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, 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 August 26, 2014 (the effective date of Public Act 98-1098), 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. 100-22, eff. 7-6-17; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-621, eff. 7-20-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-8, see Section 99 for effective date; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-636, eff. 6-10-20.)

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

Under the rules, the foregoing **Senate Bill No. 2531**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, 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. 2664

A bill for AN ACT concerning government.

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

House Amendment No. 1 to SENATE BILL NO. 2664

House Amendment No. 2 to SENATE BILL NO. 2664

Passed the House, as amended, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2664

AMENDMENT NO. 1 . Amend Senate Bill 2664 as follows:

on page 8, by replacing lines 9 through 17 with the following:

"(5 ILCS 312/1-106 new)

Sec. 1-106. Electronic Notarization Fund. The Electronic Notarization Fund is created as a special fund in the State treasury. Moneys in the Electronic Notarization Fund during the preceding calendar year, shall be distributed, subject to appropriation, to the Secretary of State to fund the Department of Index's implementation and maintenance of the electronic notarization commissions. This Section is effective on and after July 1, 2022."; and

on page 13, by replacing lines 20 through 26 with the following:

"(d) Electronic notarial acts. Before an electronic notary public performs an electronic notarial act using audio-video communication, he or she must be granted an electronic notary public commission by the Secretary of State under this Section, and identify the technology that the electronic notary public intends to use, which must be approved by the Secretary of State."; and

on page 22, by deleting lines 2 through 9; and

by replacing line 22 on page 26 through line 1 on page 27 with the following:

"(e) Certificate of electronic notarial act. An electronic notary public shall attach his or her electronic signature and electronic seal with the electronic notarial certificate of an electronic document in a manner that is capable of independent verification and renders any subsequent change or modification to the electronic document evident."; and

on page 35, by replacing lines 10 through 16 with the following:

"(b) Except as provided under subsection (c), an electronic notary public who is physically located in this State may perform an electronic notarial act using communication technology in accordance with this Article and any rules adopted by the Secretary of State for a remotely located individual who is physically located: (i) in this State; or (ii) outside of this State, but not outside the United States.

(c) Notwithstanding subsection (b), an electronic notary public may perform an electronic notarial act for a remotely located individual outside of the United States if the record is to be filed with or relates to a matter before a public official or court, governmental entity, or other entity subject to the jurisdiction of the United States or involves property located in the territorial jurisdiction of the United States or involves a transaction substantially connected with the United States."; and

on page 42, by replacing lines 15 through 19 with the following:

"(5) Each page of the document being witnessed must be shown to the witness on the two-way audio-video communication technology in a means clearly legible to the witness."; and

by replacing line 24 on page 42 through line 1 on page 43 with the following:

"(1) The signatory must transmit by overnight mail, fax, or electronic means a legible copy of the entire signed document directly to the notary no later than the day after the document is signed."; and

on page 43, by replacing lines 2 through 5 with the following:

"(2) The notary must sign the transmitted copy of the document as a witness and transmit the signed copy of the document back to the signatory via overnight mail, fax, or electronic means within 24 hours after receipt."; and

by replacing line 26 on page 45 through line 5 on page 46 with the following:

"(o) A notary public shall not sell, rent, transfer, or otherwise make available to a third party, other than the electronic notarization platform, the contents of the notarial journal, audio video recordings, or any other record associated with any notarial act, including personally identifiable information, except when required by law, law enforcement, the Secretary of State, or a court order. Upon written request of a third party, which request must include the name of the parties, the type of document, and the month and year in

which a record was notarized, a notary public may supply a copy of the line item representing the requested transaction after personally identifying information has been redacted."; and

by replacing line 24 on page 54 through line 5 on page 55 with the following:

"(c) At the time of an electronic notarial act, an electronic notary public shall electronically sign every electronic notarial certificate and electronically affix the electronic seal clearly and legibly, so that it is capable of photographic reproduction. The illegibility of any of the information required under this Section does not affect the validity of a transaction."; and

on page 70, by replacing lines 11 through 20 with the following:

"Section 99. Effective date. This Act takes effect on the later of: (1) January 1, 2022; or (2) the date on which the Office of the Secretary of State files with the Index Department of the Office of the Secretary of State a notice that the Office of the Secretary of State has adopted the rules necessary to implement this Act, and upon the filing of the notice, the Index Department shall provide a copy of the notice to the Legislative Reference Bureau; except that, the changes to Sections 1-106, 2-103, and 2-106 of the Illinois Notary Public Act take effect July 1, 2022.".

AMENDMENT NO. 2 TO SENATE BILL 2664

AMENDMENT NO. 2 . Amend Senate Bill 2664 as follows:

on page 41, by replacing lines 21 and 22 with the following:

"(a) Any commissioned notary public may perform any notarial act described under Section 6-102 remotely, after first determining, either from personal knowledge or from satisfactory evidence, that the signature is that of the person appearing before the notary and named therein. A notary public has satisfactory evidence that a person is the person whose true signature is on a document if that person:

(1) is personally known to the notary;

(2) is identified upon the oath or affirmation of a credible witness personally known to the notary; or

(3) is identified on the basis of identification documents. Identification documents are documents that are (i) valid at the time of the notarial act, (ii) issued by a State agency, federal government agency, or consulate, and (iii) bearing the photographic image of the individual's face and signature of the individual.".

Under the rules, the foregoing **Senate Bill No. 2664**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

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

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

SENATE BILL NO. 64

A bill for AN ACT concerning civil law.

SENATE BILL NO. 71

A bill for AN ACT concerning civil law.

SENATE BILL NO. 80

A bill for AN ACT concerning civil law.

SENATE BILL NO. 81

A bill for AN ACT concerning revenue.

SENATE BILL NO. 267

A bill for AN ACT concerning education.

SENATE BILL NO. 2183

A bill for AN ACT concerning transportation.

Passed the House, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by
Mr. Hollman, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 525
A bill for AN ACT concerning labor relations.

SENATE BILL NO. 573
A bill for AN ACT concerning transportation.

SENATE BILL NO. 636
A bill for AN ACT concerning civil law.

SENATE BILL NO. 755
A bill for AN ACT concerning courts.

SENATE BILL NO. 813
A bill for AN ACT concerning education.

SENATE BILL NO. 820
A bill for AN ACT concerning education.

Passed the House, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by
Mr. Hollman, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 1730
A bill for AN ACT concerning business.

SENATE BILL NO. 1799
A bill for AN ACT concerning local government.

SENATE BILL NO. 1966
A bill for AN ACT concerning mental health.

SENATE BILL NO. 2150
A bill for AN ACT concerning local government.

SENATE BILL NO. 2179
A bill for AN ACT concerning civil law.

SENATE BILL NO. 2240
A bill for AN ACT concerning government.

Passed the House, May 20, 2021.

JOHN W. HOLLMAN, Clerk of the House

JOINT ACTION MOTIONS FILED

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

Motion to Concur in House Amendment No. 1 to Senate Bill 2153
Motion to Concur in House Amendment No. 1 to Senate Bill 2531

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:

Amendment No. 3 to House Bill 645
Amendment No. 1 to House Bill 1960

Amendment No. 2 to House Bill 1960
Amendment No. 2 to House Bill 2748
Amendment No. 2 to House Bill 3004
Amendment No. 3 to House Bill 3161
Amendment No. 4 to House Bill 3587
Amendment No. 5 to House Bill 3587
Amendment No. 1 to House Bill 3950

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

Amendment No. 2 to House Bill 3443
Amendment No. 3 to House Bill 3443

READING BILL FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 156, sponsored by Senator Villivalam, was taken up, read by title a first time and referred to the Committee on Assignments.

MOTION

Senator Holmes moved that pursuant to Senate Rule 4-1(e), Senators Ellman, Harris and Stewart be allowed to remotely participate and vote in today's session.

The motion prevailed.

INQUIRY OF THE CHAIR

Senator Barickman stated he has been advised that in two committee hearings there have been rulings given on a matter in which legislation is heard multiple times during a hearing. He asked for guidance as to what the proper procedure is when a matter has been voted down in committee and whether members can re-hear that same measure during that same committee hearing.

The Chair stated that the rulings in both of the committees were the same and that there was a correction in the Higher Education report.

Senator Barickman stated in response that the ruling in Higher Education Committee was that the motion to reconsider was out of order.

The Chair stated that the Parliamentarian does not recall the specifics of that ruling and that the Chair would check further and get back to the Senator.

Senator Barickman stated that more recently on the second motion to adopt or move on HB 3437, the Parliamentarian ruled the motion was in order.

The Chair stated that this was correct.

Senator Barickman inquired of the Chair under what Senate Rule that motion was allowed.

The Chair stated that there is no prohibition to that in the Rules and it has been done for decades.

Senator Barickman stated he wanted to bring to the Body's attention that according to Senate Rule 12-2, in such an instance, the 2010 Edition of Mason's Manual of Legislative Procedures shall govern and further stated that Section 159 of Mason's Manual says that such a question may be considered only once. He objects to the second motion that occurred on that matter and the ruling by the Parliamentarian at that

time.

The Chair stated the Senator's objections were noted and would be recorded.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator Stadelman, **House Bill No. 96** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Crowe, **House Bill No. 126** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bush, **House Bill No. 135** having been printed, was taken up and read by title a second time.

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

AMENDMENT NO. 1 TO HOUSE BILL 135

AMENDMENT NO. 1 . Amend House Bill 135 by replacing everything after the enacting clause with the following:

"Section 5. The State Employees Group Insurance Act of 1971 is amended by changing Section 6.11 as follows:

(5 ILCS 375/6.11)

Sec. 6.11. Required health benefits; Illinois Insurance Code requirements. The program of health benefits shall provide the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t of the Illinois Insurance Code. The program of health benefits shall provide the coverage required under Sections 356g, 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33, 356z.36, ~~and~~ 356z.41, and 356z.43 of the Illinois Insurance Code. The program of health benefits must comply with Sections 155.22a, 155.37, 355b, 356z.19, 370c, and 370c.1 and Article XXXIIB of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section with respect to Sections 370c and 370c.1 of the Illinois Insurance Code; all other requirements of this Section shall be enforced by the Department of Central Management Services.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 100-1170, eff. 6-1-19; 101-13, eff. 6-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625, eff. 1-1-21.)

Section 10. The Counties Code is amended by changing Section 5-1069.3 as follows:

(55 ILCS 5/5-1069.3)

Sec. 5-1069.3. Required health benefits. If a county, including a home rule county, is a self-insurer for purposes of providing health insurance coverage for its employees, the coverage shall include coverage for the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33, 356z.36, ~~and~~ 356z.41, and 356z.43 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, 356z.19, and 370c of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section. The requirement that health benefits be covered as provided in this Section 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. A home rule county to which this Section applies must comply with every provision of this Section.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625, eff. 1-1-21.)

Section 15. The Illinois Municipal Code is amended by changing Section 10-4-2.3 as follows:

(65 ILCS 5/10-4-2.3)

Sec. 10-4-2.3. Required health benefits. If a municipality, including a home rule municipality, is a self-insurer for purposes of providing health insurance coverage for its employees, the coverage shall include coverage for the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33, 356z.36, ~~and~~ 356z.41, and 356z.43 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, 356z.19, and 370c of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section. The requirement that health benefits be covered as provided in this 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. A home rule municipality to which this Section applies must comply with every provision of this Section.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625, eff. 1-1-21.)

Section 20. The School Code is amended by changing Section 10-22.3f as follows:

(105 ILCS 5/10-22.3f)

Sec. 10-22.3f. Required health benefits. Insurance protection and benefits for employees shall provide the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33, 356z.36, ~~and~~ 356z.41, and 356z.43 of the Illinois Insurance Code. Insurance policies shall comply with Section 356z.19 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, and 370c of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625, eff. 1-1-21.)

Section 25. The Illinois Insurance Code is amended by adding Section 356z.43 as follows:

(215 ILCS 5/356z.43 new)

Sec. 356z.43. Coverage for patient care services provided by a pharmacist. A group or individual policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed on or after January 1, 2023 shall provide coverage for health care or patient care services provided by a pharmacist if:

(1) the pharmacist meets the requirements and scope of practice as set forth in Section 43 of the Pharmacy Practice Act;

(2) the health plan provides coverage for the same service provided by a licensed physician, an advanced practice registered nurse, or a physician assistant;

(3) the pharmacist is included in the health benefit plan's network of participating providers; and

(4) a reimbursement has been successfully negotiated in good faith between the pharmacist and the health plan.

Section 30. The Pharmacy Practice Act is amended by changing Section 3 and by adding Section 43 as follows:

(225 ILCS 85/3)

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

Sec. 3. Definitions. For the purpose of this Act, except where otherwise limited therein:

(a) "Pharmacy" or "drugstore" means and includes every store, shop, pharmacy department, or other place where pharmacist care is provided by a pharmacist (1) where drugs, medicines, or poisons are dispensed, sold or offered for sale at retail, or displayed for sale at retail; or (2) where prescriptions of physicians, dentists, advanced practice registered nurses, physician assistants, veterinarians, podiatric physicians, or optometrists, within the limits of their licenses, are compounded, filled, or dispensed; or (3) which has upon it or displayed within it, or affixed to or used in connection with it, a sign bearing the word or words "Pharmacist", "Druggist", "Pharmacy", "Pharmaceutical Care", "Apothecary", "Drugstore", "Medicine Store", "Prescriptions", "Drugs", "Dispensary", "Medicines", or any word or words of similar or like import, either in the English language or any other language; or (4) where the characteristic prescription sign (Rx) or similar design is exhibited; or (5) any store, or shop, or other place with respect to which any of the above words, objects, signs or designs are used in any advertisement.

(b) "Drugs" means and includes (1) articles recognized in the official United States Pharmacopoeia/National Formulary (USP/NF), or any supplement thereto and being intended for and having for their main use the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals, as approved by the United States Food and Drug Administration, but does not include devices or their components, parts, or accessories; and (2) all other articles intended for and having for their main use the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals, as approved by the United States Food and Drug Administration, but does not include devices or their components, parts, or accessories; and (3) articles (other than food) having for their main use and intended to affect the structure or any function of the body of man or other animals; and (4) articles having for their main use and intended for use as a component or any articles specified in clause (1), (2) or (3); but does not include devices or their components, parts or accessories.

(c) "Medicines" means and includes all drugs intended for human or veterinary use approved by the United States Food and Drug Administration.

(d) "Practice of pharmacy" means:

(1) the interpretation and the provision of assistance in the monitoring, evaluation, and implementation of prescription drug orders;

(2) the dispensing of prescription drug orders;

(3) participation in drug and device selection;

(4) drug administration limited to the administration of oral, topical, injectable, and inhalation as follows:

(A) in the context of patient education on the proper use or delivery of medications;

(B) vaccination of patients 14 years of age and older pursuant to a valid prescription or standing order, by a physician licensed to practice medicine in all its branches, upon completion of appropriate training, including how to address contraindications and adverse reactions set forth by rule, with notification to the patient's physician and appropriate record retention, or pursuant to hospital pharmacy and therapeutics committee policies and procedures;

(B-5) following the initial administration of long-acting or extended-release ~~extended release~~ form opioid antagonists by a physician licensed to practice medicine in all its branches, administration of injections of long-acting or extended-release form opioid antagonists for the treatment of substance use disorder, pursuant to a valid prescription by a physician licensed to practice medicine in all its branches, upon completion of appropriate training, including how to address contraindications and adverse reactions, including, but not limited to, respiratory depression and the performance of cardiopulmonary resuscitation, set forth by rule, with

notification to the patient's physician and appropriate record retention, or pursuant to hospital pharmacy and therapeutics committee policies and procedures;

(C) administration of injections of alpha-hydroxyprogesterone caproate, pursuant to a valid prescription, by a physician licensed to practice medicine in all its branches, upon completion of appropriate training, including how to address contraindications and adverse reactions set forth by rule, with notification to the patient's physician and appropriate record retention, or pursuant to hospital pharmacy and therapeutics committee policies and procedures; and

(D) administration of injections of long-term antipsychotic medications pursuant to a valid prescription by a physician licensed to practice medicine in all its branches, upon completion of appropriate training conducted by an Accreditation Council of Pharmaceutical Education accredited provider, including how to address contraindications and adverse reactions set forth by rule, with notification to the patient's physician and appropriate record retention, or pursuant to hospital pharmacy and therapeutics committee policies and procedures.

(5) vaccination of patients ages 10 through 13 limited to the Influenza (inactivated influenza vaccine and live attenuated influenza intranasal vaccine) and Tdap (defined as tetanus, diphtheria, acellular pertussis) vaccines, pursuant to a valid prescription or standing order, by a physician licensed to practice medicine in all its branches, upon completion of appropriate training, including how to address contraindications and adverse reactions set forth by rule, with notification to the patient's physician and appropriate record retention, or pursuant to hospital pharmacy and therapeutics committee policies and procedures;

(6) drug regimen review;

(7) drug or drug-related research;

(8) the provision of patient counseling;

(9) the practice of telepharmacy;

(10) the provision of those acts or services necessary to provide pharmacist care;

(11) medication therapy management; ~~and~~

(12) the responsibility for compounding and labeling of drugs and devices (except labeling by a manufacturer, repackager, or distributor of non-prescription drugs and commercially packaged legend drugs and devices), proper and safe storage of drugs and devices, and maintenance of required records; and ~~.~~

(13) the assessment and consultation of patients and dispensing of hormonal contraceptives.

A pharmacist who performs any of the acts defined as the practice of pharmacy in this State must be actively licensed as a pharmacist under this Act.

(e) "Prescription" means and includes any written, oral, facsimile, or electronically transmitted order for drugs or medical devices, issued by a physician licensed to practice medicine in all its branches, dentist, veterinarian, podiatric physician, or optometrist, within the limits of his or her license, by a physician assistant in accordance with subsection (f) of Section 4, or by an advanced practice registered nurse in accordance with subsection (g) of Section 4, containing the following: (1) name of the patient; (2) date when prescription was issued; (3) name and strength of drug or description of the medical device prescribed; and (4) quantity; (5) directions for use; (6) prescriber's name, address, and signature; and (7) DEA registration number where required, for controlled substances. The prescription may, but is not required to, list the illness, disease, or condition for which the drug or device is being prescribed. DEA registration numbers shall not be required on inpatient drug orders. A prescription for medication other than controlled substances shall be valid for up to 15 months from the date issued for the purpose of refills, unless the prescription states otherwise.

(f) "Person" means and includes a natural person, partnership, association, corporation, government entity, or any other legal entity.

(g) "Department" means the Department of Financial and Professional Regulation.

(h) "Board of Pharmacy" or "Board" means the State Board of Pharmacy of the Department of Financial and Professional Regulation.

(i) "Secretary" means the Secretary of Financial and Professional Regulation.

(j) "Drug product selection" means the interchange for a prescribed pharmaceutical product in accordance with Section 25 of this Act and Section 3.14 of the Illinois Food, Drug and Cosmetic Act.

(k) "Inpatient drug order" means an order issued by an authorized prescriber for a resident or patient of a facility licensed under the Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD Act,

the Specialized Mental Health Rehabilitation Act of 2013, the Hospital Licensing Act, or the University of Illinois Hospital Act, or a facility which is operated by the Department of Human Services (as successor to the Department of Mental Health and Developmental Disabilities) or the Department of Corrections.

(k-5) "Pharmacist" means an individual health care professional and provider currently licensed by this State to engage in the practice of pharmacy.

(l) "Pharmacist in charge" means the licensed pharmacist whose name appears on a pharmacy license and who is responsible for all aspects of the operation related to the practice of pharmacy.

(m) "Dispense" or "dispensing" means the interpretation, evaluation, and implementation of a prescription drug order, including the preparation and delivery of a drug or device to a patient or patient's agent in a suitable container appropriately labeled for subsequent administration to or use by a patient in accordance with applicable State and federal laws and regulations. "Dispense" or "dispensing" does not mean the physical delivery to a patient or a patient's representative in a home or institution by a designee of a pharmacist or by common carrier. "Dispense" or "dispensing" also does not mean the physical delivery of a drug or medical device to a patient or patient's representative by a pharmacist's designee within a pharmacy or drugstore while the pharmacist is on duty and the pharmacy is open.

(n) "Nonresident pharmacy" means a pharmacy that is located in a state, commonwealth, or territory of the United States, other than Illinois, that delivers, dispenses, or distributes, through the United States Postal Service, commercially acceptable parcel delivery service, or other common carrier, to Illinois residents, any substance which requires a prescription.

(o) "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 all 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.

(p) (Blank).

(q) (Blank).

(r) "Patient counseling" means the communication between a pharmacist or a student pharmacist under the supervision of a pharmacist and a patient or the patient's representative about the patient's medication or device for the purpose of optimizing proper use of prescription medications or devices. "Patient counseling" may include without limitation (1) obtaining a medication history; (2) acquiring a patient's allergies and health conditions; (3) facilitation of the patient's understanding of the intended use of the medication; (4) proper directions for use; (5) significant potential adverse events; (6) potential food-drug interactions; and (7) the need to be compliant with the medication therapy. A pharmacy technician may only participate in the following aspects of patient counseling under the supervision of a pharmacist: (1) obtaining medication history; (2) providing the offer for counseling by a pharmacist or student pharmacist; and (3) acquiring a patient's allergies and health conditions.

(s) "Patient profiles" or "patient drug therapy record" means the obtaining, recording, and maintenance of patient prescription information, including prescriptions for controlled substances, and personal information.

(t) (Blank).

(u) "Medical device" or "device" means an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component part or accessory, required under federal law to bear the label "Caution: Federal law requires dispensing by or on the order of a physician". A seller of goods and services who, only for the purpose of retail sales, compounds, sells, rents, or leases medical devices shall not, by reasons thereof, be required to be a licensed pharmacy.

(v) "Unique identifier" means an electronic signature, handwritten signature or initials, thumb print, or other acceptable biometric or electronic identification process as approved by the Department.

(w) "Current usual and customary retail price" means the price that a pharmacy charges to a non-third-party payor.

(x) "Automated pharmacy system" means a mechanical system located within the confines of the pharmacy or remote location that performs operations or activities, other than compounding or

administration, relative to storage, packaging, dispensing, or distribution of medication, and which collects, controls, and maintains all transaction information.

(y) "Drug regimen review" means and includes the evaluation of prescription drug orders and patient records for (1) known allergies; (2) drug or potential therapy contraindications; (3) reasonable dose, duration of use, and route of administration, taking into consideration factors such as age, gender, and contraindications; (4) reasonable directions for use; (5) potential or actual adverse drug reactions; (6) drug-drug interactions; (7) drug-food interactions; (8) drug-disease contraindications; (9) therapeutic duplication; (10) patient laboratory values when authorized and available; (11) proper utilization (including over or under utilization) and optimum therapeutic outcomes; and (12) abuse and misuse.

(z) "Electronically transmitted prescription" means a prescription that is created, recorded, or stored by electronic means; issued and validated with an electronic signature; and transmitted by electronic means directly from the prescriber to a pharmacy. An electronic prescription is not an image of a physical prescription that is transferred by electronic means from computer to computer, facsimile to facsimile, or facsimile to computer.

(aa) "Medication therapy management services" means a distinct service or group of services offered by licensed pharmacists, physicians licensed to practice medicine in all its branches, advanced practice registered nurses authorized in a written agreement with a physician licensed to practice medicine in all its branches, or physician assistants authorized in guidelines by a supervising physician that optimize therapeutic outcomes for individual patients through improved medication use. In a retail or other non-hospital pharmacy, medication therapy management services shall consist of the evaluation of prescription drug orders and patient medication records to resolve conflicts with the following:

(1) known allergies;

(2) drug or potential therapy contraindications;

(3) reasonable dose, duration of use, and route of administration, taking into consideration factors such as age, gender, and contraindications;

(4) reasonable directions for use;

(5) potential or actual adverse drug reactions;

(6) drug-drug interactions;

(7) drug-food interactions;

(8) drug-disease contraindications;

(9) identification of therapeutic duplication;

(10) patient laboratory values when authorized and available;

(11) proper utilization (including over or under utilization) and optimum therapeutic outcomes; and

(12) drug abuse and misuse.

"Medication therapy management services" includes the following:

(1) documenting the services delivered and communicating the information provided to patients' prescribers within an appropriate time frame, not to exceed 48 hours;

(2) providing patient counseling designed to enhance a patient's understanding and the appropriate use of his or her medications; and

(3) providing information, support services, and resources designed to enhance a patient's adherence with his or her prescribed therapeutic regimens.

"Medication therapy management services" may also include patient care functions authorized by a physician licensed to practice medicine in all its branches for his or her identified patient or groups of patients under specified conditions or limitations in a standing order from the physician.

"Medication therapy management services" in a licensed hospital may also include the following:

(1) reviewing assessments of the patient's health status; and

(2) following protocols of a hospital pharmacy and therapeutics committee with respect to the fulfillment of medication orders.

(bb) "Pharmacist care" means the provision by a pharmacist of medication therapy management services, with or without the dispensing of drugs or devices, intended to achieve outcomes that improve patient health, quality of life, and comfort and enhance patient safety.

(cc) "Protected health information" means individually identifiable health information that, except as otherwise provided, is:

(1) transmitted by electronic media;

(2) maintained in any medium set forth in the definition of "electronic media" in the federal Health Insurance Portability and Accountability Act; or

(3) transmitted or maintained in any other form or medium.

"Protected health information" does not include individually identifiable health information found in:

(1) education records covered by the federal Family Educational Right and Privacy Act; or

(2) employment records held by a licensee in its role as an employer.

(dd) "Standing order" means a specific order for a patient or group of patients issued by a physician licensed to practice medicine in all its branches in Illinois.

(ee) "Address of record" means the designated address recorded by the Department in the applicant's application file or licensee's license file maintained by the Department's licensure maintenance unit.

(ff) "Home pharmacy" means the location of a pharmacy's primary operations.

(gg) "Email address of record" means the designated email address recorded by the Department in the applicant's application file or the licensee's license file, as maintained by the Department's licensure maintenance unit.

(Source: P.A. 100-208, eff. 1-1-18; 100-497, eff. 9-8-17; 100-513, eff. 1-1-18; 100-804, eff. 1-1-19; 100-863, eff. 8-14-18; 101-349, eff. 1-1-20; revised 8-21-20.)

(225 ILCS 85/43 new)

Sec. 43. Dispensation of hormonal contraceptives.

(a) The dispensing of hormonal contraceptives to a patient shall be pursuant to a valid prescription or standing order by a physician licensed to practice medicine in all its branches or the medical director of a local health department, pursuant to the following:

(1) a pharmacist may dispense no more than a 12-month supply of hormonal contraceptives to a patient;

(2) a pharmacist must complete an educational training program accredited by the Accreditation Council for Pharmacy Education and approved by the Department that is related to the patient self-screening risk assessment, patient assessment contraceptive counseling and education, and dispensation of hormonal contraceptives;

(3) a pharmacist shall have the patient complete the self-screening risk assessment tool; the self-screening risk assessment tool is to be based on the most current version of the United States Medical Eligibility Criteria for Contraceptive Use published by the federal Centers for Disease Control and Prevention;

(4) based upon the results of the self-screening risk assessment and the patient assessment, the pharmacist shall use his or her professional and clinical judgment as to when a patient should be referred to the patient's physician or another health care provider;

(5) a pharmacist shall provide, during the patient assessment and consultation, counseling and education about all methods of contraception, including methods not covered under the standing order, and their proper use and effectiveness;

(6) the patient consultation shall take place in a private manner; and

(7) a pharmacist and pharmacy must maintain appropriate records.

(b) The Department may adopt rules to implement this Section.

(c) Nothing in this Section shall be interpreted to require a pharmacist to dispense hormonal contraception under a standing order issued by a physician licensed to practice medicine in all its branches or the medical director of a local health department.

Section 35. The Illinois Public Aid Code is amended by adding Section 5-5.12d as follows:

(305 ILCS 5/5-5.12d new)

Sec. 5-5.12d. Coverage for patient care services for hormonal contraceptives provided by a pharmacist.

(a) Subject to approval by the federal Centers for Medicare and Medicaid Services, the medical assistance program, including both the fee-for-service and managed care medical assistance programs established under this Article, shall cover patient care services provided by a pharmacist for hormonal contraceptives assessment and consultation.

(b) The Department shall establish a fee schedule for patient care services provided by a pharmacist for hormonal contraceptives assessment and consultation.

(c) The rate of reimbursement for patient care services provided by a pharmacist for hormonal contraceptives assessment and consultation shall be at 85% of the fee schedule for physician services by the medical assistance program.

(d) A pharmacist must be enrolled in the medical assistance program as an ordering and referring provider prior to providing hormonal contraceptives assessment and consultation that is submitted by a pharmacy or pharmacist provider for reimbursement pursuant to this Section.

(e) The Department shall apply for any necessary federal waivers or approvals to implement this Section by January 1, 2022.

(f) This Section does not restrict or prohibit any services currently provided by pharmacists as authorized by law, including, but not limited to, pharmacist services provided under this Code or authorized under the Illinois Title XIX State Plan.

(g) The Department shall submit to the Joint Committee on Administrative Rules administrative rules for this Section as soon as practicable but no later than 6 months after federal approval is received.

Section 99. Effective date. This Act takes effect January 1, 2023.".

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

On motion of Senator Cunningham, **House Bill No. 202** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Barickman, **House Bill No. 266** having been printed, was taken up and read by title a second time.

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

AMENDMENT NO. 1 TO HOUSE BILL 266

AMENDMENT NO. 1 . Amend House Bill 266 by replacing everything after the enacting clause with the following:

"Section 5. The Probate Act of 1975 is amended by changing Section 11a-17 as follows:

(755 ILCS 5/11a-17) (from Ch. 110 1/2, par. 11a-17)

Sec. 11a-17. Duties of personal guardian.

(a) To the extent ordered by the court and under the direction of the court, the guardian of the person shall have custody of the ward and the ward's minor and adult dependent children and shall procure for them and shall make provision for their support, care, comfort, health, education and maintenance, and professional services as are appropriate, but the ward's spouse may not be deprived of the custody and education of the ward's minor and adult dependent children, without the consent of the spouse, unless the court finds that the spouse is not a fit and competent person to have that custody and education. The guardian shall assist the ward in the development of maximum self-reliance and independence. The guardian of the person may petition the court for an order directing the guardian of the estate to pay an amount periodically for the provision of the services specified by the court order. If the ward's estate is insufficient to provide for education and the guardian of the ward's person fails to provide education, the court may award the custody of the ward to some other person for the purpose of providing education. If a person makes a settlement upon or provision for the support or education of a ward, the court may make an order for the visitation of the ward by the person making the settlement or provision as the court deems proper. A guardian of the person may not admit a ward to a mental health facility except at the ward's request as provided in Article IV of the Mental Health and Developmental Disabilities Code and unless the ward has the capacity to consent to such admission as provided in Article IV of the Mental Health and Developmental Disabilities Code.

(a-3) If a guardian of an estate has not been appointed, the guardian of the person may, without an order of court, open, maintain, and transfer funds to an ABLE account on behalf of the ward and the ward's minor and adult dependent children as specified under Section 16.6 of the State Treasurer Act.

(a-5) If the ward filed a petition for dissolution of marriage under the Illinois Marriage and Dissolution of Marriage Act before the ward was adjudicated a person with a disability under this Article, the guardian of the ward's person and estate may maintain that action for dissolution of marriage on behalf of the ward. Upon petition by the guardian of the ward's person or estate, the court may authorize and direct

a guardian of the ward's person or estate to file a petition for dissolution of marriage or to file a petition for legal separation or declaration of invalidity of marriage under the Illinois Marriage and Dissolution of Marriage Act on behalf of the ward if the court finds by clear and convincing evidence that the relief sought is in the ward's best interests. In making its determination, the court shall consider the standards set forth in subsection (e) of this Section.

(a-10) Upon petition by the guardian of the ward's person or estate, the court may authorize and direct a guardian of the ward's person or estate to consent, on behalf of the ward, to the ward's marriage pursuant to Part II of the Illinois Marriage and Dissolution of Marriage Act if the court finds by clear and convincing evidence that the marriage is in the ward's best interests. In making its determination, the court shall consider the standards set forth in subsection (e) of this Section. Upon presentation of a court order authorizing and directing a guardian of the ward's person and estate to consent to the ward's marriage, the county clerk shall accept the guardian's application, appearance, and signature on behalf of the ward for purposes of issuing a license to marry under Section 203 of the Illinois Marriage and Dissolution of Marriage Act.

(b) If the court directs, the guardian of the person shall file with the court at intervals indicated by the court, a report that shall state briefly: (1) the current mental, physical, and social condition of the ward and the ward's minor and adult dependent children; (2) their present living arrangement, and a description and the address of every residence where they lived during the reporting period and the length of stay at each place; (3) a summary of the medical, educational, vocational, and other professional services given to them; (4) a resume of the guardian's visits with and activities on behalf of the ward and the ward's minor and adult dependent children; (5) a recommendation as to the need for continued guardianship; (6) any other information requested by the court or useful in the opinion of the guardian. The Office of the State Guardian shall assist the guardian in filing the report when requested by the guardian. The court may take such action as it deems appropriate pursuant to the report.

(c) Absent court order pursuant to the Illinois Power of Attorney Act directing a guardian to exercise powers of the principal under an agency that survives disability, the guardian has no power, duty, or liability with respect to any personal or health care matters covered by the agency. This subsection (c) applies to all agencies, whenever and wherever executed.

(d) A guardian acting as a surrogate decision maker under the Health Care Surrogate Act shall have all the rights of a surrogate under that Act without court order including the right to make medical treatment decisions such as decisions to forgo or withdraw life-sustaining treatment. Any decisions by the guardian to forgo or withdraw life-sustaining treatment that are not authorized under the Health Care Surrogate Act shall require a court order. Nothing in this Section shall prevent an agent acting under a power of attorney for health care from exercising his or her authority under the Illinois Power of Attorney Act without further court order, unless a court has acted under Section 2-10 of the Illinois Power of Attorney Act. If a guardian is also a health care agent for the ward under a valid power of attorney for health care, the guardian acting as agent may execute his or her authority under that act without further court order.

(e) Decisions made by a guardian on behalf of a ward shall be made in accordance with the following standards for decision making. The guardian shall consider the ward's current preferences to the extent the ward has the ability to participate in decision making when those preferences are known or reasonably ascertainable by the guardian. Decisions by the guardian shall conform to the ward's current preferences: (1) unless the guardian reasonably believes that doing so would result in substantial harm to the ward's welfare or personal or financial interests; and (2) so long as such decisions give substantial weight ~~Decisions made by a guardian on behalf of a ward may be made by conforming as closely as possible~~ to what the ward, if competent, would have done or intended under the circumstances, taking into account evidence that includes, but is not limited to, the ward's personal, philosophical, religious and moral beliefs, and ethical values relative to the decision to be made by the guardian. Where possible, the guardian shall determine how the ward would have made a decision based on the ward's previously expressed preferences, and make decisions in accordance with the preferences of the ward. If the ward's wishes are unknown and remain unknown after reasonable efforts to discern them, or if the guardian reasonably believes that a decision made in conformity with the ward's preferences would result in substantial harm to the ward's welfare or personal or financial interests, the decision shall be made on the basis of the ward's best interests as determined by the guardian. In determining the ward's best interests, the guardian shall weigh the reason for and nature of the proposed action, the benefit or necessity of the action, the possible risks and other consequences of the proposed action, and any available alternatives and their risks, consequences and

benefits, and shall take into account any other information, including the views of family and friends, that the guardian believes the ward would have considered if able to act for herself or himself.

(f) Upon petition by any interested person (including the standby or short-term guardian), with such notice to interested persons as the court directs and a finding by the court that it is in the best interest of the person with a disability, the court may terminate or limit the authority of a standby or short-term guardian or may enter such other orders as the court deems necessary to provide for the best interest of the person with a disability. The petition for termination or limitation of the authority of a standby or short-term guardian may, but need not, be combined with a petition to have another guardian appointed for the person with a disability.

(g)(1) Unless there is a court order to the contrary, the guardian, consistent with the standards set forth in subsection (e) of this Section, shall use reasonable efforts to notify the ward's known adult children, who have requested notification and provided contact information, of the ward's admission to a hospital or hospice program, the ward's death, and the arrangements for the disposition of the ward's remains.

(2) If a guardian unreasonably prevents an adult child, spouse, adult grandchild, parent, or adult sibling of the ward from visiting the ward, the court, upon a verified petition, may order the guardian to permit visitation between the ward and the adult child, spouse, adult grandchild, parent, or adult sibling. In making its determination, the court shall consider the standards set forth in subsection (e) of this Section. The court shall not allow visitation if the court finds that the ward has capacity to evaluate and communicate decisions regarding visitation and expresses a desire not to have visitation with the petitioner. This subsection (g) does not apply to duly appointed public guardians or the Office of State Guardian.
(Source: P.A. 100-1054, eff. 1-1-19; 101-329, eff. 8-9-19.)

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

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

On motion of Senator Bennett, **House Bill No. 375** was taken up, read by title a second time.
Floor Amendment No. 1 was held in the Committee on Higher Education.
There being no further amendments, the bill was ordered to a third reading.

On motion of Senator Belt, **House Bill No. 414** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Energy and Public Utilities, adopted and ordered printed:

AMENDMENT NO. 1 TO HOUSE BILL 414

AMENDMENT NO. 1 . Amend House Bill 414 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Water and Sewer Financial Assistance Act.

Section 5. Findings and intent.

(a) The General Assembly finds that:

(1) The health, welfare, and prosperity of the people of the State of Illinois require that water and sewer services are affordable and that all citizens receive essential levels of water and sewer services regardless of economic circumstance.

(2) Water and sewer providers and other entities providing such services are entitled to receive proper payment for services actually rendered.

(3) Unlike the electric and gas industry, water and sewer providers do not have existing statutory programs intended to assist low-income customers.

(4) Existing financial assistance policies and programs in effect in Illinois for utility services have benefited all Illinois citizens, and should therefore be extended to the water and sewer industry.

(5) Low-income households are unable to afford essential utility services and other necessities, such as food, shelter, and medical care; the health and safety of those who are unable to afford essential utility services suffer when monthly payments for these services exceed a reasonable percentage of the customer's household income. Costs of collecting past due bills and uncollectible

balances are reflected in rates paid by all ratepayers. Society benefits if essential utility services are affordable and arrearages and disconnections are minimized for those most in need.

(b) Consistent with its findings, the General Assembly declares that it is the policy of the State that:

(1) A low-income water and sewer assistance payment plan should be established that incorporates income assistance for citizens to have access to affordable water and sewer services.

(2) The ability of public utilities and other entities to receive just compensation for providing services should not be jeopardized by this policy.

Section 10. Definitions. As used in this Act, unless the context otherwise requires:

"Commission" means the Illinois Commerce Commission.

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

"Water or sewer provider" means any public utility providing water or sewer services under the jurisdiction of the Illinois Commerce Commission; any other utility providing water or sewer service owned by a municipality, township, county, or other political subdivision of this State; or any other entity that is not a public utility under the jurisdiction of the Illinois Commerce Commission that regularly provides water or sewer service.

Section 15. Water and sewer assistance program.

(a) The Department is authorized to institute a program whereby a water or sewer provider may voluntarily participate to ensure the availability and affordability of water and sewer services to low-income citizens. The Department shall implement the program by rule adopted pursuant to the Illinois Administrative Procedure Act. The program shall be consistent with the purposes and objectives of this Act and with all other specific requirements provided in this Act. The Department may enter into such contracts and other agreements with local agencies as may be necessary for the purpose of administering the water and sewer assistance program.

(b) Nothing in this Act shall be construed as altering or limiting the authority conferred on the Commission by the Public Utilities Act to regulate all aspects of the provision of public utility service, including, but not limited to, the authority to make rules and adjudicate disputes between utilities and customers related to eligibility for utility service, deposits, payment practices, and discontinuance of service.

(c) The Department is authorized to institute an outreach program directed at low-income minority heads of households and heads of households age 60 or older. The Department shall implement the program through rules adopted pursuant to the Illinois Administrative Procedure Act. The program shall be consistent with the purposes and objectives of this Act and with all other specific requirements set forth in this subsection.

Section 20. Eligibility, conditions of participation, and water and sewer assistance.

(a) Any person who is a resident of the State of Illinois and whose household income is not greater than an amount determined annually by the Department may apply for assistance pursuant to this Act in accordance with rules adopted by the Department. In setting the annual eligibility level, the Department shall consider the amount of available funding and may not set a limit higher than the eligibility limit for assistance under the Energy Assistance Act.

(b) Applicants who qualify for assistance pursuant to subsection (a) of this Section shall, subject to appropriation from the General Assembly and subject to the availability of funds to the Department, receive water and sewer assistance as provided by this Act. The Department, upon receipt of moneys authorized pursuant to this Act for water and sewer assistance, shall commit funds for each qualified applicant in an amount determined by the Department. In determining the amounts of assistance to be provided to or on behalf of a qualified applicant, the Department shall ensure that the highest amounts of assistance go to households with the greatest need for financial assistance in relation to household income. The Department shall include factors such as water and sewer costs, household size, household income, and region of the State when determining individual household benefits. In adopting rules for the administration of this Section, the Department shall ensure that a minimum of one-third of funds are available for benefits to eligible households with the lowest incomes and that elderly households and households with persons with disabilities are offered a priority application period.

(c) If the applicant is a customer of a water or sewer provider, such applicant shall receive water or sewer assistance in an amount established by the Department for all such applicants under this Act.

(d) The Department may, if sufficient funds are available, provide additional benefits to certain qualified applicants:

(i) for the reduction of past due amounts owed to water or sewer providers; and

(ii) to assist the household in responding to excessively high usage costs. Households containing elderly members, children, or a person with a disability, shall receive priority for receipt of such benefits.

Section 25. Water and Sewer Low-Income Assistance Fund.

(a) For purposes of this Section:

"Non-residential sewer service" means sewer utility service that is not residential sewer service.

"Non-residential water service" means water utility service that is not residential water service.

"Residential sewer service" means sewer utility service for household purposes delivered to a dwelling of 2 or fewer units that is billed under a residential rate; or sewer service for household purposes delivered to a dwelling unit or units that is billed under a residential rate and is registered by a separate meter for each dwelling unit.

"Residential water service" means water utility service for household purposes delivered to a dwelling of 2 or fewer units that is billed under a residential rate; or water service for household purposes delivered to a dwelling unit or units that is billed under a residential rate and is registered by a separate meter for each dwelling unit.

(b) The Water and Sewer Low-Income Assistance Fund is created as a special fund in the State Treasury. The Water and Sewer Low-Income Assistance Fund is authorized to receive moneys from voluntary donations from individuals, foundations, corporations, and other sources; by statutory deposit; and by authorized collections pursuant to this Section. The Water and Sewer Low-Income Assistance Fund is also authorized to receive moneys from the federal government, including, but not limited to, any pass through moneys as a result of a public health emergency. Subject to appropriation, the Department shall use moneys from the Water and Sewer Low-Income Assistance Fund for payments to water or sewer providers on behalf of their customers who are participants in the program authorized under this Act. The yearly administrative expenses of the Water and Sewer Low-Income Assistance Fund may not exceed 10% of the amount collected during that year pursuant to this Section, except when unspent funds from the Water and Sewer Low-Income Assistance Fund are reallocated from a previous year; any unspent balance of the 10% administrative allowance may be utilized for administrative expenses in the year they are reallocated.

(c) Notwithstanding any other law to the contrary, the Water and Sewer Low-Income Assistance Fund is not subject to sweeps, administrative chargebacks, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from the Water and Sewer Low-Income Assistance Fund into any other fund of the State.

(d) Notwithstanding any provisions of the Public Utilities Act, but subject to subsection (j) of this Section, each water or sewer provider shall, effective January 1, 2022, assess each of its customer accounts a monthly Water and Sewer Assistance Charge for the Water and Sewer Low-Income Assistance Fund. The monthly charge shall be as follows:

(1) $0.10 per month for each account for residential water service;

(2) $0.10 per month for each account for residential sewer service;

(3) $5.00 per month for each account for non-residential water service; and

(4) $5.00 per month for each account for non-residential sewer service.

(e) The Water and Sewer Assistance Charge assessed by the applicable water or sewer providers shall be considered a charge for public utility service.

(f) By the 20th day of the month following the month in which the charges imposed by this Section were collected, each water or sewer provider shall remit to the Department of Revenue all moneys received as payment of the Water and Sewer Assistance Charge on a return prescribed and furnished by the Department of Revenue showing such information as the Department of Revenue may reasonably require. If a customer makes a partial payment, a water or sewer provider may elect either: (i) to apply partial payments first to the amount owed to the water or sewer provider for its services and then to payment for the Water and Sewer Assistance Charge, or (ii) to apply such partial payments on a pro rata basis between amounts owed to the water or sewer provider for its services and to payment for the Water and Sewer Assistance Charge.

(g) The Department of Revenue shall deposit into the Water and Sewer Low-Income Assistance Fund all moneys remitted to it in accordance with subsection (f) of this Section; provided, however, that the

amounts remitted by each water or sewer provider shall be used to provide assistance only to that water or sewer provider's customers. The water or sewer providers shall coordinate with the Department to establish an equitable and practical methodology for implementing this subsection beginning with the 2022 program year.

(h) The Department of Revenue may establish such rules as it deems necessary to implement this Section.

(i) The Department may establish such rules as it deems necessary to implement this Section, including, but not limited to, rules requiring the Department to report the amount of assessments remitted and expended by water or sewer providers and a process to allow a water or sewer provider to discontinue imposing the assessments due to lack of participation or excess in available funds for that water or sewer provider. The process to allow a water or sewer provider to discontinue imposing assessments shall include review by the Commission of any water or sewer provider subject to the Public Utilities Act.

(j) The charges imposed by this Section shall apply to customers of a water or sewer provider only if the water or sewer provider voluntarily makes an affirmative decision to impose the charge. If a water or sewer provider makes an affirmative decision to impose the charge provided by this Section, the water or sewer provider shall inform the Department of Revenue in writing of such decision when it begins to impose the charge. If a water or sewer provider does not assess this charge, the Department may not use funds from the Water and Sewer Low-Income Assistance Fund to provide benefits to its customers under the Program authorized by Section 15 of this Act.

In its use of federal funds under this Act, the Department may not cause a disproportionate share of those federal funds to benefit customers of water or sewer providers that do not assess the Water and Sewer Assistance Charge.

(k) This Section is repealed on January 1, 2030.

Section 30. Application of Retailers' Occupation Tax provisions. All the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act that are not inconsistent with this Act apply, as far as practicable, to the surcharge imposed by this Act to the same extent as if those provisions were included in this Act. References in the incorporated Sections of the Retailers' Occupation Tax Act to retailers, to sellers, or to persons engaged in the business of selling tangible personal property mean persons required to remit the charge imposed under this Act.

Section 35. The State Finance Act is amended by adding Section 5.935 as follows:
(30 ILCS 105/5.935 new)
Sec. 5.935. The Water and Sewer Low-Income Assistance Fund.

Section 40. The Public Utilities Act is amended by adding Section 9-211.7 as follows:
(220 ILCS 5/9-211.7 new)
Sec. 9-211.7. Financial assistance; water and sewer utilities.

(a) On and after the effective date of this amendatory Act of the 102nd General Assembly, notwithstanding any other provision of this Act, a water or sewer utility subject to the jurisdiction of the Commission, after receiving approval from the Commission, shall be allowed to offer a financial assistance program designed for bill payment assistance for low-income customers in accordance with the Water and Sewer Financial Assistance Act. A water or sewer utility subject to the jurisdiction of the Commission shall petition the Commission for such approval, and the Commission shall render its decision within 90 days after receiving such petition. If no decision is rendered by the Commission within 90 days, then the petition shall be deemed to be approved.

(b) The costs of a financial assistance program offered by a water or sewer utility subject to the jurisdiction of the Commission, excluding such costs deemed by the Commission to be not reimbursable, shall be reimbursed from the Water and Sewer Low-Income Assistance Fund established pursuant to the Water and Sewer Financial Assistance Act. The utility shall submit a bill to the Department of Commerce and Economic Opportunity, which shall be promptly paid out of such funds or may net such costs against moneys it would otherwise remit to the Fund. The water or sewer utility shall provide a report to the Commission on a quarterly basis accounting for moneys reimbursed or netted through the Fund.

(c) A water or sewer utility subject to the jurisdiction of the Commission providing a financial assistance program pursuant to the Water and Sewer Financial Assistance Act in this State shall be permitted to recover costs of those assessments through a tariff filed with and approved by the Commission. The tariff

shall be established outside the context of a general rate case and shall be applicable to the utility's customers.

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

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

On motion of Senator Cunningham, as chief co-sponsor pursuant to Senate Rule 5-1(b)(ii), **House Bill No. 562** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Holmes, **House Bill No. 572** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Villa, **House Bill No. 625** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Cunningham, as chief co-sponsor pursuant to Senate Rule 5-1(b)(ii), **House Bill No. 806** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Castro, **House Bill No. 1207** having been printed, was taken up and read by title a second time.

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

AMENDMENT NO. 1 TO HOUSE BILL 1207

AMENDMENT NO. 1 . Amend House Bill 1207 on page 5, by replacing lines 21 and 22 with the following:

"employer may request the applicant to verify the aggregate".

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

On motion of Senator Cunningham, **House Bill No. 1769** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Aquino, **House Bill No. 1831** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bennett, **House Bill No. 1915** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Castro, **House Bill No. 2408** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Connor, **House Bill No. 2435** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bennett, **House Bill No. 2746** having been printed, was taken up and read by title a second time.

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

AMENDMENT NO. 1 TO HOUSE BILL 2746

AMENDMENT NO. 1 . Amend House Bill 2746 as follows:

on page 1, by inserting immediately below line 6 the following:

"Annual percentage rate" means the percentage rate calculated according to the Federal Reserve Board's methodology as set forth under Regulation Z, 12 CFR Part 1026."; and

on page 1, by replacing lines 13 through 23 with the following:

"(1) a person that provides money, payments, or credits to or on behalf of a borrower pursuant to the terms of an income share agreement; or

(2) any other person engaged in the business of soliciting, making, funding, or extending income share agreements."; and

on page 2, by deleting lines 1 through 5; and

on page 5, line 21, by replacing "student" with "education"; and

On page 6, line 1, by replacing "education" with "educational"; and

On page 6, line 5, by replacing "education" with "educational"; and

On page 6, line 11, by replacing "education" with "educational"; and

On page 6, line 14, by replacing "education" with "educational"; and

on page 6, line 17, by replacing "education" with "educational"; and

on page 6, by inserting immediately below line 17 the following:

"(f) Annual report exemption. A private educational lender that funds 10 or fewer new private education loans in a calendar year shall be exempt from submitting the annual report for that year. Any lender claiming this exemption shall submit a statement to the Department of Financial and Professional Regulation and the Student Loan Ombudsman certifying the number of private education loans made in that calendar year."; and

on page 6, by inserting immediately below line 25 the following:

"(2) Contents of statements for income share agreements. Each statement described in subparagraph (1) with respect to income share agreements, shall:

(A) report the consumer's total amounts financed under each income share agreement;

(B) report the percentage of income payable under each income share agreement;

(C) report the maximum number of monthly payments required to be paid under each income share agreement;

(D) report the maximum amount payable under each income share agreement;

(E) report the maximum duration of each income share agreement;

(F) report the minimum annual income above which payments are required under each income share agreement; and

(G) report the annual percentage rate for each income share agreement at the minimum annual income above which payments are required and at $10,000 income increments thereafter up to the annual income where the maximum number of monthly payments results in the maximum amount payable."; and

on page 7, by replacing lines 1 through 2 with the following:

"(3) Contents of all other loan statements. Each statement described in subparagraph (1) that does not fall under subparagraph (2) shall:"; and

on page 7, line 8, by replacing "interest" with "annual percentage"; and

on page 7, line 10, by replacing "student" with "educational"; and

on page 8, line 23, by replacing "accordingly; and" with "accordingly;"; and

on page 9, line 23, by replacing "period." with "period; and"; and

on page 9, by inserting immediately below line 23 the following:

"(3) Any institution of higher education that is also acting as a private educational lender shall provide the certification of exhaustion of federal student loan funds described in paragraphs (1) and (2) of this subsection (c) to the borrower prior to disbursing funds to the borrower. Any institution of higher education that is not eligible for funding under Title IV of the federal Higher Education Act of 1965 is not required to provide this certification to the borrower.".

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

On motion of Senator Lightford, **House Bill No. 2109** having been printed, was taken up and read by title a second time.

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

AMENDMENT NO. 1 TO HOUSE BILL 2109

AMENDMENT NO. 1 . Amend House Bill 2109 by replacing everything after the enacting clause with the following:

"Section 1. This Act may be referred to as Cal's Law.

Section 5. The Illinois Insurance Code is amended by adding Section 356z.43 as follows:

(215 ILCS 5/356z.43 new)

Sec. 356z.43. Comprehensive cancer testing.

(a) As used in this Section:

"Comprehensive cancer testing" includes, but is not limited to, the following forms of testing:

(1) Targeted cancer gene panels.

(2) Whole-exome genome testing.

(3) Whole-genome sequencing.

(4) RNA sequencing.

(5) Tumor mutation burden.

"Testing of blood or constitutional tissue for cancer predisposition testing" includes, but is not limited to, the following forms of testing:

(1) Targeted cancer gene panels.

(2) Whole-exome genome testing.

(3) Whole-genome sequencing.

(b) An individual or group policy of accident and health insurance or managed care plan that is amended, delivered, issued, or renewed on or after the effective date of this amendatory Act of the 102nd General Assembly shall provide coverage for medically necessary comprehensive cancer testing and testing of blood or constitutional tissue for cancer predisposition testing as determined by a physician licensed to practice medicine in all of its branches.

Section 10. The Health Maintenance Organization Act is amended by changing Section 5-3 as follows:

(215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

Sec. 5-3. Insurance Code provisions.

(a) Health Maintenance Organizations shall be subject to the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3, 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.41, 356z.43, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois Insurance Code.

(b) For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health Maintenance Organizations in the following categories are deemed to be "domestic companies":

(1) a corporation authorized under the Dental Service Plan Act or the Voluntary Health Services Plans Act;

(2) a corporation organized under the laws of this State; or

(3) a corporation organized under the laws of another state, 30% or more of the enrollees of which are residents of this State, except a corporation subject to substantially the same requirements in its state of organization as is a "domestic company" under Article VIII 1/2 of the Illinois Insurance Code.

(c) In considering the merger, consolidation, or other acquisition of control of a Health Maintenance Organization pursuant to Article VIII 1/2 of the Illinois Insurance Code,

(1) the Director shall give primary consideration to the continuation of benefits to enrollees and the financial conditions of the acquired Health Maintenance Organization after the merger, consolidation, or other acquisition of control takes effect;

(2)(i) the criteria specified in subsection (1)(b) of Section 131.8 of the Illinois Insurance Code shall not apply and (ii) the Director, in making his determination with respect to the merger, consolidation, or other acquisition of control, need not take into account the effect on competition of the merger, consolidation, or other acquisition of control;

(3) the Director shall have the power to require the following information:

(A) certification by an independent actuary of the adequacy of the reserves of the Health Maintenance Organization sought to be acquired;

(B) pro forma financial statements reflecting the combined balance sheets of the acquiring company and the Health Maintenance Organization sought to be acquired as of the end of the preceding year and as of a date 90 days prior to the acquisition, as well as pro forma financial statements reflecting projected combined operation for a period of 2 years;

(C) a pro forma business plan detailing an acquiring party's plans with respect to the operation of the Health Maintenance Organization sought to be acquired for a period of not less than 3 years; and

(D) such other information as the Director shall require.

(d) The provisions of Article VIII 1/2 of the Illinois Insurance Code and this Section 5-3 shall apply to the sale by any health maintenance organization of greater than 10% of its enrollee population (including without limitation the health maintenance organization's right, title, and interest in and to its health care certificates).

(e) In considering any management contract or service agreement subject to Section 141.1 of the Illinois Insurance Code, the Director (i) shall, in addition to the criteria specified in Section 141.2 of the Illinois Insurance Code, take into account the effect of the management contract or service agreement on the continuation of benefits to enrollees and the financial condition of the health maintenance organization to be managed or serviced, and (ii) need not take into account the effect of the management contract or service agreement on competition.

(f) Except for small employer groups as defined in the Small Employer Rating, Renewability and Portability Health Insurance Act and except for medicare supplement policies as defined in Section 363 of the Illinois Insurance Code, a Health Maintenance Organization may by contract agree with a group or other enrollment unit to effect refunds or charge additional premiums under the following terms and conditions:

(i) the amount of, and other terms and conditions with respect to, the refund or additional premium are set forth in the group or enrollment unit contract agreed in advance of the period for which a refund is to be paid or additional premium is to be charged (which period shall not be less than one year); and

(ii) the amount of the refund or additional premium shall not exceed 20% of the Health Maintenance Organization's profitable or unprofitable experience with respect to the group or other enrollment unit for the period (and, for purposes of a refund or additional premium, the profitable or unprofitable experience shall be calculated taking into account a pro rata share of the Health Maintenance Organization's administrative and marketing expenses, but shall not include any refund to be made or additional premium to be paid pursuant to this subsection (f)). The Health Maintenance Organization and the group or enrollment unit may agree that the profitable or unprofitable experience may be calculated taking into account the refund period and the immediately preceding 2 plan years.

The Health Maintenance Organization shall include a statement in the evidence of coverage issued to each enrollee describing the possibility of a refund or additional premium, and upon request of any group or enrollment unit, provide to the group or enrollment unit a description of the method used to calculate (1) the

Health Maintenance Organization's profitable experience with respect to the group or enrollment unit and the resulting refund to the group or enrollment unit or (2) the Health Maintenance Organization's unprofitable experience with respect to the group or enrollment unit and the resulting additional premium to be paid by the group or enrollment unit.

In no event shall the Illinois Health Maintenance Organization Guaranty Association be liable to pay any contractual obligation of an insolvent organization to pay any refund authorized under this Section.

(g) Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20; 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625, eff. 1-1-21.)".

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

On motion of Senator Cunningham, as chief co-sponsor pursuant to Senate Rule 5-1(b)(ii), **House Bill No. 2777** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Koehler, **House Bill No. 2748** was taken up, read by title a second time.

Committee Amendment No. 1 was postponed in the Committee on Education.

Floor Amendment No. 2 was referred to the Committee on Assignments earlier today.

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

On motion of Senator Bush, **House Bill No. 2785** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Aquino, **House Bill No. 3113** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Aquino, **House Bill No. 3114** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Aquino, **House Bill No. 3116** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Cunningham, as chief co-sponsor pursuant to Senate Rule 5-1(b)(ii), **House Bill No. 3139** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Castro, **House Bill No. 3160** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Rezin, **House Bill No. 3165** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bennett, **House Bill No. 3178** having been printed, was taken up, read by title a second time and ordered to a third reading.

At the hour of 12:49 o'clock p.m., Senator Holmes, presiding.

On motion of Senator Belt, **House Bill No. 3190** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Lightford, **House Bill No. 3217** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Lightford, **House Bill No. 3223** having been printed, was taken up and read by title a second time.

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

AMENDMENT NO. 1 TO HOUSE BILL 3223

AMENDMENT NO. 1 . Amend House Bill 3223 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Sections 10-22.6, 10-22.6a, 13A-11, 22-60, 26-2a, 27A-5, and 34-18.24 and by adding Article 26A as follows:

(105 ILCS 5/10-22.6) (from Ch. 122, par. 10-22.6)

Sec. 10-22.6. Suspension or expulsion of pupils; school searches.

(a) To expel pupils guilty of gross disobedience or misconduct, including gross disobedience or misconduct perpetuated by electronic means, pursuant to subsection (b-20) of this Section, and no action shall lie against them for such expulsion. Expulsion shall take place only after the parents or guardians have been requested to appear at a meeting of the board, or with a hearing officer appointed by it, to discuss their child's behavior. Such request shall be made by registered or certified mail and shall state the time, place and purpose of the meeting. The board, or a hearing officer appointed by it, at such meeting shall state the reasons for dismissal and the date on which the expulsion is to become effective. If a hearing officer is appointed by the board, he shall report to the board a written summary of the evidence heard at the meeting and the board may take such action thereon as it finds appropriate. If the board acts to expel a pupil, the written expulsion decision shall detail the specific reasons why removing the pupil from the learning environment is in the best interest of the school. The expulsion decision shall also include a rationale as to the specific duration of the expulsion. An expelled pupil may be immediately transferred to an alternative program in the manner provided in Article 13A or 13B of this Code. A pupil must not be denied transfer because of the expulsion, except in cases in which such transfer is deemed to cause a threat to the safety of students or staff in the alternative program.

(b) To suspend or by policy to authorize the superintendent of the district or the principal, assistant principal, or dean of students of any school to suspend pupils guilty of gross disobedience or misconduct, or to suspend pupils guilty of gross disobedience or misconduct on the school bus from riding the school bus, pursuant to subsections (b-15) and (b-20) of this Section, and no action shall lie against them for such suspension. The board may by policy authorize the superintendent of the district or the principal, assistant principal, or dean of students of any school to suspend pupils guilty of such acts for a period not to exceed 10 school days. If a pupil is suspended due to gross disobedience or misconduct on a school bus, the board may suspend the pupil in excess of 10 school days for safety reasons.

Any suspension shall be reported immediately to the parents or guardians ~~guardian~~ of a pupil along with a full statement of the reasons for such suspension and a notice of their right to a review. The school board must be given a summary of the notice, including the reason for the suspension and the suspension length. Upon request of the parents or guardians ~~guardian~~, the school board or a hearing officer appointed by it shall review such action of the superintendent or principal, assistant principal, or dean of students. At such review, the parents or guardians ~~guardian~~ of the pupil may appear and discuss the suspension with the board or its hearing officer. If a hearing officer is appointed by the board, he shall report to the board a written summary of the evidence heard at the meeting. After its hearing or upon receipt of the written report of its hearing officer, the board may take such action as it finds appropriate. If a student is suspended pursuant to this subsection (b), the board shall, in the written suspension decision, detail the specific act of gross disobedience or misconduct resulting in the decision to suspend. The suspension decision shall also include a rationale as to the specific duration of the suspension. A pupil who is suspended in excess of 20 school days may be immediately transferred to an alternative program in the manner provided in Article 13A or 13B of this Code. A pupil must not be denied transfer because of the suspension, except in cases in which such transfer is deemed to cause a threat to the safety of students or staff in the alternative program.

(b-5) Among the many possible disciplinary interventions and consequences available to school officials, school exclusions, such as out-of-school suspensions and expulsions, are the most serious. School officials shall limit the number and duration of expulsions and suspensions to the greatest extent practicable, and it is recommended that they use them only for legitimate educational purposes. To ensure that students are not excluded from school unnecessarily, it is recommended that school officials consider forms of non-exclusionary discipline prior to using out-of-school suspensions or expulsions.

(b-10) Unless otherwise required by federal law or this Code, school boards may not institute zero-tolerance policies by which school administrators are required to suspend or expel students for particular behaviors.

(b-15) Out-of-school suspensions of 3 days or less may be used only if the student's continuing presence in school would pose a threat to school safety or a disruption to other students' learning opportunities. For purposes of this subsection (b-15), "threat to school safety or a disruption to other students' learning opportunities" shall be determined on a case-by-case basis by the school board or its designee. School officials shall make all reasonable efforts to resolve such threats, address such disruptions, and minimize the length of suspensions to the greatest extent practicable.

(b-20) Unless otherwise required by this Code, out-of-school suspensions of longer than 3 days, expulsions, and disciplinary removals to alternative schools may be used only if other appropriate and available behavioral and disciplinary interventions have been exhausted and the student's continuing presence in school would either (i) pose a threat to the safety of other students, staff, or members of the school community or (ii) substantially disrupt, impede, or interfere with the operation of the school. For purposes of this subsection (b-20), "threat to the safety of other students, staff, or members of the school community" and "substantially disrupt, impede, or interfere with the operation of the school" shall be determined on a case-by-case basis by school officials. For purposes of this subsection (b-20), the determination of whether "appropriate and available behavioral and disciplinary interventions have been exhausted" shall be made by school officials. School officials shall make all reasonable efforts to resolve such threats, address such disruptions, and minimize the length of student exclusions to the greatest extent practicable. Within the suspension decision described in subsection (b) of this Section or the expulsion decision described in subsection (a) of this Section, it shall be documented whether other interventions were attempted or whether it was determined that there were no other appropriate and available interventions.

(b-25) Students who are suspended out-of-school for longer than 4 school days shall be provided appropriate and available support services during the period of their suspension. For purposes of this subsection (b-25), "appropriate and available support services" shall be determined by school authorities. Within the suspension decision described in subsection (b) of this Section, it shall be documented whether such services are to be provided or whether it was determined that there are no such appropriate and available services.

A school district may refer students who are expelled to appropriate and available support services.

A school district shall create a policy to facilitate the re-engagement of students who are suspended out-of-school, expelled, or returning from an alternative school setting.

(b-30) A school district shall create a policy by which suspended pupils, including those pupils suspended from the school bus who do not have alternate transportation to school, shall have the opportunity to make up work for equivalent academic credit. It shall be the responsibility of a pupil's parents or guardians ~~parent or guardian~~ to notify school officials that a pupil suspended from the school bus does not have alternate transportation to school.

(b-35) In all suspension review hearings conducted under subsection (b) or expulsion hearings conducted under subsection (a), a student may disclose any factor to be considered in mitigation, including his or her status as a parent, expectant parent, or victim of domestic or sexual violence, as defined in Article 26A. A representative of the parent's or guardian's choice, or of the student's choice if emancipated, must be permitted to represent the student throughout the proceedings and to address the school board or its appointed hearing officer. With the approval of the student's parent or guardian, or of the student if emancipated, a support person must be permitted to accompany the student to any disciplinary hearings or proceedings. The representative or support person must comply with any rules of the school district's hearing process. If the representative or support person violates the rules or engages in behavior or advocacy that harasses, abuses, or intimidates either party, a witness, or anyone else in attendance at the hearing, the representative or support person may be prohibited from further participation in the hearing or proceeding. A suspension or expulsion proceeding under this subsection (b-35) must be conducted independently from

any ongoing criminal investigation or proceeding, and an absence of pending or possible criminal charges, criminal investigations, or proceedings may not be a factor in school disciplinary decisions.

(b-40) During a suspension review hearing conducted under subsection (b) or an expulsion hearing conducted under subsection (a) that involves allegations of sexual violence by the student who is subject to discipline, neither the student nor his or her representative shall directly question nor have direct contact with the alleged victim. The student who is subject to discipline or his or her representative may, at the discretion and direction of the school board or its appointed hearing officer, suggest questions to be posed by the school board or its appointed hearing officer to the alleged victim.

(c) The Department of Human Services shall be invited to send a representative to consult with the board at such meeting whenever there is evidence that mental illness may be the cause for expulsion or suspension.

(c-5) School districts shall make reasonable efforts to provide ongoing professional development to teachers, administrators, school board members, school resource officers, and staff on the adverse consequences of school exclusion and justice-system involvement, effective classroom management strategies, culturally responsive discipline, the appropriate and available supportive services for the promotion of student attendance and engagement, and developmentally appropriate disciplinary methods that promote positive and healthy school climates.

(d) The board may expel a student for a definite period of time not to exceed 2 calendar years, as determined on a case-by-case basis. A student who is determined to have brought one of the following objects to school, any school-sponsored activity or event, or any activity or event that bears a reasonable relationship to school shall be expelled for a period of not less than one year:

(1) A firearm. For the purposes of this Section, "firearm" means any gun, rifle, shotgun, weapon as defined by Section 921 of Title 18 of the United States Code, firearm as defined in Section 1.1 of the Firearm Owners Identification Card Act, or firearm as defined in Section 24-1 of the Criminal Code of 2012. The expulsion period under this subdivision (1) may be modified by the superintendent, and the superintendent's determination may be modified by the board on a case-by-case basis.

(2) A knife, brass knuckles or other knuckle weapon regardless of its composition, a billy club, or any other object if used or attempted to be used to cause bodily harm, including "look alikes" of any firearm as defined in subdivision (1) of this subsection (d). The expulsion requirement under this subdivision (2) may be modified by the superintendent, and the superintendent's determination may be modified by the board on a case-by-case basis.

Expulsion or suspension shall be construed in a manner consistent with the federal Individuals with Disabilities Education Act. A student who is subject to suspension or expulsion as provided in this Section may be eligible for a transfer to an alternative school program in accordance with Article 13A of the School Code.

(d-5) The board may suspend or by regulation authorize the superintendent of the district or the principal, assistant principal, or dean of students of any school to suspend a student for a period not to exceed 10 school days or may expel a student for a definite period of time not to exceed 2 calendar years, as determined on a case-by-case basis, if (i) that student has been determined to have made an explicit threat on an Internet website against a school employee, a student, or any school-related personnel, (ii) the Internet website through which the threat was made is a site that was accessible within the school at the time the threat was made or was available to third parties who worked or studied within the school grounds at the time the threat was made, and (iii) the threat could be reasonably interpreted as threatening to the safety and security of the threatened individual because of his or her duties or employment status or status as a student inside the school.

(e) To maintain order and security in the schools, school authorities may inspect and search places and areas such as lockers, desks, parking lots, and other school property and equipment owned or controlled by the school, as well as personal effects left in those places and areas by students, without notice to or the consent of the student, and without a search warrant. As a matter of public policy, the General Assembly finds that students have no reasonable expectation of privacy in these places and areas or in their personal effects left in these places and areas. School authorities may request the assistance of law enforcement officials for the purpose of conducting inspections and searches of lockers, desks, parking lots, and other school property and equipment owned or controlled by the school for illegal drugs, weapons, or other illegal or dangerous substances or materials, including searches conducted through the use of specially trained dogs. If a search conducted in accordance with this Section produces evidence that the student has violated

or is violating either the law, local ordinance, or the school's policies or rules, such evidence may be seized by school authorities, and disciplinary action may be taken. School authorities may also turn over such evidence to law enforcement authorities.

(f) Suspension or expulsion may include suspension or expulsion from school and all school activities and a prohibition from being present on school grounds.

(g) A school district may adopt a policy providing that if a student is suspended or expelled for any reason from any public or private school in this or any other state, the student must complete the entire term of the suspension or expulsion in an alternative school program under Article 13A of this Code or an alternative learning opportunities program under Article 13B of this Code before being admitted into the school district if there is no threat to the safety of students or staff in the alternative program. A school district that adopts a policy under this subsection (g) must include a provision allowing for consideration of any mitigating factors, including, but not limited to, a student's status as a parent, expectant parent, or victim of domestic or sexual violence, as defined in Article 26A.

(h) School officials shall not advise or encourage students to drop out voluntarily due to behavioral or academic difficulties.

(i) A student may not be issued a monetary fine or fee as a disciplinary consequence, though this shall not preclude requiring a student to provide restitution for lost, stolen, or damaged property.

(j) Subsections (a) through (i) of this Section shall apply to elementary and secondary schools, charter schools, special charter districts, and school districts organized under Article 34 of this Code.

(k) The expulsion of children enrolled in programs funded under Section 1C-2 of this Code is subject to the requirements under paragraph (7) of subsection (a) of Section 2-3.71 of this Code.

(l) Beginning with the 2018-2019 school year, an in-school suspension program provided by a school district for any students in kindergarten through grade 12 may focus on promoting non-violent conflict resolution and positive interaction with other students and school personnel. A school district may employ a school social worker or a licensed mental health professional to oversee an in-school suspension program in kindergarten through grade 12.

(Source: P.A. 100-105, eff. 1-1-18; 100-810, eff. 1-1-19; 100-863, eff. 8-14-18; 100-1035, eff. 8-22-18; 101-81, eff. 7-12-19.)

(105 ILCS 5/10-22.6a) (from Ch. 122, par. 10-22.6a)

Sec. 10-22.6a. Home instruction; correspondence courses.

(a) To provide by home instruction, correspondence courses or otherwise courses of instruction for a pupil who is ~~pupils who are~~ unable to attend school because of pregnancy or pregnancy-related conditions, the fulfillment of parenting obligations related to the health of the child, or health and safety concerns arising from domestic or sexual violence, as defined in Article 26A. Such instruction shall be provided to the pupil at each of the following times:

(1) Before ~~before~~ the birth of the child when the pupil's physician, physician assistant, or advanced practice nurse has indicated to the district, in writing, that the pupil is medically unable to attend regular classroom instruction. ~~and~~

(2) For ~~for~~ up to 3 months following the birth of the child or a miscarriage.

(3) When the pupil must care for his or her ill child if (i) the child's physician, physician assistant, or advanced practice registered nurse has indicated to the district, in writing, that the child has a serious health condition that would require the pupil to be absent from school for 2 or more consecutive weeks and (ii) the pupil or the pupil's parent or guardian indicates to the district, in writing, that the pupil is needed to provide care to the child during this period. In this paragraph (3), "serious health condition" means an illness, injury, impairment, or physical or mental health condition that involves inpatient care in a hospital, hospice, or residential medical care facility or continuing treatment by a health care provider that is not controlled by medication alone.

(4) The pupil must treat physical or mental health complications or address safety concerns arising from domestic or sexual violence when a healthcare provider or an employee of the pupil's domestic or sexual violence organization, as defined in Article 26A has indicated to the district, in writing, that the care is needed by the pupil and will cause the pupil's absence from school for 2 or more consecutive weeks.

A school district may reassess home instruction provided to a pupil under paragraph (3) or (4) every 2 months to determine the pupil's continuing need for instruction under this Section.

The instruction course shall be designed to offer educational experiences that are equivalent to those given to pupils at the same grade level in the district and that are designed to enable the pupil to return to the classroom.

(b) Notwithstanding any other provision of this Code or State law to the contrary, if a pupil is unable to attend regular classes because of the reasons set forth in subsection (a) and has participated in instruction under this Section that is administered by the school or the school district, then the pupil may not be penalized for grading purposes or be denied course completion, a return to regular classroom instruction, grade level advancement, or graduation solely on the basis of the pupil's participation in instruction under this Section or the pupil's absence from the regular education program during the period of instruction under this Section. A school or school district may not use instruction under this Section to replace making support services available so that pupils who are parents, expectant parents, or victims of domestic or sexual violence may receive regular classroom instruction.

(Source: P.A. 100-443, eff. 8-25-17.)

(105 ILCS 5/13A-11)

Sec. 13A-11. Chicago public schools.

(a) The Chicago Board of Education may establish alternative schools within Chicago and may contract with third parties for services otherwise performed by employees, including those in a bargaining unit, in accordance with Sections 34-8.1, 34-18, and 34-49.

(b) Alternative schools operated by third parties within Chicago shall be exempt from all provisions of this Code, except provisions concerning:

(1) student civil rights;

(2) staff civil rights;

(3) health and safety;

(4) performance and financial audits;

(5) the assessments required under Section 2-3.64a-5 of this Code;

(6) Chicago learning outcomes;

(7) Sections 2-3.25a through 2-3.25j of this Code;

(8) the Inspector General; ~~and~~

(9) Section 34-2.4b of this Code; and

(10) Article 26A and any other provision of this Code concerning students who are parents, expectant parents, or victims of domestic or sexual violence, as defined in Article 26A.

(Source: P.A. 98-972, eff. 8-15-14.)

(105 ILCS 5/22-60)

Sec. 22-60. Unfunded mandates prohibited.

(a) No public school district or private school is obligated to comply with the following types of mandates unless a separate appropriation has been enacted into law providing full funding for the mandate for the school year during which the mandate is required:

(1) Any mandate in this Code enacted after the effective date of this amendatory Act of the 96th General Assembly.

(2) Any regulatory mandate promulgated by the State Board of Education and adopted by rule after the effective date of this amendatory Act of the 96th General Assembly other than those promulgated with respect to this Section or statutes already enacted on or before the effective date of this amendatory Act of the 96th General Assembly.

(b) If the amount appropriated to fund a mandate described in subsection (a) of this Section does not fully fund the mandated activity, then the school district or private school may choose to discontinue or modify the mandated activity to ensure that the costs of compliance do not exceed the funding received.

Before discontinuing or modifying the mandate, the school district shall petition its regional superintendent of schools on or before February 15 of each year to request to be exempt from implementing the mandate in a school or schools in the next school year. The petition shall include all legitimate costs associated with implementing and operating the mandate, the estimated reimbursement from State and federal sources, and any unique circumstances the school district can verify that exist that would cause the implementation and operation of such a mandate to be cost prohibitive.

The regional superintendent of schools shall review the petition. In accordance with the Open Meetings Act, he or she shall convene a public hearing to hear testimony from the school district and interested community members. The regional superintendent shall, on or before March 15 of each year, inform the school district of his or her decision, along with the reasons why the exemption was granted or

denied, in writing. The regional superintendent must also send notification to the State Board of Education detailing which school districts requested an exemption and the results.

If the regional superintendent grants an exemption to the school district, then the school district is relieved from the requirement to establish and implement the mandate in the school or schools granted an exemption for the next school year. If the regional superintendent of schools does not grant an exemption, then the school district shall implement the mandate in accordance with the applicable law or rule by the first student attendance day of the next school year. However, the school district or a resident of the school district may on or before April 15 appeal the decision of the regional superintendent to the State Superintendent of Education. The State Superintendent shall hear appeals on the decisions of regional superintendents of schools no later than May 15 of each year. The State Superintendent shall make a final decision at the conclusion of the hearing on the school district's request for an exemption from the mandate. If the State Superintendent grants an exemption, then the school district is relieved from the requirement to implement a mandate in the school or schools granted an exemption for the next school year. If the State Superintendent does not grant an exemption, then the school district shall implement the mandate in accordance with the applicable law or rule by the first student attendance day of the next school year.

If a school district or private school discontinues or modifies a mandated activity due to lack of full funding from the State, then the school district or private school shall annually maintain and update a list of discontinued or modified mandated activities. The list shall be provided to the State Board of Education upon request.

(c) This Section does not apply to (i) any new statutory or regulatory mandates related to revised learning standards developed through the Common Core State Standards Initiative and assessments developed to align with those standards or actions specified in this State's Phase 2 Race to the Top Grant application if the application is approved by the United States Department of Education, ~~or~~ (ii) new statutory or regulatory mandates from the Race to the Top Grant through the federal American Recovery and Reinvestment Act of 2009 imposed on school districts designated as being in the lowest performing 5% of schools within the Race to the Top Grant application, or (iii) any changes made to this Code by this amendatory Act of the 102nd General Assembly.

(d) In any instances in which this Section conflicts with the State Mandates Act, the State Mandates Act shall prevail.

(Source: P.A. 96-1441, eff. 8-20-10.)

(105 ILCS 5/26-2a) (from Ch. 122, par. 26-2a)

Sec. 26-2a. A "truant" is defined as a child who is subject to compulsory school attendance and who is absent without valid cause, as defined under this Section, from such attendance for more than 1% but less than 5% of the past 180 school days.

"Valid cause" for absence shall be illness, attendance at a verified medical or therapeutic appointment, appointment with a victim services provider, observance of a religious holiday, death in the immediate family, or family emergency~~,~~ and shall include such other situations beyond the control of the student as determined by the board of education in each district~~,~~ or such other circumstances which cause reasonable concern to the parent for the mental, emotional, or physical health or safety of the student. For purposes of a student who is an expectant parent, or parent, or victim of domestic or sexual violence, "valid cause" for absence includes (i) the fulfillment of a parenting responsibility, including, but not limited to, arranging and providing child care, caring for a sick child, attending prenatal or other medical appointments for the expectant student, and attending medical appointments for a child, and (ii) addressing circumstances resulting from domestic or sexual violence, including, but not limited to, experiencing domestic or sexual violence, recovering from physical or psychological injuries, seeking medical attention, seeking services from a domestic or sexual violence organization, as defined in Article 26A, seeking psychological or other counseling, participating in safety planning, temporarily or permanently relocating, seeking legal assistance or remedies, or taking any other action to increase the safety or health of the student or to protect the student from future domestic or sexual violence. A school district may require a student to verify his or her claim of domestic or sexual violence under Section 26A-45 prior to the district approving a valid cause for an absence of 3 or more consecutive days that is related to domestic or sexual violence.

"Chronic or habitual truant" shall be defined as a child who is subject to compulsory school attendance and who is absent without valid cause from such attendance for 5% or more of the previous 180 regular attendance days.

"Truant minor" is defined as a chronic truant to whom supportive services, including prevention, diagnostic, intervention and remedial services, alternative programs and other school and community

resources have been provided and have failed to result in the cessation of chronic truancy, or have been offered and refused.

A "dropout" is defined as any child enrolled in grades 9 through 12 whose name has been removed from the district enrollment roster for any reason other than the student's death, extended illness, removal for medical non-compliance, expulsion, aging out, graduation, or completion of a program of studies and who has not transferred to another public or private school and is not known to be home-schooled by his or her parents or guardians or continuing school in another country.

"Religion" for the purposes of this Article, includes all aspects of religious observance and practice, as well as belief.

(Source: P.A. 100-810, eff. 1-1-19; 100-918, eff. 8-17-18; 101-81, eff. 7-12-19.)

(105 ILCS 5/Art. 26A heading new)

ARTICLE 26A. CHILDREN AND STUDENTS WHO ARE PARENTS, EXPECTANT PARENTS, OR VICTIMS OF DOMESTIC OR SEXUAL VIOLENCE

(105 ILCS 5/26A-1 new)

Sec. 26A-1. Scope of Article. This Article applies to all school districts and schools governed by this Code, including schools operating under Article 13, 13A, 13B, 27A, 32, 33, or 34. However, this Article does not apply to the Department of Juvenile Justice School District.

(105 ILCS 5/26A-5 new)

Sec. 26A-5. Purpose. The purpose of this Article is to ensure that Illinois schools have policies, procedures, or both, in place that enable children and students who are parents, expectant parents, or victims of domestic or sexual violence to be identified by schools in a manner respectful of their privacy and safety, treated with dignity and regard, and provided the protection, instruction, and related services necessary to enable them to meet State educational standards and successfully attain a school diploma. This Article shall be interpreted liberally to aid in this purpose. Nothing in this Article precludes or may be used to preclude a mandated reporter from reporting child abuse or child neglect as required under the Abused and Neglected Child Reporting Act.

(105 ILCS 5/26A-10 new)

Sec. 26A-10. Definitions. In this Article:

"Confidential" means information or facts expected and intended to be kept private or protected by an existing privilege in the Code of Civil Procedure. Confidential information may be disclosed by a school or school district if such disclosure is required by State or federal law or is necessary to complete proceedings relevant to this Article. Designation of student information as confidential applies to the school and school district and does not limit a student's right to speak about the student's experiences.

"Consent" includes, at a minimum, a recognition that (i) consent is a freely given agreement to sexual activity, (ii) an individual's lack of verbal or physical resistance or submission resulting from the use of threat of force does not constitute consent, (iii) an individual's manner of dress does not constitute consent, (iv) an individual's consent to past sexual activity does not constitute consent to future sexual activity, (v) an individual's consent to engage in one type of sexual activity with one person does not constitute consent to engage in any other type of sexual activity or sexual activity with another person, (vi) an individual can withdraw consent at any time, and (vii) an individual cannot consent to sexual activity if that individual is unable to understand the nature of the activity or give knowing consent due to the circumstances that include, but are not limited to, all the following:

(1) The individual is incapacitated due to the use or influence of alcohol or drugs.

(2) The individual is asleep or unconscious.

(3) The individual is under the age of consent.

(4) The individual is incapacitated due to a mental disability.

"Domestic or sexual violence" means domestic violence, gender-based harassment, sexual activity without consent, sexual assault, sexual violence, or stalking. Domestic or sexual violence may occur through electronic communication. Domestic or sexual violence exists regardless of when or where the violence occurred, whether or not the violence is the subject of a criminal investigation or the perpetrator has been criminally charged or convicted of a crime, whether or not an order of protection or a no-contact order is pending before or has been issued by a court, or whether or not any domestic or sexual violence took place on school grounds, during regular school hours, or during a school-sponsored event.

"Domestic or sexual violence organization" means a nonprofit, nongovernmental organization that provides assistance to victims of domestic or sexual violence or advocates for those victims, including an

organization carrying out a domestic or sexual violence program, an organization operating a shelter or a rape crisis center or providing counseling services, an accredited children's advocacy center, an organization that provides services to or advocates on behalf of children and students who are gay, lesbian, bisexual, transgender, or gender nonconforming, an organization that provides services to or advocates on behalf of children and students who are parents or expectant parents, or an organization seeking to eliminate domestic or sexual violence or to address the consequences of that violence for its victims through legislative advocacy or policy change, public education, or service collaboration.

"Domestic violence" means abuse, as defined in the Illinois Domestic Violence Act of 1986, by family or household members, as defined in the Illinois Domestic Violence Act of 1986.

"Electronic communication" includes communications via telephone, mobile phone, computer, email, video recorder, fax machine, telex, pager, apps or applications, or any other electronic communication or cyberstalking under Section 12-7.5 of the Criminal Code of 2012.

"Expectant parent" means a student who (i) is pregnant and (ii) has not yet received a diploma for completion of a secondary education, as defined in Section 22-22.

"Gender-based harassment" means any harassment or discrimination on the basis of an individual's actual or perceived sex or gender, including unwelcome sexual advances, requests for sexual favors, other verbal or physical conduct of a sexual nature, or unwelcome conduct, including verbal, nonverbal, or physical conduct that is not sexual in nature but is related to a student's status as a parent, expectant parent, or victim of domestic or sexual violence.

"Harassment" means any unwelcome conduct on the basis of a student's actual or perceived race, gender, color, religion, national origin, ancestry, sex, marital status, order of protection status, disability, sexual orientation, gender identity, pregnancy, or citizenship status that has the purpose or effect of substantially interfering with the individual's academic performance or creating an intimidating, hostile, or offensive learning environment.

"Perpetrator" means an individual who commits or is alleged to have committed any act of domestic or sexual violence. The term "perpetrator" must be used with caution when applied to children, particularly young children.

"Poor academic performance" means a student who has (i) scored in the 50th percentile or below on a school district-administered standardized test, (ii) received a score on a State assessment that does not meet standards in one or more of the fundamental learning areas under Section 27-1, as applicable for the student's grade level, or (iii) not met grade-level expectations on a school district-designated assessment.

"Representative" means an adult who is authorized to act on behalf of a student during a proceeding, including an attorney, parent, or guardian.

"School" means a school district or school governed by this Code, including a school operating under Article 13, 13A, 13B, 27A, 32, 33, or 34, other than the Department of Juvenile Justice School District. "School" includes any other entity responsible for administering public schools, such as cooperatives, joint agreements, charter schools, special charter districts, regional offices of education, local agencies, or the Department of Human Services, and nonpublic schools recognized by the State Board of Education.

"Sexual activity" means any knowingly touching or fondling by one person, either directly or through clothing, of the sex organs, anus, mouth, or breast of another person for the purpose of sexual gratification or arousal.

"Sexual assault" or "sexual violence" means any conduct of an adult or minor child proscribed in Article 11 of the Criminal Code of 2012, except for Sections 11-35, 11-40, and 11-45 of the Criminal Code of 2012, including conduct committed by a perpetrator who is a stranger to the victim and conduct by a perpetrator who is known or related by blood or marriage to the victim.

"Stalking" means any conduct proscribed in Section 12-7.3, 12-7.4, or 12-7.5 of the Criminal Code of 2012, including stalking committed by a perpetrator who is a stranger to the victim and stalking committed by a perpetrator who is known or related by blood or marriage to the victim.

"Student" or "pupil" means any child who has not yet received a diploma for completion of a secondary education. "Student" includes, but is not limited to, an unaccompanied minor not in the physical custody of a parent or guardian.

"Student at risk of academic failure" means a student who is at risk of failing to meet the Illinois Learning Standards or failing to graduate from elementary or high school and who demonstrates a need for educational support or social services beyond those provided by the regular school program.

"Student parent" means a student who is a custodial or noncustodial parent taking an active role in the care and supervision of a child and who has not yet received a diploma for completion of a secondary education.

"Support person" means any person whom the victim has chosen to include in proceedings for emotional support or safety. A support person does not participate in proceedings but is permitted to observe and support the victim with parent or guardian approval. "Support person" may include, but is not limited to, an advocate, clergy, a counselor, and a parent or guardian. If a student is age 18 years or older, the student has the right to choose a support person without parent or guardian approval.

"Survivor-centered" means a systematic focus on the needs and concerns of a survivor of sexual violence, domestic violence, dating violence, or stalking that (i) ensures the compassionate and sensitive delivery of services in a nonjudgmental manner, (ii) ensures an understanding of how trauma affects survivor behavior, (iii) maintains survivor safety, privacy, and, if possible, confidentiality, and (iv) recognizes that a survivor is not responsible for the sexual violence, domestic violence, dating violence, or stalking.

"Trauma-informed response" means a response involving an understanding of the complexities of sexual violence, domestic violence, dating violence, or stalking through training centered on the neurobiological impact of trauma, the influence of societal myths and stereotypes surrounding sexual violence, domestic violence, dating violence, or stalking, and understanding the behavior of perpetrators.

"Victim" means an individual who has been subjected to one or more acts of domestic or sexual violence.

(105 ILCS 5/26A-15 new)

Sec. 26A-15. Ensuring Success in School Task Force.

(a) The Ensuring Success in School Task Force is created to draft and publish model policies and intergovernmental agreements for inter-district transfers; draft and publish model complaint resolution procedures as required in subsection (c) of Section 26A-25; identify current mandatory educator and staff training and additional new trainings needed to meet the requirements as required in Section 26A-25 and Section 26A-35. These recommended policies and agreements shall be survivor-centered and rooted in trauma-informed responses and used to support all students, from pre-kindergarten through grade 12, who are survivors of domestic or sexual violence, regardless of whether the perpetrator is school-related or not, or who are parenting or pregnant, regardless of whether the school is a public school, nonpublic school, or charter school.

(b) The Task Force shall be representative of the geographic, racial, ethnic, sexual orientation, gender identity, and cultural diversity of this State. The Task Force shall consist of all of the following members, who must be appointed no later than 60 days after the effective date of this amendatory Act of the 102nd General Assembly:

(1) One Representative appointed by the Speaker of the House of Representatives.

(2) One Representative appointed by the Minority Leader of the House of Representatives.

(3) One Senator appointed by the President of the Senate.

(4) One Senator appointed by the Minority Leader of the Senate.

(5) One member who represents a State-based organization that advocates for lesbian, gay, bisexual, transgender, and queer people appointed by the State Superintendent of Education.

(6) One member who represents a State-based, nonprofit, nongovernmental organization that advocates for survivors of domestic violence appointed by the State Superintendent of Education.

(7) One member who represents a statewide, nonprofit, nongovernmental organization that advocates for survivors of sexual violence appointed by the State Superintendent of Education.

(8) One member who represents a statewide, nonprofit, nongovernmental organization that offers free legal services, including victim's rights representation, to survivors of domestic violence or sexual violence appointed by the State Superintendent of Education.

(9) One member who represents an organization that advocates for pregnant or parenting youth appointed by the State Superintendent of Education.

(10) One member who represents a youth-led organization with expertise in domestic and sexual violence appointed by the State Superintendent of Education.

(11) One member who represents the Children's Advocacy Centers of Illinois appointed by the State Superintendent of Education.

(12) One representative of the State Board of Education appointed by the State Superintendent of Education.

(13) One member who represents a statewide organization of social workers appointed by the State Superintendent of Education.

(14) One member who represents a statewide organization for school psychologists appointed by the State Superintendent of Education.

(15) One member who represents a statewide organization of school counselors appointed by the State Superintendent of Education.

(16) One member who represents a statewide professional teachers' organization appointed by the State Superintendent of Education.

(17) One member who represents a different statewide professional teachers' organization appointed by the State Superintendent of Education.

(18) One member who represents a statewide organization for school boards appointed by the State Superintendent of Education.

(19) One member who represents a statewide organization for school principals appointed by the State Superintendent of Education.

(20) One member who represents a school district organized under Article 34 appointed by the State Superintendent of Education.

(21) One member who represents an association representing rural school superintendents appointed by the State Superintendent of Education.

(c) The Task Force shall first meet at the call of the State Superintendent of Education, and each subsequent meeting shall be called by the chairperson, who shall be designated by the State Superintendent of Education. The State Board of Education shall provide administrative and other support to the Task Force. Members of the Task Force shall serve without compensation.

(d) On or before June 30, 2024, the Task Force shall report its work, including model policies, guidance recommendations, and agreements, to the Governor and the General Assembly. The report must include all of the following:

(1) Model school and district policies to facilitate inter-district transfers for student survivors of domestic or sexual violence, expectant parents, and parents. These policies shall place high value on being accessible and expeditious for student survivors and pregnant and parenting students.

(2) Model school and district policies to ensure confidentiality and privacy considerations for student survivors of domestic or sexual violence, expectant parents, and parents. These policies must include guidance regarding appropriate referrals for nonschool-based services.

(3) Model school and district complaint resolution procedures as prescribed by Section 26A-25.

(4) Guidance for schools and districts regarding which mandatory training that is currently required for educator licenses or under State or federal law would be suitable to fulfill training requirements for resource personnel as prescribed by Section 26A-35 and for the staff tasked with implementing the complaint resolution procedure as prescribed by Section 26A-25. The guidance shall evaluate all relevant mandatory or recommended training, including, but not limited to, the training required under subsection (j) of Section 4 of the Abused and Neglected Child Reporting Act, Sections 3-11, 10-23.12, 10-23.13, and 27-23.7 of this Code, and subsections (d) and (f) of Section 10-22.39 of this Code. The guidance must also identify what gaps in training exist, including, but not limited to, training on trauma-informed responses and racial and gender equity, and make recommendations for future training programs that should be required or recommended for the positions as prescribed by Sections 26A-25 and 26A-35.

(e) The Task Force is dissolved upon submission of its report under subsection (d).

(f) This Section is repealed on December 1, 2023.

(105 ILCS 5/26A-20 new)

Sec. 26A-20. Review and revision of policies and procedures.

(a) No later than July 1, 2024 and every 2 years thereafter, each school district must review all existing policies and procedures and must revise any existing policies and procedures that may act as a barrier to the immediate enrollment and re-enrollment, attendance, graduation, and success in school of any student who is a student parent, expectant student parent, or victim of domestic or sexual violence or any policies or procedures that may compromise a criminal investigation relating to domestic or sexual violence or may re-victimize students. A school district must adopt new policies and procedures, as needed, to implement this Section and to ensure that immediate and effective steps are taken to respond to students who are student parents, expectant parents, or victims of domestic or sexual violence.

(b) A school district's policy must be consistent with the model policy and procedures adopted by the State Board of Education and under Public Act 101-531.

(c) A school district's policy on the procedures that a student or his or her parent or guardian may follow if he or she chooses to report an incident of alleged domestic or sexual violence must, at a minimum, include all of the following:

(1) The name and contact information for domestic or sexual violence and parenting resource personnel, the Title IX coordinator, school and school district resource officers or security, and a community-based domestic or sexual violence organization.

(2) The name, title, and contact information for confidential resources and a description of what confidential reporting means.

(3) An option for the student or the student's parent or guardian to electronically, anonymously, and confidentially report the incident.

(4) An option for reports by third parties and bystanders.

(5) Information regarding the various individuals, departments, or organizations to whom a student may report an incident of domestic or sexual violence, specifying for each individual or entity (i) the extent of the individual's or entity's reporting obligation to the school's or school district's administration, Title IX coordinator, or other personnel or entity, (ii) the individual's or entity's ability to protect the student's privacy, and (iii) the extent of the individual's or entity's ability to have confidential communications with the student or his or her parent or guardian.

(6) The adoption of a complaint resolution procedure as provided in Section 26A-25.

(d) A school district must post its revised policies and procedures on its website, distribute them at the beginning of each school year to each student, and make copies available to each student and his or her parent or guardian for inspection and copying at no cost to the student or parent or guardian at each school within a school district.

(105 ILCS 5/26A-25 new)

Sec. 26A-25. Complaint resolution procedure.

(a) On or before July 1, 2024, each school district must adopt one procedure to resolve complaints of violations of this amendatory Act of the 102nd General Assembly. The respondent must be one or more of the following: the school, school district, or school personnel. These procedures shall comply with the confidentiality provisions of Sections 26A-20 and 26A-30. The procedures must include, at minimum, all of the following:

(1) The opportunity to consider the most appropriate means to execute the procedure considering school safety, the developmental level of students, methods to reduce trauma during the procedure, and how to avoid multiple communications with students involved with an alleged incident of domestic or sexual violence.

(2) Any proceeding, meeting, or hearing held to resolve complaints of any violation of this amendatory Act of the 102nd General Assembly must protect the privacy of the participating parties and witnesses. A school, school district, or school personnel may not disclose the identity of parties or witnesses, except as necessary to resolve the complaint or to implement interim protective measures and reasonable support services or when required by State or federal law.

(3) Complainants alleging violations of this amendatory Act of the 102nd General Assembly must have the opportunity to request that the complaint resolution procedure begin promptly and proceed in a timely manner.

(b) A school district must determine the individuals who will resolve complaints of violations of this amendatory Act of the 102nd General Assembly.

(1) All individuals whose duties include resolution of complaints of violations of this amendatory Act of the 102nd General Assembly must complete a minimum of 8 hours of training on issues related to domestic and sexual violence and how to conduct the school's complaint resolution procedure, which may include the in-service training required under subsection (d) of Section 10-22.39, before commencement of those duties, and must receive a minimum of 6 hours of such training annually thereafter. This training must be conducted by an individual or individuals with expertise in domestic or sexual violence in youth and expertise in developmentally appropriate communications with elementary and secondary school students regarding topics of a sexual, violent, or sensitive nature.

(2) Each school must have a sufficient number of individuals trained to resolve complaints so that (i) a substitution can occur in the case of a conflict of interest or recusal, (ii) an individual with no

prior involvement in the initial determination or finding may hear any appeal brought by a party, and (iii) the complaint resolution procedure proceeds in a timely manner.

(3) The complainant and any witnesses shall (i) receive notice of the name of the individual with authority to make a finding or approve an accommodation in the proceeding before the individual may initiate contact with the complainant and any witnesses and (ii) have the opportunity to request a substitution if the participation of an individual with authority to make a finding or approve an accommodation poses a conflict of interest.

(c) When the alleged violation of this amendatory Act of the 102nd General Assembly involves making a determination or finding of responsibility of causing harm:

(1) The individual making the finding must use a preponderance of evidence standard to determine whether the incident occurred.

(2) The complainant and respondent and any witnesses may not directly or through a representative question one another. At the discretion of the individual resolving the complaint, the complainant and the respondent may suggest questions to be posed by the individual resolving the complaint and if the individual resolving the complaint decides to pose such questions.

(3) A live hearing is not required. If the complaint resolution procedure includes a hearing, no student who is a witness, including the complainant, may be compelled to testify in the presence of a party or other witness. If a witness invokes this right to testify outside the presence of the other party or other witnesses, then the school district must provide an option by which each party may, at a minimum, hear such witnesses' testimony.

(d) Each party and witness may request and must be allowed to have a representative or support persons of their choice accompany them to any meeting or proceeding related to the alleged violence or violation of this amendatory Act of the 102nd General Assembly if the involvement of the representative or support persons does not result in undue delay of the meeting or proceeding. This representative or support persons must comply with any rules of the school district's complaint resolution procedure. If the representative or support persons violate the rules or engage in behavior or advocacy that harasses, abuses, or intimidates either part, a witness, or an individual resolving the complaint, the representative or support person may be prohibited from further participation in the meeting or proceeding.

(e) The complainant, regardless of the level of involvement in the complaint resolution procedure, and the respondent must have the opportunity to provide or present evidence and witnesses on their behalf during the complaint resolution procedure.

(f) The complainant and respondent and any named perpetrator directly impacted by the results of the complaint resolution procedure, are entitled to simultaneous written notification of the results of the complaint resolution procedure, including information regarding appeals rights and procedures, within 10 business days after a decision or sooner if required by State or federal law or district policy.

(1) The complainant, respondents, and named perpetrator if directly impacted by the results of the complaint resolution procedure must, at a minimum, have the right to timely appeal the complaint resolution procedure's findings or remedies if a party alleges (i) a procedural error occurred, (ii) new information exists that would substantially change the outcome of the proceeding, (iii) the remedy is not sufficiently related to the finding, or (iv) the decision is against the weight of the evidence.

(2) An individual reviewing the findings or remedies may not have previously participated in the complaint resolution procedure and may not have a conflict of interest with either party.

(3) The complainant and respondent and any perpetrators directly impacted by the results of the complaint resolution procedure must receive the appeal decision, in writing, within 10 business days, but never more than 15 business days, after the conclusion of the review of findings or remedies or sooner if required by State or federal law.

(g) Each school district must have a procedure to determine interim protective measures and support services available pending the resolution of the complaint including the implementation of court orders.

(105 ILCS 5/26A-30 new)

Sec. 26A-30. Confidentiality.

(a) Each school district must adopt and implement a policy and protocol to ensure that all information concerning a student's status and related experiences as a parent, expectant parent, or victim of domestic or sexual violence, or a student who is a named perpetrator of domestic or sexual violence, provided to or otherwise obtained by the school district or its employees or agents under this Code of otherwise, including a statement of the student or any other documentation, record, or corroborating evidence of that the student has requested or obtained assistance, or services under this Code, shall be retained in the strictest confidence

by the school district or its employees or agents, and may not be disclosed to any other individual, including any other employee, except if such actions are (i) in conflict with the Illinois School Student Records Act, the Family Educational Rights and Privacy Act, or other applicable State and federal law, or (ii) requested or consented to in writing by the student, or the student's parent or guardian if it is safe to obtain written consent from the student's parent or guardian.

(b) Prior to disclosing information about a student's status as a parent, expectant parent, or victim of domestic or sexual violence, a school must notify the student and discuss and address any safety concerns related to the disclosure, including instances where the student indicates or the school or school district or its employees or agents are otherwise aware that the student's health or safety may be at risk if his or her status is disclosed to the student's parent or guardian, except as otherwise required by applicable federal or State law, including the Abused and Neglected Child Reporting Act, the Illinois School Student Records Act, the Family Educational Rights and Privacy Act, and professional ethics policies that govern the professional school personnel.

(c) No student may be required to testify publicly concerning his or her status as a victim of domestic or sexual violence, allegations of domestic or sexual violence, his or her status as a parent or expectant parent, or the student's efforts to enforce any of his or her rights under provisions in this Code relating to students who are parents, expectant parents, or victims of domestic or sexual violence.

(d) In the case of domestic or sexual violence, except as required under State or federal law, a school district may not contact the person named to be the perpetrator, the perpetrator's family, or any other person named by the student or named by the student's parent or guardian to be unsafe to contact to verify the violence. A school district may not contact the perpetrator, the perpetrator's family, or any other person named by the student or the student's parent or guardian to be unsafe for any other reason without written permission from the student or his or her parent or guardian. Permission from the student's parent or guardian may not be pursued if the student alleges that his or her health or safety would be threatened if the school or school district contracts the student's parent or guardian to obtain permission. Nothing in this Section prohibits the school or school district from taking other steps to investigate the violence or from contacting persons not named by the student or the student's parent or guardian as unsafe to contact. Nothing in this Section prohibits the school or school district from taking reasonable steps to protect students. If the reasonable steps taken to protect students involve the above prohibited conduct, the school must provide notice to the reporting student in writing and in a developmentally appropriate communication format of its intent to contact the parties named to be unsafe.

(e) A school district must take all actions necessary to comply with this Section, unless in conflict with the Illinois School Student Records Act, the Family Educational Rights and Privacy Act, or other applicable State and federal law, no later than July 1, 2024.

(105 ILCS 5/26A-35 new)

Sec. 26A-35. Domestic or sexual violence and parenting resource personnel.

(a) Each school district shall designate or appoint at least one staff person at each school in the district who is employed at least part time at the school and who is a school social worker, school psychologist, school counselor, school nurse, or school administrator trained to address, in a survivor-centered, trauma responsive, culturally responsive, confidential, and sensitive manner, the needs of students who are parents, expectant parents, or victims of domestic or sexual violence. The designated or appointed staff person must have all of the following duties:

(1) To connect students who are parents, expectant parents, or victims of domestic or sexual violence to appropriate in-school services or other agencies, programs, or services as needed.

(2) To coordinate the implementation of the school's and school district's policies, procedures, and protocols in cases involving student allegations of domestic or sexual violence.

(3) To coordinate the implementation of the school's and school district's policies and procedures as set forth in provisions of this Code concerning students who are parents, expectant parents, or victims of domestic or sexual violence.

(4) To assist students described in paragraph (1) in their efforts to exercise and preserve their rights as set forth in provisions of this Code concerning students who are parents, expectant parents, or victims of domestic or sexual violence.

(5) To assist in providing staff development to establish a positive and sensitive learning environment for students described in paragraph (1).

(b) A member of staff who is designated or appointed under subsection (a) must (i) be trained to understand, provide information and referrals, and address issues pertaining to youth who are parents,

expectant parents, or victims of domestic or sexual violence, including the theories and dynamics of domestic and sexual violence, the necessity for confidentiality and the law, policy, procedures, and protocols implementing confidentiality, and the notification of the student's parent or guardian regarding the student's status as a parent, expectant parent, or victim of domestic or sexual violence or the enforcement of the student's rights under this Code if the notice of the student's status or the involvement of the student's parent or guardian may put the health or safety of the student at risk, including the rights of minors to consent to counseling services and psychotherapy under the Mental Health and Developmental Disabilities Code, or (ii) at a minimum, have participated in an in-service training program under subsection (d) of Section 10-22.39 that includes training on the rights of minors to consent to counseling services and psychotherapy under the Mental Health and Developmental Disabilities Code within 12 months prior to his or her designation or appointment.

(c) A school district must designate or appoint and train all domestic or sexual violence and parenting resource personnel, and the personnel must assist in implementing the duties as described in this Section no later than June 30, 2024, except in those school districts in which there exists a collective bargaining agreement on the effective date of this amendatory Act of the 102nd General Assembly and the implementation of this Section would be a violation of that collective bargaining agreement. If implementation of some activities required under this Section is prevented by an existing collective bargaining agreement, a school district must comply with this Section to the fullest extent allowed by the existing collective bargaining agreement no later than June 30, 2024. In those instances in which a collective bargaining agreement that either fully or partially prevents full implementation of this Section expires after June 30, 2024, a school district must designate or appoint and train all domestic and sexual violence and parenting resource personnel, who shall implement the duties described in this Section no later than the effective date of the new collective bargaining agreement that immediately succeeds the collective bargaining agreement in effect on the effective date of this amendatory Act of the 102nd General Assembly.

(105 ILCS 5/26A-40 new)

Sec. 26A-40. Support and services.

(a) To facilitate the full participation of students who are parents, expectant parents, or victims of domestic or sexual violence, each school district must provide those students with in-school support services and information regarding nonschool-based support services, and the ability to make up work missed on account of circumstances related to the student's status as a parent, expectant parent, or victim of domestic or sexual violence. Victims of domestic or sexual violence must have access to those supports and services regardless of when or where the violence for which they are seeking supports and services occurred. All supports and services must be offered for as long as necessary to maintain the mental and physical well-being and safety of the student. Schools may periodically check on students receiving supports and services to determine whether each support and service continues to be necessary to maintain the mental and physical well-being and safety of the student or whether termination is appropriate.

(b) Supports provided under subsection (a) shall include, but are not limited to (i) the provision of sufficiently private settings to ensure confidentiality and time off from class for meetings with counselors or other service providers, (ii) assisting the student with a student success plan, (iii) transferring a victim of domestic or sexual violence or the student perpetrator to a different classroom or school, if available, (iv) changing a seating assignment, (v) implementing in-school, school grounds, and bus safety procedures, (vi) honoring court orders, including orders of protection and no-contact orders to the fullest extent possible, and (vii) providing any other supports that may facilitate the full participation in the regular education program of students who are parents, expectant parents, or victims of domestic or sexual violence.

(c) If a student who is a parent, expectant parent, or victim of domestic or sexual violence is a student at risk of academic failure or displays poor academic performance, the student or the student's parent or guardian may request that the school district provide the student with or refer the student to education and support services designed to assist the student in meeting State learning standards. A school district may either provide education or support services directly or may collaborate with public or private State, local, or community-based organizations or agencies that provide these services. A school district must also inform those students about support services of nonschool-based organizations and agencies from which those students typically receive services in the community.

(d) Any student who is unable, because of circumstances related to the student's status as a parent, expectant parent, or victim of domestic or sexual violence, to participate in classes on a particular day or days or at the particular time of day must be excused in accordance with the procedures set forth in this Code. Upon student or parent or guardian's request, the teachers and of the school administrative personnel

and officials shall make available to each student who is unable to participate because of circumstances related to the student's status as a parent, expectant parent, or victim of domestic or sexual violence a meaningful opportunity to make up any examination, study, or work requirement that the student has missed because of the inability to participate on any particular day or days or at any particular time of day. For a student receiving homebound instruction, it is the responsibility of the student and parent to work with the school or school district to meet academic standards for matriculation, as defined by school district policy. Costs assessed by the school district on the student for participation in those activities shall be considered waivable fees for any student whose parent or guardian is unable to afford them, consistent with Section 10-20.13. Each school district must adopt written policies for waiver of those fees in accordance with rules adopted by the State Board of Education.

(e) If a school or school district employee or agent becomes aware of or suspects a student's status as a parent, expectant parent, or victim of domestic or sexual violence, it is the responsibility of the employee or agent of the school or school district to refer the student to the school district's domestic or sexual violence and parenting resource personnel set forth in Section 26A-35. A school district must make respecting a student's privacy, confidentiality, mental and physical health, and safety a paramount concern.

(f) Each school must honor a student's and a parent's or guardian's decision to obtain education and support services and nonschool-based support services, to terminate the receipt of those education and support services, or nonschool-based support services, or to decline participation in those education and support services, or nonschool-based support services. No student is obligated to use education and support services, or nonschool-based support services. In developing educational support services, the privacy, mental and physical health, and safety of the student shall be of paramount concern. No adverse or prejudicial effects may result to any student because of the student's availing of or declining the provisions of this Section as long as the student is working with the school to meet academic standards for matriculation as defined by school district policy.

(g) Any support services must be available in any school or by home or hospital instruction to the highest quality and fullest extent possible for the individual setting.

(h) School-based counseling services, if available, must be offered to students who are parents, expectant parents, or victims of domestic or sexual violence consistent with the Mental Health and Developmental Disabilities Code. At least once every school year, each school district must inform, in writing, all school personnel and all students 12 years of age or older of the availability of counseling without parental or guardian consent under Section 3-5A-105 (to be renumbered as Section 3-550 in a revisory bill as of the effective date of this amendatory Act of the 102nd General Assembly) of the Mental Health and Developmental Disabilities Code. This information must also be provided to students immediately after any school personnel becomes aware that a student is a parent, expectant parent, or victim of domestic or sexual violence.

(i) All domestic or sexual violence organizations and their staff and any other nonschool organization and its staff shall maintain confidentiality under federal and State laws and their professional ethics policies regardless of when or where information, advice, counseling, or any other interaction with students takes place. A school or school district may not request or require those organizations or individuals to breach confidentiality.

(105 ILCS 5/26A-45 new)

Sec. 26A-45. Verification.

(a) For purposes of students asserting their rights under provisions relating to domestic or sexual violence in Sections 10-21.3a, 10-22.6, 10-22.6a, 26-2a, 26A-40, and 34-18.24, a school district may require verification of the claim. The student or the student's parents or guardians shall choose which form of verification to submit to the school district. A school district may only require one form of verification, unless the student is requesting a transfer to another school, in which case the school district may require 2 forms of verification. All forms of verification received by a school district under this subsection (a) must be kept in a confidential temporary file, in accordance with the Illinois School Student Records Act. Any one of the following shall be an acceptable form of verification of a student's claim of domestic or sexual violence:

(1) A written statement from the student or anyone who has knowledge of the circumstances that support the student's claim. This may be in the form of a complaint.

(2) A police report, government agency record, or court record.

(3) A statement or other documentation from a domestic or sexual violence organization or any other organization from which the student sought services or advice.

(4) Documentation from a lawyer, clergy person, medical professional, or other professional from whom the student sought services or advice related to domestic or sexual violence.

(5) Any other evidence, such as physical evidence of violence, which supports the claim.

(b) A student or a student's parent or guardian who has provided acceptable verification that the student is or has been a victim of domestic or sexual violence may not be required to provide any additional verification if the student's efforts to assert rights under this Code stem from a claim involving the same perpetrator or the same incident of violence. No school or school district shall request or require additional documentation.

(c) The person named to be the perpetrator, the perpetrator's family, or any other person named by the student or the student's parent or guardian to be unsafe to contact may not be contacted to verify the violence, except to the extent that the district determines that it has an obligation to do so based on federal or State law or safety concerns for the school community, including such concerns for the victim. Prior to making contact, a school must notify the student and his or his parent or guardian in writing and in a developmentally appropriate manner, and discuss and address any safety concerns related to making such contact.

(105 ILCS 5/26A-50 new)

Sec. 26A-50. Prohibited practices. No school or school district may take any adverse action against a student who is a parent, expectant parent, or victim of domestic or sexual violence because the student or his or her parent or guardian (i) exercises or attempts to exercise his or her rights under this amendatory Act of the 102nd General Assembly, (ii) opposes practices that the student or his or her parent or guardian believes to be in violation of this amendatory Act of the 102nd General Assembly, or (iii) supports the exercise of the rights of another under this amendatory Act of the 102nd General Assembly. Exercising rights under this amendatory Act of the 102nd General Assembly includes, but is not limited to, filing a complaint with the school district as set forth in this Code or in any manner requesting, availing himself or herself of, or declining any of the provisions of this Code, including, but not limited to, supports and services.

(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 April 16, 2003 (the effective date of Public Act 93-3), in all new applications 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 Public Act 93-3 do not apply to charter schools existing or approved on or before April 16, 2003 (the effective date of Public Act 93-3).

(b-5) In this subsection (b-5), "virtual-schooling" means a cyber school where students engage in online curriculum and instruction via the Internet and electronic communication with their teachers at remote locations and with students participating at different times.

From April 1, 2013 through December 31, 2016, 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.

(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. No later than January 1, 2021 (one year after the effective date of Public Act 101-291), a charter school's board of directors or other governing body must include at least one parent or guardian of a pupil currently enrolled in the charter school who may be selected through the charter school or a charter network election, appointment by the charter school's board of directors or other governing body, or by the charter school's Parent Teacher Organization or its equivalent.

(c-5) No later than January 1, 2021 (one year after the effective date of Public Act 101-291) or within the first year of his or her first term, every voting member of a charter school's board of directors or other governing body shall complete a minimum of 4 hours of professional development leadership training to ensure that each member has sufficient familiarity with the board's or governing body's role and

responsibilities, including financial oversight and accountability of the school, evaluating the principal's and school's performance, adherence to the Freedom of Information Act and the Open Meetings Act, and compliance with education and labor law. In each subsequent year of his or her term, a voting member of a charter school's board of directors or other governing body shall complete a minimum of 2 hours of professional development training in these same areas. The training under this subsection may be provided or certified by a statewide charter school membership association or may be provided or certified by other qualified providers approved by the State Board of Education.

(d) For purposes of this subsection (d), "non-curricular health and safety requirement" means any health and safety requirement created by statute or rule to provide, maintain, preserve, or safeguard safe or healthful conditions for students and school personnel or to eliminate, reduce, or prevent threats to the health and safety of students and school personnel. "Non-curricular health and safety requirement" does not include any course of study or specialized instructional requirement for which the State Board has established goals and learning standards or which is designed primarily to impart knowledge and skills for students to master and apply as an outcome of their education.

A charter school shall comply with all non-curricular health and safety requirements applicable to public schools under the laws of the State of Illinois. On or before September 1, 2015, the State Board shall promulgate and post on its Internet website a list of non-curricular health and safety requirements that a charter school must meet. The list shall be updated annually no later than September 1. Any charter contract between a charter school and its authorizer must contain a provision that requires the charter school to follow the list of all non-curricular health and safety requirements promulgated by the State Board and any non-curricular health and safety requirements added by the State Board to such list during the term of the charter. Nothing in this subsection (d) precludes an authorizer from including non-curricular health and safety requirements in a charter school contract that are not contained in the list promulgated by the State Board, including non-curricular health and safety requirements of the authorizing local school board.

(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. To ensure financial accountability for the use of public funds, on or before December 1 of every year of operation, each charter school shall submit to its authorizer and 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. In addition, if deemed necessary for proper financial oversight of the charter school, an authorizer may require quarterly financial statements from each charter school.

(g) A charter school shall comply with all provisions of this Article, the Illinois Educational Labor Relations Act, all federal and State laws and rules applicable to public schools that pertain to special education and the instruction of English learners, and its charter. A charter school is exempt from all other State laws and regulations in this Code governing public schools and local school board policies; however, a charter school is not exempt from the following:

(1) Sections 10-21.9 and 34-18.5 of this 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 10-20.14, 10-22.6, 24-24, 34-19, and 34-84a of this 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;

(5.5) subsection (b) of Section 10-23.12 and subsection (b) of Section 34-18.6 of this Code;

(6) the Illinois School Student Records Act;

(7) Section 10-17a of this Code regarding school report cards;

(8) the P-20 Longitudinal Education Data System Act;

(9) Section 27-23.7 of this Code regarding bullying prevention;

(10) Section 2-3.162 of this Code regarding student discipline reporting;

(11) Sections 22-80 and 27-8.1 of this Code;

(12) Sections 10-20.60 and 34-18.53 of this Code;
(13) Sections 10-20.63 and 34-18.56 of this Code;
(14) Section 26-18 of this Code;
(15) Section 22-30 of this Code;
(16) Sections 24-12 and 34-85 of this Code;
(17) the Seizure Smart School Act; ~~and~~
(18) Section 2-3.64a-10 of this Code; and~~.~~
(19) Article 26A of this Code.

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 April 16, 2003 (the effective date of Public Act 93-3) 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 April 16, 2003 (the effective date of Public Act 93-3) 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 State Board or Commission, then the charter school is its own local education agency.

(Source: P.A. 100-29, eff. 1-1-18; 100-156, eff. 1-1-18; 100-163, eff. 1-1-18; 100-413, eff. 1-1-18; 100-468, eff. 6-1-18; 100-726, eff. 1-1-19; 100-863, eff. 8-14-18; 101-50, eff. 7-1-20; 101-81, eff. 7-12-19; 101-291, eff. 1-1-20; 101-531, eff. 8-23-19; 101-543, eff. 8-23-19; 101-654, eff. 3-8-21.)

(105 ILCS 5/34-18.24)

Sec. 34-18.24. Transfer of students.

(a) The board shall establish and implement a policy governing the transfer of a student from one attendance center to another within the school district upon the request of the student's parent or guardian. A student may not transfer to any of the following attendance centers, except by change in residence if the policy authorizes enrollment based on residence in an attendance area or unless approved by the board on an individual basis:

(1) An attendance center that exceeds or as a result of the transfer would exceed its attendance capacity.

(2) An attendance center for which the board has established academic criteria for enrollment if the student does not meet the criteria.

(3) Any attendance center if the transfer would prevent the school district from meeting its obligations under a State or federal law, court order, or consent decree applicable to the school district.

(b) The board shall establish and implement a policy governing the transfer of students within the school district from a persistently dangerous attendance center to another attendance center in that district that is not deemed to be persistently dangerous. In order to be considered a persistently dangerous attendance center, the attendance center must meet all of the following criteria for 2 consecutive years:

(1) Have greater than 3% of the students enrolled in the attendance center expelled for violence-related conduct.

(2) Have one or more students expelled for bringing a firearm to school as defined in 18 U.S.C. 921.

(3) Have at least 3% of the students enrolled in the attendance center exercise the individual option to transfer attendance centers pursuant to subsection (c) of this Section.

(c) A student may transfer from one attendance center to another attendance center within the district if the student is a victim of a violent crime as defined in Section 3 of the Rights of Crime Victims and Witnesses Act. The violent crime must have occurred on school grounds during regular school hours or during a school-sponsored event.

(d) (Blank).

(e) Notwithstanding any other provision of this Code, a student who is a victim of domestic or sexual violence, as defined in Article 26A, must be allowed to transfer to another school immediately and as needed if the student's continued attendance at a particular attendance center, school facility, or school location poses a risk to the student's mental or physical well-being or safety. A student who transfers to another school under this subsection (e) due to domestic or sexual violence must have full and immediate access to extracurricular activities and any programs or activities offered by or under the auspices of the school to which the student has transferred. The school district may not require a student who is a victim of domestic or sexual violence to transfer to another school. No adverse or prejudicial effects may result to any student who is a victim of domestic or sexual violence because of the student availing himself or herself of or declining the provisions of this subsection (e). The school district may require a student to verify his or her claim of domestic or sexual violence under Section 26A-45 before approving a transfer to another school under this subsection (e).

(Source: P.A. 100-1046, eff. 8-23-18.)

Section 10. The Illinois School Student Records Act is amended by changing Section 2 as follows:

(105 ILCS 10/2) (from Ch. 122, par. 50-2)

Sec. 2. As used in this Act:~~,~~

(a) "Student" means any person enrolled or previously enrolled in a school.

(b) "School" means any public preschool, day care center, kindergarten, nursery, elementary or secondary educational institution, vocational school, special educational facility or any other elementary or secondary educational agency or institution and any person, agency or institution which maintains school student records from more than one school, but does not include a private or non-public school.

(c) "State Board" means the State Board of Education.

(d) "School Student Record" means any writing or other recorded information concerning a student and by which a student may be individually identified, maintained by a school or at its direction or by an employee of a school, regardless of how or where the information is stored. The following shall not be deemed school student records under this Act: writings or other recorded information maintained by an employee of a school or other person at the direction of a school for his or her exclusive use; provided that all such writings and other recorded information are destroyed not later than the student's graduation or permanent withdrawal from the school; and provided further that no such records or recorded information may be released or disclosed to any person except a person designated by the school as a substitute unless they are first incorporated in a school student record and made subject to all of the provisions of this Act. School student records shall not include information maintained by law enforcement professionals working in the school.

(e) "Student Permanent Record" means the minimum personal information necessary to a school in the education of the student and contained in a school student record. Such information may include the student's name, birth date, address, grades and grade level, parents' names and addresses, attendance records, and such other entries as the State Board may require or authorize.

(f) "Student Temporary Record" means all information contained in a school student record but not contained in the student permanent record. Such information may include family background information, intelligence test scores, aptitude test scores, psychological and personality test results, teacher evaluations, and other information of clear relevance to the education of the student, all subject to regulations of the State Board. The information shall include all of the following:

(1) Information ~~information~~ provided under Section 8.6 of the Abused and Neglected Child Reporting Act and information contained in service logs maintained by a local education agency under subsection (d) of Section 14-8.02f of the School Code.

(2) Information ~~In addition, the student temporary record shall include information~~ regarding serious disciplinary infractions that resulted in expulsion, suspension, or the imposition of punishment

or sanction. For purposes of this provision, serious disciplinary infractions means: infractions involving drugs, weapons, or bodily harm to another.

(3) Information concerning a student's status and related experiences as a parent, expectant parent, or victim of domestic or sexual violence, as defined in Article 26A of the School Code, including a statement of the student or any other documentation, record, or corroborating evidence and the fact that the student has requested or obtained assistance, support, or services related to that status. Enforcement of this paragraph (3) shall follow the procedures provided in Section 26A-40 of the School Code.

(g) "Parent" means a person who is the natural parent of the student or other person who has the primary responsibility for the care and upbringing of the student. All rights and privileges accorded to a parent under this Act shall become exclusively those of the student upon his 18th birthday, graduation from secondary school, marriage or entry into military service, whichever occurs first. Such rights and privileges may also be exercised by the student at any time with respect to the student's permanent school record.
(Source: P.A. 101-515, eff. 8-23-19; revised 12-3-19.)

Section 90. The State Mandates Act is amended by adding Section 8.45 as follows:
(30 ILCS 805/8.45 new)
Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 102nd General Assembly.

Section 99. Effective date. This Act takes effect July 1, 2023.".

AMENDMENT NO. 2 TO HOUSE BILL 3223

AMENDMENT NO. 2 . Amend House Bill 3223, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Sections 10-22.6, 10-22.6a, 13A-11, 22-60, 26-2a, 27A-5, and 34-18.24 and by adding Article 26A as follows:
(105 ILCS 5/10-22.6) (from Ch. 122, par. 10-22.6)
Sec. 10-22.6. Suspension or expulsion of pupils; school searches.

(a) To expel pupils guilty of gross disobedience or misconduct, including gross disobedience or misconduct perpetuated by electronic means, pursuant to subsection (b-20) of this Section, and no action shall lie against them for such expulsion. Expulsion shall take place only after the parents or guardians have been requested to appear at a meeting of the board, or with a hearing officer appointed by it, to discuss their child's behavior. Such request shall be made by registered or certified mail and shall state the time, place and purpose of the meeting. The board, or a hearing officer appointed by it, at such meeting shall state the reasons for dismissal and the date on which the expulsion is to become effective. If a hearing officer is appointed by the board, he shall report to the board a written summary of the evidence heard at the meeting and the board may take such action thereon as it finds appropriate. If the board acts to expel a pupil, the written expulsion decision shall detail the specific reasons why removing the pupil from the learning environment is in the best interest of the school. The expulsion decision shall also include a rationale as to the specific duration of the expulsion. An expelled pupil may be immediately transferred to an alternative program in the manner provided in Article 13A or 13B of this Code. A pupil must not be denied transfer because of the expulsion, except in cases in which such transfer is deemed to cause a threat to the safety of students or staff in the alternative program.

(b) To suspend or by policy to authorize the superintendent of the district or the principal, assistant principal, or dean of students of any school to suspend pupils guilty of gross disobedience or misconduct, or to suspend pupils guilty of gross disobedience or misconduct on the school bus from riding the school bus, pursuant to subsections (b-15) and (b-20) of this Section, and no action shall lie against them for such suspension. The board may by policy authorize the superintendent of the district or the principal, assistant principal, or dean of students of any school to suspend pupils guilty of such acts for a period not to exceed 10 school days. If a pupil is suspended due to gross disobedience or misconduct on a school bus, the board may suspend the pupil in excess of 10 school days for safety reasons.

Any suspension shall be reported immediately to the parents or guardians ~~guardian~~ of a pupil along with a full statement of the reasons for such suspension and a notice of their right to a review. The school

board must be given a summary of the notice, including the reason for the suspension and the suspension length. Upon request of the parents or guardians ~~guardian~~, the school board or a hearing officer appointed by it shall review such action of the superintendent or principal, assistant principal, or dean of students. At such review, the parents or guardians ~~guardian~~ of the pupil may appear and discuss the suspension with the board or its hearing officer. If a hearing officer is appointed by the board, he shall report to the board a written summary of the evidence heard at the meeting. After its hearing or upon receipt of the written report of its hearing officer, the board may take such action as it finds appropriate. If a student is suspended pursuant to this subsection (b), the board shall, in the written suspension decision, detail the specific act of gross disobedience or misconduct resulting in the decision to suspend. The suspension decision shall also include a rationale as to the specific duration of the suspension. A pupil who is suspended in excess of 20 school days may be immediately transferred to an alternative program in the manner provided in Article 13A or 13B of this Code. A pupil must not be denied transfer because of the suspension, except in cases in which such transfer is deemed to cause a threat to the safety of students or staff in the alternative program.

(b-5) Among the many possible disciplinary interventions and consequences available to school officials, school exclusions, such as out-of-school suspensions and expulsions, are the most serious. School officials shall limit the number and duration of expulsions and suspensions to the greatest extent practicable, and it is recommended that they use them only for legitimate educational purposes. To ensure that students are not excluded from school unnecessarily, it is recommended that school officials consider forms of non-exclusionary discipline prior to using out-of-school suspensions or expulsions.

(b-10) Unless otherwise required by federal law or this Code, school boards may not institute zero-tolerance policies by which school administrators are required to suspend or expel students for particular behaviors.

(b-15) Out-of-school suspensions of 3 days or less may be used only if the student's continuing presence in school would pose a threat to school safety or a disruption to other students' learning opportunities. For purposes of this subsection (b-15), "threat to school safety or a disruption to other students' learning opportunities" shall be determined on a case-by-case basis by the school board or its designee. School officials shall make all reasonable efforts to resolve such threats, address such disruptions, and minimize the length of suspensions to the greatest extent practicable.

(b-20) Unless otherwise required by this Code, out-of-school suspensions of longer than 3 days, expulsions, and disciplinary removals to alternative schools may be used only if other appropriate and available behavioral and disciplinary interventions have been exhausted and the student's continuing presence in school would either (i) pose a threat to the safety of other students, staff, or members of the school community or (ii) substantially disrupt, impede, or interfere with the operation of the school. For purposes of this subsection (b-20), "threat to the safety of other students, staff, or members of the school community" and "substantially disrupt, impede, or interfere with the operation of the school" shall be determined on a case-by-case basis by school officials. For purposes of this subsection (b-20), the determination of whether "appropriate and available behavioral and disciplinary interventions have been exhausted" shall be made by school officials. School officials shall make all reasonable efforts to resolve such threats, address such disruptions, and minimize the length of student exclusions to the greatest extent practicable. Within the suspension decision described in subsection (b) of this Section or the expulsion decision described in subsection (a) of this Section, it shall be documented whether other interventions were attempted or whether it was determined that there were no other appropriate and available interventions.

(b-25) Students who are suspended out-of-school for longer than 4 school days shall be provided appropriate and available support services during the period of their suspension. For purposes of this subsection (b-25), "appropriate and available support services" shall be determined by school authorities. Within the suspension decision described in subsection (b) of this Section, it shall be documented whether such services are to be provided or whether it was determined that there are no such appropriate and available services.

A school district may refer students who are expelled to appropriate and available support services.

A school district shall create a policy to facilitate the re-engagement of students who are suspended out-of-school, expelled, or returning from an alternative school setting.

(b-30) A school district shall create a policy by which suspended pupils, including those pupils suspended from the school bus who do not have alternate transportation to school, shall have the opportunity to make up work for equivalent academic credit. It shall be the responsibility of a pupil's parents or guardians ~~parent or guardian~~ to notify school officials that a pupil suspended from the school bus does not have alternate transportation to school.

(b-35) In all suspension review hearings conducted under subsection (b) or expulsion hearings conducted under subsection (a), a student may disclose any factor to be considered in mitigation, including his or her status as a parent, expectant parent, or victim of domestic or sexual violence, as defined in Article 26A. A representative of the parent's or guardian's choice, or of the student's choice if emancipated, must be permitted to represent the student throughout the proceedings and to address the school board or its appointed hearing officer. With the approval of the student's parent or guardian, or of the student if emancipated, a support person must be permitted to accompany the student to any disciplinary hearings or proceedings. The representative or support person must comply with any rules of the school district's hearing process. If the representative or support person violates the rules or engages in behavior or advocacy that harasses, abuses, or intimidates either party, a witness, or anyone else in attendance at the hearing, the representative or support person may be prohibited from further participation in the hearing or proceeding. A suspension or expulsion proceeding under this subsection (b-35) must be conducted independently from any ongoing criminal investigation or proceeding, and an absence of pending or possible criminal charges, criminal investigations, or proceedings may not be a factor in school disciplinary decisions.

(b-40) During a suspension review hearing conducted under subsection (b) or an expulsion hearing conducted under subsection (a) that involves allegations of sexual violence by the student who is subject to discipline, neither the student nor his or her representative shall directly question nor have direct contact with the alleged victim. The student who is subject to discipline or his or her representative may, at the discretion and direction of the school board or its appointed hearing officer, suggest questions to be posed by the school board or its appointed hearing officer to the alleged victim.

(c) The Department of Human Services shall be invited to send a representative to consult with the board at such meeting whenever there is evidence that mental illness may be the cause for expulsion or suspension.

(c-5) School districts shall make reasonable efforts to provide ongoing professional development to teachers, administrators, school board members, school resource officers, and staff on the adverse consequences of school exclusion and justice-system involvement, effective classroom management strategies, culturally responsive discipline, the appropriate and available supportive services for the promotion of student attendance and engagement, and developmentally appropriate disciplinary methods that promote positive and healthy school climates.

(d) The board may expel a student for a definite period of time not to exceed 2 calendar years, as determined on a case-by-case basis. A student who is determined to have brought one of the following objects to school, any school-sponsored activity or event, or any activity or event that bears a reasonable relationship to school shall be expelled for a period of not less than one year:

(1) A firearm. For the purposes of this Section, "firearm" means any gun, rifle, shotgun, weapon as defined by Section 921 of Title 18 of the United States Code, firearm as defined in Section 1.1 of the Firearm Owners Identification Card Act, or firearm as defined in Section 24-1 of the Criminal Code of 2012. The expulsion period under this subdivision (1) may be modified by the superintendent, and the superintendent's determination may be modified by the board on a case-by-case basis.

(2) A knife, brass knuckles or other knuckle weapon regardless of its composition, a billy club, or any other object if used or attempted to be used to cause bodily harm, including "look alikes" of any firearm as defined in subdivision (1) of this subsection (d). The expulsion requirement under this subdivision (2) may be modified by the superintendent, and the superintendent's determination may be modified by the board on a case-by-case basis.

Expulsion or suspension shall be construed in a manner consistent with the federal Individuals with Disabilities Education Act. A student who is subject to suspension or expulsion as provided in this Section may be eligible for a transfer to an alternative school program in accordance with Article 13A of the School Code.

(d-5) The board may suspend or by regulation authorize the superintendent of the district or the principal, assistant principal, or dean of students of any school to suspend a student for a period not to exceed 10 school days or may expel a student for a definite period of time not to exceed 2 calendar years, as determined on a case-by-case basis, if (i) that student has been determined to have made an explicit threat on an Internet website against a school employee, a student, or any school-related personnel, (ii) the Internet website through which the threat was made is a site that was accessible within the school at the time the threat was made or was available to third parties who worked or studied within the school grounds at the time the threat was made, and (iii) the threat could be reasonably interpreted as threatening to the safety and

security of the threatened individual because of his or her duties or employment status or status as a student inside the school.

(e) To maintain order and security in the schools, school authorities may inspect and search places and areas such as lockers, desks, parking lots, and other school property and equipment owned or controlled by the school, as well as personal effects left in those places and areas by students, without notice to or the consent of the student, and without a search warrant. As a matter of public policy, the General Assembly finds that students have no reasonable expectation of privacy in these places and areas or in their personal effects left in these places and areas. School authorities may request the assistance of law enforcement officials for the purpose of conducting inspections and searches of lockers, desks, parking lots, and other school property and equipment owned or controlled by the school for illegal drugs, weapons, or other illegal or dangerous substances or materials, including searches conducted through the use of specially trained dogs. If a search conducted in accordance with this Section produces evidence that the student has violated or is violating either the law, local ordinance, or the school's policies or rules, such evidence may be seized by school authorities, and disciplinary action may be taken. School authorities may also turn over such evidence to law enforcement authorities.

(f) Suspension or expulsion may include suspension or expulsion from school and all school activities and a prohibition from being present on school grounds.

(g) A school district may adopt a policy providing that if a student is suspended or expelled for any reason from any public or private school in this or any other state, the student must complete the entire term of the suspension or expulsion in an alternative school program under Article 13A of this Code or an alternative learning opportunities program under Article 13B of this Code before being admitted into the school district if there is no threat to the safety of students or staff in the alternative program. A school district that adopts a policy under this subsection (g) must include a provision allowing for consideration of any mitigating factors, including, but not limited to, a student's status as a parent, expectant parent, or victim of domestic or sexual violence, as defined in Article 26A.

(h) School officials shall not advise or encourage students to drop out voluntarily due to behavioral or academic difficulties.

(i) A student may not be issued a monetary fine or fee as a disciplinary consequence, though this shall not preclude requiring a student to provide restitution for lost, stolen, or damaged property.

(j) Subsections (a) through (i) of this Section shall apply to elementary and secondary schools, charter schools, special charter districts, and school districts organized under Article 34 of this Code.

(k) The expulsion of children enrolled in programs funded under Section 1C-2 of this Code is subject to the requirements under paragraph (7) of subsection (a) of Section 2-3.71 of this Code.

(l) Beginning with the 2018-2019 school year, an in-school suspension program provided by a school district for any students in kindergarten through grade 12 may focus on promoting non-violent conflict resolution and positive interaction with other students and school personnel. A school district may employ a school social worker or a licensed mental health professional to oversee an in-school suspension program in kindergarten through grade 12.

(Source: P.A. 100-105, eff. 1-1-18; 100-810, eff. 1-1-19; 100-863, eff. 8-14-18; 100-1035, eff. 8-22-18; 101-81, eff. 7-12-19.)

(105 ILCS 5/10-22.6a) (from Ch. 122, par. 10-22.6a)

Sec. 10-22.6a. Home instruction; correspondence courses.

(a) To provide by home instruction, correspondence courses or otherwise courses of instruction for a pupil who is ~~pupils who are~~ unable to attend school because of pregnancy or pregnancy-related conditions, the fulfillment of parenting obligations related to the health of the child, or health and safety concerns arising from domestic or sexual violence, as defined in Article 26A. Such instruction shall be provided to the pupil at each of the following times:

(1) Before ~~before~~ the birth of the child when the pupil's physician, physician assistant, or advanced practice registered nurse has indicated to the district, in writing, that the pupil is medically unable to attend regular classroom instruction. ~~and~~

(2) For ~~for~~ up to 3 months following the birth of the child or a miscarriage.

(3) When the pupil must care for his or her ill child if (i) the child's physician, physician assistant, or advanced practice registered nurse has indicated to the district, in writing, that the child has a serious health condition that would require the pupil to be absent from school for 2 or more consecutive weeks and (ii) the pupil or the pupil's parent or guardian indicates to the district, in writing, that the pupil is needed to provide care to the child during this period. In this paragraph (3),

"serious health condition" means an illness, injury, impairment, or physical or mental health condition that involves inpatient care in a hospital, hospice, or residential medical care facility or continuing treatment by a health care provider that is not controlled by medication alone.

(4) The pupil must treat physical or mental health complications or address safety concerns arising from domestic or sexual violence when a healthcare provider or an employee of the pupil's domestic or sexual violence organization, as defined in Article 26A has indicated to the district, in writing, that the care is needed by the pupil and will cause the pupil's absence from school for 2 or more consecutive weeks.

A school district may reassess home instruction provided to a pupil under paragraph (3) or (4) every 2 months to determine the pupil's continuing need for instruction under this Section.

The instruction course shall be designed to offer educational experiences that are equivalent to those given to pupils at the same grade level in the district and that are designed to enable the pupil to return to the classroom.

(b) Notwithstanding any other provision of this Code or State law to the contrary, if a pupil is unable to attend regular classes because of the reasons set forth in subsection (a) and has participated in instruction under this Section that is administered by the school or the school district, then the pupil may not be penalized for grading purposes or be denied course completion, a return to regular classroom instruction, grade level advancement, or graduation solely on the basis of the pupil's participation in instruction under this Section or the pupil's absence from the regular education program during the period of instruction under this Section. A school or school district may not use instruction under this Section to replace making support services available so that pupils who are parents, expectant parents, or victims of domestic or sexual violence may receive regular classroom instruction.

(Source: P.A. 100-443, eff. 8-25-17.)

(105 ILCS 5/13A-11)

Sec. 13A-11. Chicago public schools.

(a) The Chicago Board of Education may establish alternative schools within Chicago and may contract with third parties for services otherwise performed by employees, including those in a bargaining unit, in accordance with Sections 34-8.1, 34-18, and 34-49.

(b) Alternative schools operated by third parties within Chicago shall be exempt from all provisions of this Code, except provisions concerning:

(1) student civil rights;

(2) staff civil rights;

(3) health and safety;

(4) performance and financial audits;

(5) the assessments required under Section 2-3.64a-5 of this Code;

(6) Chicago learning outcomes;

(7) Sections 2-3.25a through 2-3.25j of this Code;

(8) the Inspector General; ~~and~~

(9) Section 34-2.4b of this Code; and

(10) Article 26A and any other provision of this Code concerning students who are parents, expectant parents, or victims of domestic or sexual violence, as defined in Article 26A.

(Source: P.A. 98-972, eff. 8-15-14.)

(105 ILCS 5/22-60)

Sec. 22-60. Unfunded mandates prohibited.

(a) No public school district or private school is obligated to comply with the following types of mandates unless a separate appropriation has been enacted into law providing full funding for the mandate for the school year during which the mandate is required:

(1) Any mandate in this Code enacted after the effective date of this amendatory Act of the 96th General Assembly.

(2) Any regulatory mandate promulgated by the State Board of Education and adopted by rule after the effective date of this amendatory Act of the 96th General Assembly other than those promulgated with respect to this Section or statutes already enacted on or before the effective date of this amendatory Act of the 96th General Assembly.

(b) If the amount appropriated to fund a mandate described in subsection (a) of this Section does not fully fund the mandated activity, then the school district or private school may choose to discontinue or modify the mandated activity to ensure that the costs of compliance do not exceed the funding received.

Before discontinuing or modifying the mandate, the school district shall petition its regional superintendent of schools on or before February 15 of each year to request to be exempt from implementing the mandate in a school or schools in the next school year. The petition shall include all legitimate costs associated with implementing and operating the mandate, the estimated reimbursement from State and federal sources, and any unique circumstances the school district can verify that exist that would cause the implementation and operation of such a mandate to be cost prohibitive.

The regional superintendent of schools shall review the petition. In accordance with the Open Meetings Act, he or she shall convene a public hearing to hear testimony from the school district and interested community members. The regional superintendent shall, on or before March 15 of each year, inform the school district of his or her decision, along with the reasons why the exemption was granted or denied, in writing. The regional superintendent must also send notification to the State Board of Education detailing which school districts requested an exemption and the results.

If the regional superintendent grants an exemption to the school district, then the school district is relieved from the requirement to establish and implement the mandate in the school or schools granted an exemption for the next school year. If the regional superintendent of schools does not grant an exemption, then the school district shall implement the mandate in accordance with the applicable law or rule by the first student attendance day of the next school year. However, the school district or a resident of the school district may on or before April 15 appeal the decision of the regional superintendent to the State Superintendent of Education. The State Superintendent shall hear appeals on the decisions of regional superintendents of schools no later than May 15 of each year. The State Superintendent shall make a final decision at the conclusion of the hearing on the school district's request for an exemption from the mandate. If the State Superintendent grants an exemption, then the school district is relieved from the requirement to implement a mandate in the school or schools granted an exemption for the next school year. If the State Superintendent does not grant an exemption, then the school district shall implement the mandate in accordance with the applicable law or rule by the first student attendance day of the next school year.

If a school district or private school discontinues or modifies a mandated activity due to lack of full funding from the State, then the school district or private school shall annually maintain and update a list of discontinued or modified mandated activities. The list shall be provided to the State Board of Education upon request.

(c) This Section does not apply to (i) any new statutory or regulatory mandates related to revised learning standards developed through the Common Core State Standards Initiative and assessments developed to align with those standards or actions specified in this State's Phase 2 Race to the Top Grant application if the application is approved by the United States Department of Education, ~~or~~ (ii) new statutory or regulatory mandates from the Race to the Top Grant through the federal American Recovery and Reinvestment Act of 2009 imposed on school districts designated as being in the lowest performing 5% of schools within the Race to the Top Grant application, or (iii) any changes made to this Code by this amendatory Act of the 102nd General Assembly.

(d) In any instances in which this Section conflicts with the State Mandates Act, the State Mandates Act shall prevail.

(Source: P.A. 96-1441, eff. 8-20-10.)

(105 ILCS 5/26-2a) (from Ch. 122, par. 26-2a)

Sec. 26-2a. A "truant" is defined as a child who is subject to compulsory school attendance and who is absent without valid cause, as defined under this Section, from such attendance for more than 1% but less than 5% of the past 180 school days.

"Valid cause" for absence shall be illness, attendance at a verified medical or therapeutic appointment, appointment with a victim services provider, observance of a religious holiday, death in the immediate family, or family emergency~~,~~ and shall include such other situations beyond the control of the student as determined by the board of education in each district~~,~~ or such other circumstances which cause reasonable concern to the parent for the mental, emotional, or physical health or safety of the student. For purposes of a student who is an expectant parent, or parent, or victim of domestic or sexual violence, "valid cause" for absence includes (i) the fulfillment of a parenting responsibility, including, but not limited to, arranging and providing child care, caring for a sick child, attending prenatal or other medical appointments for the expectant student, and attending medical appointments for a child, and (ii) addressing circumstances resulting from domestic or sexual violence, including, but not limited to, experiencing domestic or sexual violence, recovering from physical or psychological injuries, seeking medical attention, seeking services from a domestic or sexual violence organization, as defined in Article 26A, seeking psychological or other

counseling, participating in safety planning, temporarily or permanently relocating, seeking legal assistance or remedies, or taking any other action to increase the safety or health of the student or to protect the student from future domestic or sexual violence. A school district may require a student to verify his or her claim of domestic or sexual violence under Section 26A-45 prior to the district approving a valid cause for an absence of 3 or more consecutive days that is related to domestic or sexual violence.

"Chronic or habitual truant" shall be defined as a child who is subject to compulsory school attendance and who is absent without valid cause from such attendance for 5% or more of the previous 180 regular attendance days.

"Truant minor" is defined as a chronic truant to whom supportive services, including prevention, diagnostic, intervention and remedial services, alternative programs and other school and community resources have been provided and have failed to result in the cessation of chronic truancy, or have been offered and refused.

A "dropout" is defined as any child enrolled in grades 9 through 12 whose name has been removed from the district enrollment roster for any reason other than the student's death, extended illness, removal for medical non-compliance, expulsion, aging out, graduation, or completion of a program of studies and who has not transferred to another public or private school and is not known to be home-schooled by his or her parents or guardians or continuing school in another country.

"Religion" for the purposes of this Article, includes all aspects of religious observance and practice, as well as belief.

(Source: P.A. 100-810, eff. 1-1-19; 100-918, eff. 8-17-18; 101-81, eff. 7-12-19.)

(105 ILCS 5/Art. 26A heading new)

ARTICLE 26A. CHILDREN AND STUDENTS WHO ARE PARENTS, EXPECTANT PARENTS, OR VICTIMS OF DOMESTIC OR SEXUAL VIOLENCE

(105 ILCS 5/26A-1 new)

Sec. 26A-1. Scope of Article. This Article applies to all school districts and schools governed by this Code, including schools operating under Article 13, 13A, 13B, 27A, 32, 33, or 34. However, this Article does not apply to the Department of Juvenile Justice School District.

(105 ILCS 5/26A-5 new)

Sec. 26A-5. Purpose. The purpose of this Article is to ensure that Illinois schools have policies, procedures, or both, in place that enable children and students who are parents, expectant parents, or victims of domestic or sexual violence to be identified by schools in a manner respectful of their privacy and safety, treated with dignity and regard, and provided the protection, instruction, and related services necessary to enable them to meet State educational standards and successfully attain a school diploma. This Article shall be interpreted liberally to aid in this purpose. Nothing in this Article precludes or may be used to preclude a mandated reporter from reporting child abuse or child neglect as required under the Abused and Neglected Child Reporting Act.

(105 ILCS 5/26A-10 new)

Sec. 26A-10. Definitions. In this Article:

"Confidential" means information or facts expected and intended to be kept private or protected by an existing privilege in the Code of Civil Procedure. Confidential information may be disclosed by a school or school district if such disclosure is required by State or federal law or is necessary to complete proceedings relevant to this Article. Designation of student information as confidential applies to the school and school district and does not limit a student's right to speak about the student's experiences.

"Consent" includes, at a minimum, a recognition that (i) consent is a freely given agreement to sexual activity, (ii) an individual's lack of verbal or physical resistance or submission resulting from the use of threat of force does not constitute consent, (iii) an individual's manner of dress does not constitute consent, (iv) an individual's consent to past sexual activity does not constitute consent to future sexual activity, (v) an individual's consent to engage in one type of sexual activity with one person does not constitute consent to engage in any other type of sexual activity or sexual activity with another person, (vi) an individual can withdraw consent at any time, and (vii) an individual cannot consent to sexual activity if that individual is unable to understand the nature of the activity or give knowing consent due to the circumstances that include, but are not limited to, all the following:

(1) The individual is incapacitated due to the use or influence of alcohol or drugs.

(2) The individual is asleep or unconscious.

(3) The individual is under the age of consent.

(4) The individual is incapacitated due to a mental disability.

"Domestic or sexual violence" means domestic violence, gender-based harassment, sexual activity without consent, sexual assault, sexual violence, or stalking. Domestic or sexual violence may occur through electronic communication. Domestic or sexual violence exists regardless of when or where the violence occurred, whether or not the violence is the subject of a criminal investigation or the perpetrator has been criminally charged or convicted of a crime, whether or not an order of protection or a no-contact order is pending before or has been issued by a court, or whether or not any domestic or sexual violence took place on school grounds, during regular school hours, or during a school-sponsored event.

"Domestic or sexual violence organization" means a nonprofit, nongovernmental organization that provides assistance to victims of domestic or sexual violence or advocates for those victims, including an organization carrying out a domestic or sexual violence program, an organization operating a shelter or a rape crisis center or providing counseling services, an accredited children's advocacy center, an organization that provides services to or advocates on behalf of children and students who are gay, lesbian, bisexual, transgender, or gender nonconforming, an organization that provides services to or advocates on behalf of children and students who are parents or expectant parents, or an organization seeking to eliminate domestic or sexual violence or to address the consequences of that violence for its victims through legislative advocacy or policy change, public education, or service collaboration.

"Domestic violence" means abuse, as defined in the Illinois Domestic Violence Act of 1986, by family or household members, as defined in the Illinois Domestic Violence Act of 1986.

"Electronic communication" includes communications via telephone, mobile phone, computer, email, video recorder, fax machine, telex, pager, apps or applications, or any other electronic communication or cyberstalking under Section 12-7.5 of the Criminal Code of 2012.

"Expectant parent" means a student who (i) is pregnant and (ii) has not yet received a diploma for completion of a secondary education, as defined in Section 22-22.

"Gender-based harassment" means any harassment or discrimination on the basis of an individual's actual or perceived sex or gender, including unwelcome sexual advances, requests for sexual favors, other verbal or physical conduct of a sexual nature, or unwelcome conduct, including verbal, nonverbal, or physical conduct that is not sexual in nature but is related to a student's status as a parent, expectant parent, or victim of domestic or sexual violence.

"Harassment" means any unwelcome conduct on the basis of a student's actual or perceived race, gender, color, religion, national origin, ancestry, sex, marital status, order of protection status, disability, sexual orientation, gender identity, pregnancy, or citizenship status that has the purpose or effect of substantially interfering with the individual's academic performance or creating an intimidating, hostile, or offensive learning environment.

"Perpetrator" means an individual who commits or is alleged to have committed any act of domestic or sexual violence. The term "perpetrator" must be used with caution when applied to children, particularly young children.

"Poor academic performance" means a student who has (i) scored in the 50th percentile or below on a school district-administered standardized test, (ii) received a score on a State assessment that does not meet standards in one or more of the fundamental learning areas under Section 27-1, as applicable for the student's grade level, or (iii) not met grade-level expectations on a school district-designated assessment.

"Representative" means an adult who is authorized to act on behalf of a student during a proceeding, including an attorney, parent, or guardian.

"School" means a school district or school governed by this Code, including a school operating under Article 13, 13A, 13B, 27A, 32, 33, or 34, other than the Department of Juvenile Justice School District. "School" includes any other entity responsible for administering public schools, such as cooperatives, joint agreements, charter schools, special charter districts, regional offices of education, local agencies, or the Department of Human Services, and nonpublic schools recognized by the State Board of Education.

"Sexual activity" means any knowingly touching or fondling by one person, either directly or through clothing, of the sex organs, anus, mouth, or breast of another person for the purpose of sexual gratification or arousal.

"Sexual assault" or "sexual violence" means any conduct of an adult or minor child proscribed in Article 11 of the Criminal Code of 2012, except for Sections 11-35, 11-40, and 11-45 of the Criminal Code of 2012, including conduct committed by a perpetrator who is a stranger to the victim and conduct by a perpetrator who is known or related by blood or marriage to the victim.

"Stalking" means any conduct proscribed in Section 12-7.3, 12-7.4, or 12-7.5 of the Criminal Code of 2012, including stalking committed by a perpetrator who is a stranger to the victim and stalking committed by a perpetrator who is known or related by blood or marriage to the victim.

"Student" or "pupil" means any child who has not yet received a diploma for completion of a secondary education. "Student" includes, but is not limited to, an unaccompanied minor not in the physical custody of a parent or guardian.

"Student at risk of academic failure" means a student who is at risk of failing to meet the Illinois Learning Standards or failing to graduate from elementary or high school and who demonstrates a need for educational support or social services beyond those provided by the regular school program.

"Student parent" means a student who is a custodial or noncustodial parent taking an active role in the care and supervision of a child and who has not yet received a diploma for completion of a secondary education.

"Support person" means any person whom the victim has chosen to include in proceedings for emotional support or safety. A support person does not participate in proceedings but is permitted to observe and support the victim with parent or guardian approval. "Support person" may include, but is not limited to, an advocate, clergy, a counselor, and a parent or guardian. If a student is age 18 years or older, the student has the right to choose a support person without parent or guardian approval.

"Survivor-centered" means a systematic focus on the needs and concerns of a survivor of sexual violence, domestic violence, dating violence, or stalking that (i) ensures the compassionate and sensitive delivery of services in a nonjudgmental manner, (ii) ensures an understanding of how trauma affects survivor behavior, (iii) maintains survivor safety, privacy, and, if possible, confidentiality, and (iv) recognizes that a survivor is not responsible for the sexual violence, domestic violence, dating violence, or stalking.

"Trauma-informed response" means a response involving an understanding of the complexities of sexual violence, domestic violence, dating violence, or stalking through training centered on the neurobiological impact of trauma, the influence of societal myths and stereotypes surrounding sexual violence, domestic violence, dating violence, or stalking, and understanding the behavior of perpetrators.

"Victim" means an individual who has been subjected to one or more acts of domestic or sexual violence.

(105 ILCS 5/26A-15 new)

Sec. 26A-15. Ensuring Success in School Task Force.

(a) The Ensuring Success in School Task Force is created to draft and publish model policies and intergovernmental agreements for inter-district transfers; draft and publish model complaint resolution procedures as required in subsection (c) of Section 26A-25; identify current mandatory educator and staff training and additional new trainings needed to meet the requirements as required in Section 26A-25 and Section 26A-35. These recommended policies and agreements shall be survivor-centered and rooted in trauma-informed responses and used to support all students, from pre-kindergarten through grade 12, who are survivors of domestic or sexual violence, regardless of whether the perpetrator is school-related or not, or who are parenting or pregnant, regardless of whether the school is a public school, nonpublic school, or charter school.

(b) The Task Force shall be representative of the geographic, racial, ethnic, sexual orientation, gender identity, and cultural diversity of this State. The Task Force shall consist of all of the following members, who must be appointed no later than 60 days after the effective date of this amendatory Act of the 102nd General Assembly:

(1) One Representative appointed by the Speaker of the House of Representatives.

(2) One Representative appointed by the Minority Leader of the House of Representatives.

(3) One Senator appointed by the President of the Senate.

(4) One Senator appointed by the Minority Leader of the Senate.

(5) One member who represents a State-based organization that advocates for lesbian, gay, bisexual, transgender, and queer people appointed by the State Superintendent of Education.

(6) One member who represents a State-based, nonprofit, nongovernmental organization that advocates for survivors of domestic violence appointed by the State Superintendent of Education.

(7) One member who represents a statewide, nonprofit, nongovernmental organization that advocates for survivors of sexual violence appointed by the State Superintendent of Education.

(8) One member who represents a statewide, nonprofit, nongovernmental organization that offers free legal services, including victim's rights representation, to survivors of domestic violence or sexual violence appointed by the State Superintendent of Education.

(9) One member who represents an organization that advocates for pregnant or parenting youth appointed by the State Superintendent of Education.

(10) One member who represents a youth-led organization with expertise in domestic and sexual violence appointed by the State Superintendent of Education.

(11) One member who represents the Children's Advocacy Centers of Illinois appointed by the State Superintendent of Education.

(12) One representative of the State Board of Education appointed by the State Superintendent of Education.

(13) One member who represents a statewide organization of social workers appointed by the State Superintendent of Education.

(14) One member who represents a statewide organization for school psychologists appointed by the State Superintendent of Education.

(15) One member who represents a statewide organization of school counselors appointed by the State Superintendent of Education.

(16) One member who represents a statewide professional teachers' organization appointed by the State Superintendent of Education.

(17) One member who represents a different statewide professional teachers' organization appointed by the State Superintendent of Education.

(18) One member who represents a statewide organization for school boards appointed by the State Superintendent of Education.

(19) One member who represents a statewide organization for school principals appointed by the State Superintendent of Education.

(20) One member who represents a school district organized under Article 34 appointed by the State Superintendent of Education.

(21) One member who represents an association representing rural school superintendents appointed by the State Superintendent of Education.

(c) The Task Force shall first meet at the call of the State Superintendent of Education, and each subsequent meeting shall be called by the chairperson, who shall be designated by the State Superintendent of Education. The State Board of Education shall provide administrative and other support to the Task Force. Members of the Task Force shall serve without compensation.

(d) On or before June 30, 2024, the Task Force shall report its work, including model policies, guidance recommendations, and agreements, to the Governor and the General Assembly. The report must include all of the following:

(1) Model school and district policies to facilitate inter-district transfers for student survivors of domestic or sexual violence, expectant parents, and parents. These policies shall place high value on being accessible and expeditious for student survivors and pregnant and parenting students.

(2) Model school and district policies to ensure confidentiality and privacy considerations for student survivors of domestic or sexual violence, expectant parents, and parents. These policies must include guidance regarding appropriate referrals for nonschool-based services.

(3) Model school and district complaint resolution procedures as prescribed by Section 26A-25.

(4) Guidance for schools and districts regarding which mandatory training that is currently required for educator licenses or under State or federal law would be suitable to fulfill training requirements for resource personnel as prescribed by Section 26A-35 and for the staff tasked with implementing the complaint resolution procedure as prescribed by Section 26A-25. The guidance shall evaluate all relevant mandatory or recommended training, including, but not limited to, the training required under subsection (j) of Section 4 of the Abused and Neglected Child Reporting Act, Sections 3-11, 10-23.12, 10-23.13, and 27-23.7 of this Code, and subsections (d) and (f) of Section 10-22.39 of this Code. The guidance must also identify what gaps in training exist, including, but not limited to, training on trauma-informed responses and racial and gender equity, and make recommendations for future training programs that should be required or recommended for the positions as prescribed by Sections 26A-25 and 26A-35.

(e) The Task Force is dissolved upon submission of its report under subsection (d).

(f) This Section is repealed on December 1, 2025.

(105 ILCS 5/26A-20 new)

Sec. 26A-20. Review and revision of policies and procedures.

(a) No later than July 1, 2024 and every 2 years thereafter, each school district must review all existing policies and procedures and must revise any existing policies and procedures that may act as a barrier to the immediate enrollment and re-enrollment, attendance, graduation, and success in school of any student who is a student parent, expectant student parent, or victim of domestic or sexual violence or any policies or procedures that may compromise a criminal investigation relating to domestic or sexual violence or may re-victimize students. A school district must adopt new policies and procedures, as needed, to implement this Section and to ensure that immediate and effective steps are taken to respond to students who are student parents, expectant parents, or victims of domestic or sexual violence.

(b) A school district's policy must be consistent with the model policy and procedures adopted by the State Board of Education and under Public Act 101-531.

(c) A school district's policy on the procedures that a student or his or her parent or guardian may follow if he or she chooses to report an incident of alleged domestic or sexual violence must, at a minimum, include all of the following:

(1) The name and contact information for domestic or sexual violence and parenting resource personnel, the Title IX coordinator, school and school district resource officers or security, and a community-based domestic or sexual violence organization.

(2) The name, title, and contact information for confidential resources and a description of what confidential reporting means.

(3) An option for the student or the student's parent or guardian to electronically, anonymously, and confidentially report the incident.

(4) An option for reports by third parties and bystanders.

(5) Information regarding the various individuals, departments, or organizations to whom a student may report an incident of domestic or sexual violence, specifying for each individual or entity (i) the extent of the individual's or entity's reporting obligation to the school's or school district's administration, Title IX coordinator, or other personnel or entity, (ii) the individual's or entity's ability to protect the student's privacy, and (iii) the extent of the individual's or entity's ability to have confidential communications with the student or his or her parent or guardian.

(6) The adoption of a complaint resolution procedure as provided in Section 26A-25.

(d) A school district must post its revised policies and procedures on its website, distribute them at the beginning of each school year to each student, and make copies available to each student and his or her parent or guardian for inspection and copying at no cost to the student or parent or guardian at each school within a school district.

(105 ILCS 5/26A-25 new)

Sec. 26A-25. Complaint resolution procedure.

(a) On or before July 1, 2024, each school district must adopt one procedure to resolve complaints of violations of this amendatory Act of the 102nd General Assembly. The respondent must be one or more of the following: the school, school district, or school personnel. These procedures shall comply with the confidentiality provisions of Sections 26A-20 and 26A-30. The procedures must include, at minimum, all of the following:

(1) The opportunity to consider the most appropriate means to execute the procedure considering school safety, the developmental level of students, methods to reduce trauma during the procedure, and how to avoid multiple communications with students involved with an alleged incident of domestic or sexual violence.

(2) Any proceeding, meeting, or hearing held to resolve complaints of any violation of this amendatory Act of the 102nd General Assembly must protect the privacy of the participating parties and witnesses. A school, school district, or school personnel may not disclose the identity of parties or witnesses, except as necessary to resolve the complaint or to implement interim protective measures and reasonable support services or when required by State or federal law.

(3) Complainants alleging violations of this amendatory Act of the 102nd General Assembly must have the opportunity to request that the complaint resolution procedure begin promptly and proceed in a timely manner.

(b) A school district must determine the individuals who will resolve complaints of violations of this amendatory Act of the 102nd General Assembly.

(1) All individuals whose duties include resolution of complaints of violations of this amendatory Act of the 102nd General Assembly must complete a minimum of 8 hours of training on issues related to domestic and sexual violence and how to conduct the school's complaint resolution procedure, which may include the in-service training required under subsection (d) of Section 10-22.39, before commencement of those duties, and must receive a minimum of 6 hours of such training annually thereafter. This training must be conducted by an individual or individuals with expertise in domestic or sexual violence in youth and expertise in developmentally appropriate communications with elementary and secondary school students regarding topics of a sexual, violent, or sensitive nature.

(2) Each school must have a sufficient number of individuals trained to resolve complaints so that (i) a substitution can occur in the case of a conflict of interest or recusal, (ii) an individual with no prior involvement in the initial determination or finding may hear any appeal brought by a party, and (iii) the complaint resolution procedure proceeds in a timely manner.

(3) The complainant and any witnesses shall (i) receive notice of the name of the individual with authority to make a finding or approve an accommodation in the proceeding before the individual may initiate contact with the complainant and any witnesses and (ii) have the opportunity to request a substitution if the participation of an individual with authority to make a finding or approve an accommodation poses a conflict of interest.

(c) When the alleged violation of this amendatory Act of the 102nd General Assembly involves making a determination or finding of responsibility of causing harm:

(1) The individual making the finding must use a preponderance of evidence standard to determine whether the incident occurred.

(2) The complainant and respondent and any witnesses may not directly or through a representative question one another. At the discretion of the individual resolving the complaint, the complainant and the respondent may suggest questions to be posed by the individual resolving the complaint and if the individual resolving the complaint decides to pose such questions.

(3) A live hearing is not required. If the complaint resolution procedure includes a hearing, no student who is a witness, including the complainant, may be compelled to testify in the presence of a party or other witness. If a witness invokes this right to testify outside the presence of the other party or other witnesses, then the school district must provide an option by which each party may, at a minimum, hear such witnesses' testimony.

(d) Each party and witness may request and must be allowed to have a representative or support persons of their choice accompany them to any meeting or proceeding related to the alleged violence or violation of this amendatory Act of the 102nd General Assembly if the involvement of the representative or support persons does not result in undue delay of the meeting or proceeding. This representative or support persons must comply with any rules of the school district's complaint resolution procedure. If the representative or support persons violate the rules or engage in behavior or advocacy that harasses, abuses, or intimidates either part, a witness, or an individual resolving the complaint, the representative or support person may be prohibited from further participation in the meeting or proceeding.

(e) The complainant, regardless of the level of involvement in the complaint resolution procedure, and the respondent must have the opportunity to provide or present evidence and witnesses on their behalf during the complaint resolution procedure.

(f) The complainant and respondent and any named perpetrator directly impacted by the results of the complaint resolution procedure, are entitled to simultaneous written notification of the results of the complaint resolution procedure, including information regarding appeals rights and procedures, within 10 business days after a decision or sooner if required by State or federal law or district policy.

(1) The complainant, respondents, and named perpetrator if directly impacted by the results of the complaint resolution procedure must, at a minimum, have the right to timely appeal the complaint resolution procedure's findings or remedies if a party alleges (i) a procedural error occurred, (ii) new information exists that would substantially change the outcome of the proceeding, (iii) the remedy is not sufficiently related to the finding, or (iv) the decision is against the weight of the evidence.

(2) An individual reviewing the findings or remedies may not have previously participated in the complaint resolution procedure and may not have a conflict of interest with either party.

(3) The complainant and respondent and any perpetrators directly impacted by the results of the complaint resolution procedure must receive the appeal decision, in writing, within 10 business days,

but never more than 15 business days, after the conclusion of the review of findings or remedies or sooner if required by State or federal law.

(g) Each school district must have a procedure to determine interim protective measures and support services available pending the resolution of the complaint including the implementation of court orders.

(105 ILCS 5/26A-30 new)

Sec. 26A-30. Confidentiality.

(a) Each school district must adopt and ensure that it has and implements a policy to ensure that all information concerning a student's status and related experiences as a parent, expectant parent, or victim of domestic or sexual violence, or a student who is a named perpetrator of domestic or sexual violence, provided to or otherwise obtained by the school district or its employees or agents pursuant to this Code or otherwise, including a statement of the student or any other documentation, record, or corroborating evidence that the student has requested or obtained assistance, support, or services pursuant to this Code, shall be retained in the strictest of confidence by the school district or its employees or agents and may not be disclosed to any other individual outside of the district, including any other employee, except if such disclosure is (i) permitted by the Illinois School Student Records Act, the federal Family Educational Rights and Privacy Act of 1974, or other applicable State or federal laws, or (ii) requested or consented to, in writing, by the student or the student's parent or guardian if it is safe to obtain written consent from the student's parent or guardian.

(b) Prior to disclosing information about a student's status as a parent, expectant parent, or victim of domestic or sexual violence, a school must notify the student and discuss and address any safety concerns related to the disclosure, including instances in which the student indicates or the school or school district or its employees or agents are otherwise aware that the student's health or safety may be at risk if his or her status is disclosed to the student's parent or guardian, except as otherwise permitted by applicable State or federal law, including the Abused and Neglected Child Reporting Act, the Illinois School Student Records Act, the federal Family Educational Rights and Privacy Act of 1974, and professional ethics policies that govern professional school personnel.

(c) No student may be required to testify publicly concerning his or her status as a victim of domestic or sexual violence, allegations of domestic or sexual violence, his or her status as a parent or expectant parent, or the student's efforts to enforce any of his or her rights under provisions of this Code relating to students who are parents, expectant parents, or victims of domestic or sexual violence.

(d) In the case of domestic or sexual violence, except as permitted under State or federal law, or to the extent that a school official determines that the school official has an obligation to do so based on safety concerns or threats to the community, including the victim, a school district must not contact the person named to be the perpetrator, the perpetrator's family, or any other person named by the student or named by the student's parent or guardian to be unsafe to contact to verify the violence. A school district must not contact the perpetrator, the perpetrator's family, or any other person named by the student or the student's parent or guardian to be unsafe for any other reason without providing prior written notice to the student's parent or guardian. Nothing in this Section prohibits the school or school district from taking other steps to investigate the violence or from contacting persons not named by the student or the student's parent or guardian as unsafe to contact. Nothing in this Section prohibits the school or school district from taking reasonable steps to protect students. If the reasonable steps taken to protect students involve conduct that is prohibited under this subsection, the school must provide notice to the reporting student, in writing and in a developmentally appropriate communication format, of its intent to contact the parties named to be unsafe.

(105 ILCS 5/26A-35 new)

Sec. 26A-35. Domestic or sexual violence and parenting resource personnel.

(a) Each school district shall designate or appoint at least one staff person at each school in the district who is employed at least part time at the school and who is a school social worker, school psychologist, school counselor, school nurse, or school administrator trained to address, in a survivor-centered, trauma responsive, culturally responsive, confidential, and sensitive manner, the needs of students who are parents, expectant parents, or victims of domestic or sexual violence. The designated or appointed staff person must have all of the following duties:

(1) To connect students who are parents, expectant parents, or victims of domestic or sexual violence to appropriate in-school services or other agencies, programs, or services as needed.

(2) To coordinate the implementation of the school's and school district's policies, procedures, and protocols in cases involving student allegations of domestic or sexual violence.

(3) To coordinate the implementation of the school's and school district's policies and procedures as set forth in provisions of this Code concerning students who are parents, expectant parents, or victims of domestic or sexual violence.

(4) To assist students described in paragraph (1) in their efforts to exercise and preserve their rights as set forth in provisions of this Code concerning students who are parents, expectant parents, or victims of domestic or sexual violence.

(5) To assist in providing staff development to establish a positive and sensitive learning environment for students described in paragraph (1).

(b) A member of staff who is designated or appointed under subsection (a) must (i) be trained to understand, provide information and referrals, and address issues pertaining to youth who are parents, expectant parents, or victims of domestic or sexual violence, including the theories and dynamics of domestic and sexual violence, the necessity for confidentiality and the law, policy, procedures, and protocols implementing confidentiality, and the notification of the student's parent or guardian regarding the student's status as a parent, expectant parent, or victim of domestic or sexual violence or the enforcement of the student's rights under this Code if the notice of the student's status or the involvement of the student's parent or guardian may put the health or safety of the student at risk, including the rights of minors to consent to counseling services and psychotherapy under the Mental Health and Developmental Disabilities Code, or (ii) at a minimum, have participated in an in-service training program under subsection (d) of Section 10-22.39 that includes training on the rights of minors to consent to counseling services and psychotherapy under the Mental Health and Developmental Disabilities Code within 12 months prior to his or her designation or appointment.

(c) A school district must designate or appoint and train all domestic or sexual violence and parenting resource personnel, and the personnel must assist in implementing the duties as described in this Section no later than June 30, 2024, except in those school districts in which there exists a collective bargaining agreement on the effective date of this amendatory Act of the 102nd General Assembly and the implementation of this Section would be a violation of that collective bargaining agreement. If implementation of some activities required under this Section is prevented by an existing collective bargaining agreement, a school district must comply with this Section to the fullest extent allowed by the existing collective bargaining agreement no later than June 30, 2024. In those instances in which a collective bargaining agreement that either fully or partially prevents full implementation of this Section expires after June 30, 2024, a school district must designate or appoint and train all domestic and sexual violence and parenting resource personnel, who shall implement the duties described in this Section no later than the effective date of the new collective bargaining agreement that immediately succeeds the collective bargaining agreement in effect on the effective date of this amendatory Act of the 102nd General Assembly.

(105 ILCS 5/26A-40 new)

Sec. 26A-40. Support and services.

(a) To facilitate the full participation of students who are parents, expectant parents, or victims of domestic or sexual violence, each school district must provide those students with in-school support services and information regarding nonschool-based support services, and the ability to make up work missed on account of circumstances related to the student's status as a parent, expectant parent, or victim of domestic or sexual violence. Victims of domestic or sexual violence must have access to those supports and services regardless of when or where the violence for which they are seeking supports and services occurred. All supports and services must be offered for as long as necessary to maintain the mental and physical well-being and safety of the student. Schools may periodically check on students receiving supports and services to determine whether each support and service continues to be necessary to maintain the mental and physical well-being and safety of the student or whether termination is appropriate.

(b) Supports provided under subsection (a) shall include, but are not limited to (i) the provision of sufficiently private settings to ensure confidentiality and time off from class for meetings with counselors or other service providers, (ii) assisting the student with a student success plan, (iii) transferring a victim of domestic or sexual violence or the student perpetrator to a different classroom or school, if available, (iv) changing a seating assignment, (v) implementing in-school, school grounds, and bus safety procedures, (vi) honoring court orders, including orders of protection and no-contact orders to the fullest extent possible, and (vii) providing any other supports that may facilitate the full participation in the regular education program of students who are parents, expectant parents, or victims of domestic or sexual violence.

(c) If a student who is a parent, expectant parent, or victim of domestic or sexual violence is a student at risk of academic failure or displays poor academic performance, the student or the student's parent or

guardian may request that the school district provide the student with or refer the student to education and support services designed to assist the student in meeting State learning standards. A school district may either provide education or support services directly or may collaborate with public or private State, local, or community-based organizations or agencies that provide these services. A school district must also inform those students about support services of nonschool-based organizations and agencies from which those students typically receive services in the community.

(d) Any student who is unable, because of circumstances related to the student's status as a parent, expectant parent, or victim of domestic or sexual violence, to participate in classes on a particular day or days or at the particular time of day must be excused in accordance with the procedures set forth in this Code. Upon student or parent or guardian's request, the teachers and of the school administrative personnel and officials shall make available to each student who is unable to participate because of circumstances related to the student's status as a parent, expectant parent, or victim of domestic or sexual violence a meaningful opportunity to make up any examination, study, or work requirement that the student has missed because of the inability to participate on any particular day or days or at any particular time of day. For a student receiving homebound instruction, it is the responsibility of the student and parent to work with the school or school district to meet academic standards for matriculation, as defined by school district policy. Costs assessed by the school district on the student for participation in those activities shall be considered waivable fees for any student whose parent or guardian is unable to afford them, consistent with Section 10-20.13. Each school district must adopt written policies for waiver of those fees in accordance with rules adopted by the State Board of Education.

(e) If a school or school district employee or agent becomes aware of or suspects a student's status as a parent, expectant parent, or victim of domestic or sexual violence, it is the responsibility of the employee or agent of the school or school district to refer the student to the school district's domestic or sexual violence and parenting resource personnel set forth in Section 26A-35. A school district must make respecting a student's privacy, confidentiality, mental and physical health, and safety a paramount concern.

(f) Each school must honor a student's and a parent's or guardian's decision to obtain education and support services and nonschool-based support services, to terminate the receipt of those education and support services, or nonschool-based support services, or to decline participation in those education and support services, or nonschool-based support services. No student is obligated to use education and support services, or nonschool-based support services. In developing educational support services, the privacy, mental and physical health, and safety of the student shall be of paramount concern. No adverse or prejudicial effects may result to any student because of the student's availing of or declining the provisions of this Section as long as the student is working with the school to meet academic standards for matriculation as defined by school district policy.

(g) Any support services must be available in any school or by home or hospital instruction to the highest quality and fullest extent possible for the individual setting.

(h) School-based counseling services, if available, must be offered to students who are parents, expectant parents, or victims of domestic or sexual violence consistent with the Mental Health and Developmental Disabilities Code. At least once every school year, each school district must inform, in writing, all school personnel and all students 12 years of age or older of the availability of counseling without parental or guardian consent under Section 3-5A-105 (to be renumbered as Section 3-550 in a revisory bill as of the effective date of this amendatory Act of the 102nd General Assembly) of the Mental Health and Developmental Disabilities Code. This information must also be provided to students immediately after any school personnel becomes aware that a student is a parent, expectant parent, or victim of domestic or sexual violence.

(i) All domestic or sexual violence organizations and their staff and any other nonschool organization and its staff shall maintain confidentiality under federal and State laws and their professional ethics policies regardless of when or where information, advice, counseling, or any other interaction with students takes place. A school or school district may not request or require those organizations or individuals to breach confidentiality.

(105 ILCS 5/26A-45 new)

Sec. 26A-45. Verification.

(a) For purposes of students asserting their rights under provisions relating to domestic or sexual violence in Sections 10-21.3a, 10-22.6, 10-22.6a, 26-2a, 26A-40, and 34-18.24, a school district may require verification of the claim. The student or the student's parents or guardians shall choose which form of verification to submit to the school district. A school district may only require one form of verification,

unless the student is requesting a transfer to another school, in which case the school district may require 2 forms of verification. All forms of verification received by a school district under this subsection (a) must be kept in a confidential temporary file, in accordance with the Illinois School Student Records Act. Any one of the following shall be an acceptable form of verification of a student's claim of domestic or sexual violence:

(1) A written statement from the student or anyone who has knowledge of the circumstances that support the student's claim. This may be in the form of a complaint.

(2) A police report, governmental agency record, or court record.

(3) A statement or other documentation from a domestic or sexual violence organization or any other organization from which the student sought services or advice.

(4) Documentation from a lawyer, clergy person, medical professional, or other professional from whom the student sought services or advice related to domestic or sexual violence.

(5) Any other evidence, such as physical evidence of violence, which supports the claim.

(b) A student or a student's parent or guardian who has provided acceptable verification that the student is or has been a victim of domestic or sexual violence may not be required to provide any additional verification if the student's efforts to assert rights under this Code stem from a claim involving the same perpetrator or the same incident of violence. No school or school district shall request or require additional documentation.

(c) The person named to be the perpetrator, the perpetrator's family, or any other person named by the student or the student's parent or guardian to be unsafe to contact may not be contacted to verify the violence, except to the extent that the district determines that it has an obligation to do so based on federal or State law or safety concerns for the school community, including such concerns for the victim. Prior to making contact, a school must notify the student and his or his parent or guardian in writing and in a developmentally appropriate manner, and discuss and address any safety concerns related to making such contact.

(105 ILCS 5/26A-50 new)

Sec. 26A-50. Prohibited practices. No school or school district may take any adverse action against a student who is a parent, expectant parent, or victim of domestic or sexual violence because the student or his or her parent or guardian (i) exercises or attempts to exercise his or her rights under this amendatory Act of the 102nd General Assembly, (ii) opposes practices that the student or his or her parent or guardian believes to be in violation of this amendatory Act of the 102nd General Assembly, or (iii) supports the exercise of the rights of another under this amendatory Act of the 102nd General Assembly. Exercising rights under this amendatory Act of the 102nd General Assembly includes, but is not limited to, filing a complaint with the school district as set forth in this Code or in any manner requesting, availing himself or herself of, or declining any of the provisions of this Code, including, but not limited to, supports and services.

(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 April 16, 2003 (the effective date of Public Act 93-3), in all new applications 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 Public Act 93-3 do not apply to charter schools existing or approved on or before April 16, 2003 (the effective date of Public Act 93-3).

(b-5) In this subsection (b-5), "virtual-schooling" means a cyber school where students engage in online curriculum and instruction via the Internet and electronic communication with their teachers at remote locations and with students participating at different times.

From April 1, 2013 through December 31, 2016, 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.

(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. No later than January 1, 2021 (one year after the effective date of Public Act 101-291), a charter school's board of directors or other governing body must include at least one parent or guardian of a pupil currently enrolled in the charter school who may be selected through the charter school or a charter network election, appointment by the charter school's board of directors or other governing body, or by the charter school's Parent Teacher Organization or its equivalent.

(c-5) No later than January 1, 2021 (one year after the effective date of Public Act 101-291) or within the first year of his or her first term, every voting member of a charter school's board of directors or other governing body shall complete a minimum of 4 hours of professional development leadership training to ensure that each member has sufficient familiarity with the board's or governing body's role and responsibilities, including financial oversight and accountability of the school, evaluating the principal's and school's performance, adherence to the Freedom of Information Act and the Open Meetings Act, and compliance with education and labor law. In each subsequent year of his or her term, a voting member of a charter school's board of directors or other governing body shall complete a minimum of 2 hours of professional development training in these same areas. The training under this subsection may be provided or certified by a statewide charter school membership association or may be provided or certified by other qualified providers approved by the State Board of Education.

(d) For purposes of this subsection (d), "non-curricular health and safety requirement" means any health and safety requirement created by statute or rule to provide, maintain, preserve, or safeguard safe or healthful conditions for students and school personnel or to eliminate, reduce, or prevent threats to the health and safety of students and school personnel. "Non-curricular health and safety requirement" does not include any course of study or specialized instructional requirement for which the State Board has established goals and learning standards or which is designed primarily to impart knowledge and skills for students to master and apply as an outcome of their education.

A charter school shall comply with all non-curricular health and safety requirements applicable to public schools under the laws of the State of Illinois. On or before September 1, 2015, the State Board shall promulgate and post on its Internet website a list of non-curricular health and safety requirements that a charter school must meet. The list shall be updated annually no later than September 1. Any charter contract between a charter school and its authorizer must contain a provision that requires the charter school to follow the list of all non-curricular health and safety requirements promulgated by the State Board and any non-curricular health and safety requirements added by the State Board to such list during the term of the charter. Nothing in this subsection (d) precludes an authorizer from including non-curricular health and safety requirements in a charter school contract that are not contained in the list promulgated by the State Board, including non-curricular health and safety requirements of the authorizing local school board.

(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. To ensure financial accountability for the use of public funds, on or before December 1 of every year of operation, each charter school shall submit to its authorizer and 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. In addition, if deemed necessary for proper financial oversight of the charter school, an authorizer may require quarterly financial statements from each charter school.

(g) A charter school shall comply with all provisions of this Article, the Illinois Educational Labor Relations Act, all federal and State laws and rules applicable to public schools that pertain to special education and the instruction of English learners, and its charter. A charter school is exempt from all other State laws and regulations in this Code governing public schools and local school board policies; however, a charter school is not exempt from the following:

(1) Sections 10-21.9 and 34-18.5 of this 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 10-20.14, 10-22.6, 24-24, 34-19, and 34-84a of this 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;

(5.5) subsection (b) of Section 10-23.12 and subsection (b) of Section 34-18.6 of this Code;

(6) the Illinois School Student Records Act;

(7) Section 10-17a of this Code regarding school report cards;

(8) the P-20 Longitudinal Education Data System Act;

(9) Section 27-23.7 of this Code regarding bullying prevention;

(10) Section 2-3.162 of this Code regarding student discipline reporting;

(11) Sections 22-80 and 27-8.1 of this Code;

(12) Sections 10-20.60 and 34-18.53 of this Code;

(13) Sections 10-20.63 and 34-18.56 of this Code;

(14) Section 26-18 of this Code;

(15) Section 22-30 of this Code;

(16) Sections 24-12 and 34-85 of this Code;

(17) the Seizure Smart School Act; ~~and~~

(18) Section 2-3.64a-10 of this Code; and~~.~~

(19) Article 26A of this Code.

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 April 16, 2003 (the effective date of Public Act 93-3) 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 April 16, 2003 (the effective date of Public Act 93-3) 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 State Board or Commission, then the charter school is its own local education agency.

(Source: P.A. 100-29, eff. 1-1-18; 100-156, eff. 1-1-18; 100-163, eff. 1-1-18; 100-413, eff. 1-1-18; 100-468, eff. 6-1-18; 100-726, eff. 1-1-19; 100-863, eff. 8-14-18; 101-50, eff. 7-1-20; 101-81, eff. 7-12-19; 101-291, eff. 1-1-20; 101-531, eff. 8-23-19; 101-543, eff. 8-23-19; 101-654, eff. 3-8-21.)

(105 ILCS 5/34-18.24)

Sec. 34-18.24. Transfer of students.

(a) The board shall establish and implement a policy governing the transfer of a student from one attendance center to another within the school district upon the request of the student's parent or guardian. A student may not transfer to any of the following attendance centers, except by change in residence if the policy authorizes enrollment based on residence in an attendance area or unless approved by the board on an individual basis:

(1) An attendance center that exceeds or as a result of the transfer would exceed its attendance capacity.

(2) An attendance center for which the board has established academic criteria for enrollment if the student does not meet the criteria.

(3) Any attendance center if the transfer would prevent the school district from meeting its obligations under a State or federal law, court order, or consent decree applicable to the school district.

(b) The board shall establish and implement a policy governing the transfer of students within the school district from a persistently dangerous attendance center to another attendance center in that district that is not deemed to be persistently dangerous. In order to be considered a persistently dangerous attendance center, the attendance center must meet all of the following criteria for 2 consecutive years:

(1) Have greater than 3% of the students enrolled in the attendance center expelled for violence-related conduct.

(2) Have one or more students expelled for bringing a firearm to school as defined in 18 U.S.C. 921.

(3) Have at least 3% of the students enrolled in the attendance center exercise the individual option to transfer attendance centers pursuant to subsection (c) of this Section.

(c) A student may transfer from one attendance center to another attendance center within the district if the student is a victim of a violent crime as defined in Section 3 of the Rights of Crime Victims and Witnesses Act. The violent crime must have occurred on school grounds during regular school hours or during a school-sponsored event.

(d) (Blank).

(e) Notwithstanding any other provision of this Code, a student who is a victim of domestic or sexual violence, as defined in Article 26A, must be allowed to transfer to another school immediately and as needed if the student's continued attendance at a particular attendance center, school facility, or school location poses a risk to the student's mental or physical well-being or safety. A student who transfers to another school under this subsection (e) due to domestic or sexual violence must have full and immediate access to extracurricular activities and any programs or activities offered by or under the auspices of the school to which the student has transferred. The school district may not require a student who is a victim of domestic or sexual violence to transfer to another school. No adverse or prejudicial effects may result to any student who is a victim of domestic or sexual violence because of the student availing himself or herself of or declining the provisions of this subsection (e). The school district may require a student to verify his or her claim of domestic or sexual violence under Section 26A-45 before approving a transfer to another school under this subsection (e).

(Source: P.A. 100-1046, eff. 8-23-18.)

Section 10. The Illinois School Student Records Act is amended by changing Section 2 as follows:

(105 ILCS 10/2) (from Ch. 122, par. 50-2)

Sec. 2. As used in this Act:-

(a) "Student" means any person enrolled or previously enrolled in a school.

(b) "School" means any public preschool, day care center, kindergarten, nursery, elementary or secondary educational institution, vocational school, special educational facility or any other elementary or secondary educational agency or institution and any person, agency or institution which maintains school student records from more than one school, but does not include a private or non-public school.

(c) "State Board" means the State Board of Education.

(d) "School Student Record" means any writing or other recorded information concerning a student and by which a student may be individually identified, maintained by a school or at its direction or by an employee of a school, regardless of how or where the information is stored. The following shall not be deemed school student records under this Act: writings or other recorded information maintained by an employee of a school or other person at the direction of a school for his or her exclusive use; provided that all such writings and other recorded information are destroyed not later than the student's graduation or permanent withdrawal from the school; and provided further that no such records or recorded information may be released or disclosed to any person except a person designated by the school as a substitute unless they are first incorporated in a school student record and made subject to all of the provisions of this Act. School student records shall not include information maintained by law enforcement professionals working in the school.

(e) "Student Permanent Record" means the minimum personal information necessary to a school in the education of the student and contained in a school student record. Such information may include the student's name, birth date, address, grades and grade level, parents' names and addresses, attendance records, and such other entries as the State Board may require or authorize.

(f) "Student Temporary Record" means all information contained in a school student record but not contained in the student permanent record. Such information may include family background information, intelligence test scores, aptitude test scores, psychological and personality test results, teacher evaluations, and other information of clear relevance to the education of the student, all subject to regulations of the State Board. The information shall include all of the following:

(1) Information ~~information~~ provided under Section 8.6 of the Abused and Neglected Child Reporting Act and information contained in service logs maintained by a local education agency under subsection (d) of Section 14-8.02f of the School Code.

(2) Information ~~In addition, the student temporary record shall include information~~ regarding serious disciplinary infractions that resulted in expulsion, suspension, or the imposition of punishment or sanction. For purposes of this provision, serious disciplinary infractions means: infractions involving drugs, weapons, or bodily harm to another.

(3) Information concerning a student's status and related experiences as a parent, expectant parent, or victim of domestic or sexual violence, as defined in Article 26A of the School Code, including a statement of the student or any other documentation, record, or corroborating evidence and the fact that the student has requested or obtained assistance, support, or services related to that status. Enforcement of this paragraph (3) shall follow the procedures provided in Section 26A-40 of the School Code.

(g) "Parent" means a person who is the natural parent of the student or other person who has the primary responsibility for the care and upbringing of the student. All rights and privileges accorded to a parent under this Act shall become exclusively those of the student upon his 18th birthday, graduation from secondary school, marriage or entry into military service, whichever occurs first. Such rights and privileges may also be exercised by the student at any time with respect to the student's permanent school record.
(Source: P.A. 101-515, eff. 8-23-19; revised 12-3-19.)

Section 90. The State Mandates Act is amended by adding Section 8.45 as follows:
(30 ILCS 805/8.45 new)
Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 102nd General Assembly.

Section 99. Effective date. This Act takes effect July 1, 2025.".

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

On motion of Senator Simmons, **House Bill No. 3262** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Simmons, **House Bill No. 3265** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Cunningham, **House Bill No. 3293** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Rezin, **House Bill No. 3313** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Rezin, **House Bill No. 3317** was taken up, read by title a second time.
Floor Amendment No. 1 was held in the Committee on Assignments.
There being no further amendments, the bill was ordered to a third reading.

On motion of Senator Joyce, **House Bill No. 3404** having been printed, was taken up and read by title a second time.
The following amendment was offered in the Committee on Energy and Public Utilities, adopted and ordered printed:

AMENDMENT NO. 1 TO HOUSE BILL 3404

AMENDMENT NO. 1 . Amend House Bill 3404 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Pembroke Township Natural Gas Investment Pilot Program Act.

Section 5. Definitions. In this Act:

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

"Qualifying gas pipeline project" means the construction or installation of gas equipment used in connection with the distribution and delivery of natural gas in Pembroke Township.

Section 10. Pembroke Township Natural Gas Investment Pilot Program.

(a) The Department shall create the Pembroke Township Natural Gas Investment Pilot Program for a duration of 5 years. The Program shall provide that the Department shall distribute grants, subject to appropriation, from moneys in the Pembroke Township Natural Gas Investment Fund for the conversion of appliances to be compatible with natural gas.

(b) The Department shall adopt rules for the administration of the Program. At a minimum, the rules shall require that the applicant for the grants demonstrate that the grants will result in the conversion of necessary equipment to have the ability to utilize natural gas. The rules shall allow for conversion grants awarded to residents of Pembroke Township and to Pembroke Township to provide assistance for the use of natural gas and shall ensure that the applicant complies with all other requirements of the rules.

(c) A grantee must maintain all records as required by rule. The records shall be subject to audit by the Department, by an auditor appointed by the Department, or by a State officer authorized to conduct audits.

(d) Eligible applicants under this Program may include a nonprofit or community action association that will help the residents of Pembroke with the convergence of natural gas services in the residents' homes. Notwithstanding any provision of law to the contrary, an entity regulated under the Public Utilities Act may serve as a grantee under this Act.

Section 15. Pembroke Township Natural Gas Investment Pilot Program Fund. The Pembroke Township Natural Gas Investment Pilot Program Fund is created as a special fund in the State treasury. Subject to appropriation, all moneys in the Fund shall be used by the Department to fund grants for qualified utility infrastructure projects. The Department may accept private and public funds, including federal funds, for deposit into the Fund. Earnings attributable to moneys in the Fund shall be deposited into the Fund.

Section 20. Data collection and reporting. The Department shall collect data regarding the successes and challenges of the Pembroke Township Natural Gas Investment Pilot Program and shall submit an annual report to the Governor and the General Assembly by March 1 of each year beginning in 2022 until the Pilot Program terminates. The report shall: (i) make a recommendation as to whether the Pilot Program should continue; (ii) provide cost estimates, including the average per person costs; and (iii) recommend ways in which the Pilot Program can be improved to better address the needs for natural gas distribution.

Section 90. The State Finance Act is amended by adding Section 5.935 as follows:

(30 ILCS 105/5.935 new)

Sec. 5.935. The Pembroke Township Natural Gas Investment Pilot Program Fund.

Section 95. The Public Utilities Act is amended by changing Sections 8-406 and by adding Section 8-406.2 as follows:

(220 ILCS 5/8-406) (from Ch. 111 2/3, par. 8-406)

Sec. 8-406. Certificate of public convenience and necessity.

(a) No public utility not owning any city or village franchise nor engaged in performing any public service or in furnishing any product or commodity within this State as of July 1, 1921 and not possessing a certificate of public convenience and necessity from the Illinois Commerce Commission, the State Public Utilities Commission or the Public Utilities Commission, at the time this amendatory Act of 1985 goes into effect, shall transact any business in this State until it shall have obtained a certificate from the Commission

that public convenience and necessity require the transaction of such business. A certificate of public convenience and necessity requiring the transaction of public utility business in any area of this State shall include authorization to the public utility receiving the certificate of public convenience and necessity to construct such plant, equipment, property, or facility as is provided for under the terms and conditions of its tariff and as is necessary to provide utility service and carry out the transaction of public utility business by the public utility in the designated area.

(b) No public utility shall begin the construction of any new plant, equipment, property or facility which is not in substitution of any existing plant, equipment, property or facility or any extension or alteration thereof or in addition thereto, unless and until it shall have obtained from the Commission a certificate that public convenience and necessity require such construction. Whenever after a hearing the Commission determines that any new construction or the transaction of any business by a public utility will promote the public convenience and is necessary thereto, it shall have the power to issue certificates of public convenience and necessity. The Commission shall determine that proposed construction will promote the public convenience and necessity only if the utility demonstrates: (1) that the proposed construction is necessary to provide adequate, reliable, and efficient service to its customers and is the least-cost means of satisfying the service needs of its customers or that the proposed construction will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives; (2) that the utility is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision thereof; and (3) that the utility is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers.

(c) After the effective date of this amendatory Act of 1987, no construction shall commence on any new nuclear power plant to be located within this State, and no certificate of public convenience and necessity or other authorization shall be issued therefor by the Commission, until the Director of the Illinois Environmental Protection Agency finds that the United States Government, through its authorized agency, has identified and approved a demonstrable technology or means for the disposal of high level nuclear waste, or until such construction has been specifically approved by a statute enacted by the General Assembly.

As used in this Section, "high level nuclear waste" means those aqueous wastes resulting from the operation of the first cycle of the solvent extraction system or equivalent and the concentrated wastes of the subsequent extraction cycles or equivalent in a facility for reprocessing irradiated reactor fuel and shall include spent fuel assemblies prior to fuel reprocessing.

(d) In making its determination under subsection (b) of this Section, the Commission shall attach primary weight to the cost or cost savings to the customers of the utility. The Commission may consider any or all factors which will or may affect such cost or cost savings, including the public utility's engineering judgment regarding the materials used for construction.

(e) The Commission may issue a temporary certificate which shall remain in force not to exceed one year in cases of emergency, to assure maintenance of adequate service or to serve particular customers, without notice or hearing, pending the determination of an application for a certificate, and may by regulation exempt from the requirements of this Section temporary acts or operations for which the issuance of a certificate will not be required in the public interest.

A public utility shall not be required to obtain but may apply for and obtain a certificate of public convenience and necessity pursuant to this Section with respect to any matter as to which it has received the authorization or order of the Commission under the Electric Supplier Act, and any such authorization or order granted a public utility by the Commission under that Act shall as between public utilities be deemed to be, and shall have except as provided in that Act the same force and effect as, a certificate of public convenience and necessity issued pursuant to this Section.

No electric cooperative shall be made or shall become a party to or shall be entitled to be heard or to otherwise appear or participate in any proceeding initiated under this Section for authorization of power plant construction and as to matters as to which a remedy is available under The Electric Supplier Act.

(f) Such certificates may be altered or modified by the Commission, upon its own motion or upon application by the person or corporation affected. Unless exercised within a period of 2 years from the grant thereof authority conferred by a certificate of convenience and necessity issued by the Commission shall be null and void.

No certificate of public convenience and necessity shall be construed as granting a monopoly or an exclusive privilege, immunity or franchise.

(g) A public utility that undertakes any of the actions described in items (1) through (3) of this subsection (g) or that has obtained approval pursuant to Section 8-406.1 of this Act shall not be required to comply with the requirements of this Section to the extent such requirements otherwise would apply. For purposes of this Section and Section 8-406.1 of this Act, "high voltage electric service line" means an electric line having a design voltage of 100,000 or more. For purposes of this subsection (g), a public utility may do any of the following:

(1) replace or upgrade any existing high voltage electric service line and related facilities, notwithstanding its length;

(2) relocate any existing high voltage electric service line and related facilities, notwithstanding its length, to accommodate construction or expansion of a roadway or other transportation infrastructure; or

(3) construct a high voltage electric service line and related facilities that is constructed solely to serve a single customer's premises or to provide a generator interconnection to the public utility's transmission system and that will pass under or over the premises owned by the customer or generator to be served or under or over premises for which the customer or generator has secured the necessary right of way.

(h) A public utility seeking to construct a high-voltage electric service line and related facilities (Project) must show that the utility has held a minimum of 2 pre-filing public meetings to receive public comment concerning the Project in each county where the Project is to be located, no earlier than 6 months prior to filing an application for a certificate of public convenience and necessity from the Commission. Notice of the public meeting shall be published in a newspaper of general circulation within the affected county once a week for 3 consecutive weeks, beginning no earlier than one month prior to the first public meeting. If the Project traverses 2 contiguous counties and where in one county the transmission line mileage and number of landowners over whose property the proposed route traverses is one-fifth or less of the transmission line mileage and number of such landowners of the other county, then the utility may combine the 2 pre-filing meetings in the county with the greater transmission line mileage and affected landowners. All other requirements regarding pre-filing meetings shall apply in both counties. Notice of the public meeting, including a description of the Project, must be provided in writing to the clerk of each county where the Project is to be located. A representative of the Commission shall be invited to each pre-filing public meeting.

(i) For applications filed after the effective date of this amendatory Act of the 99th General Assembly, the Commission shall by registered mail notify each owner of record of land, as identified in the records of the relevant county tax assessor, included in the right-of-way over which the utility seeks in its application to construct a high-voltage electric line of the time and place scheduled for the initial hearing on the public utility's application. The utility shall reimburse the Commission for the cost of the postage and supplies incurred for mailing the notice.

(Source: P.A. 99-399, eff. 8-18-15.)

(220 ILCS 5/8-406.2 new)

Sec. 8-406.2. Certificate of public convenience and necessity; extension of utility service area and facilities to serve designated hardship areas.

(a) This Section is intended to provide a mechanism by which a gas public utility may extend its service territory and gas distribution system to provide service to designated low-income areas whose residents do not have access to natural gas service and must purchase more costly alternatives to satisfy their energy needs.

(b) In this Section:

"Designated hardship area" is limited to Pembroke Township, if the Township meets certain requirements. Any "designated hardship area" only applies to the specific community of Pembroke within the scope of the Project. Pembroke Township will only be categorized as a "designated hardship area" if it meets the following requirements:

(1) the area is designated as a qualified census tract by the U.S. Department of Housing and Urban Development as published in the most current Federal Register; if the U.S. Department of Housing and Urban Development ceases to make this designation, then at least 25% of the households in the area are at or below the poverty level; and

(2) the area is not currently served by a gas utility.

"Hardship area facilities" means all gas distribution system facilities that are proposed to be constructed or extended and used to serve the designated hardship area, through and including retail gas

meters. "Hardship area facilities" includes the capacity to address reasonably foreseeable growth in areas adjacent to or in the vicinity of the designated hardship area.

(c) A gas public utility may apply for a certificate of public convenience and necessity pursuant to this Section to increase its gas service territory and extend its gas distribution system to serve a designated hardship area. An application under this Section shall include all of the following:

(1) a description of the designated hardship area and its relationship to the existing gas distribution system of the applicant;

(2) a showing that the designated hardship area meets the criteria for being a designated hardship area under subsection (b) of this Section;

(3) a description of the hardship area facilities proposed to serve the designated hardship area;

(4) a projection of the costs to construct and deploy the hardship area facilities;

(5) a showing that the estimated cost to construct and deploy the hardship area facilities is equal to or less than 250% of the amount allowed under the gas utilities' then current tariffs to provide standard service to extend main and services; and

(6) a statement to confirm that the public utility has held at least 2 pre-filing public meetings in the community and considered public input from those meetings when developing and implementing its plans.

(d) The Commission shall, after notice and hearing, grant a certificate of public convenience and necessity under this Section if, based upon the application filed with the Commission and the evidentiary record, the Commission finds that all of the following criteria are satisfied:

(1) the area to be served is a designated hardship area;

(2) the proposed hardship area facilities will provide adequate, reliable, and efficient gas delivery service to the customers within the designated hardship area and are the least-cost means of providing such gas delivery service to these customers;

(3) the public utility is capable of efficiently managing and supervising the construction of the hardship area facilities and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction;

(4) the public utility is capable of financing the construction of the hardship area facilities without significant adverse financial consequences for the utility or its customers;

(5) the estimated cost to construct and deploy the hardship area facilities is equal to or less than 250% of the amount allowed under the gas utilities then current tariffs to provide standard service to extend main and services;

(6) the public utility can guarantee that residents of Hopkins Park who choose to opt out of converting to a natural gas delivery service will not be assessed any charges relating to the pipeline construction or any other fees relating to the designated hardship area facilities;

(7) the public utility disclosed to the Commission the mapping of the proposed pipeline and infrastructure management requirements within the designated hardship area; and

(8) the public utility has guaranteed that, before implementation, it will disclose to the Commission the cost to the utility for customers of Hopkins Park to utilize gas services.

(e) The Commission shall issue its decision with findings of fact and conclusions of law granting or denying the application no later than 120 days after the application is filed.

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

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

On motion of Senator Anderson, **House Bill No. 3497** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Rezin, **House Bill No. 3515** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Cunningham, **House Bill No. 3592** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Anderson, **House Bill No. 3763** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bennett, **House Bill No. 3783** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Martwick, **House Bill No. 3853** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Hastings, **House Bill No. 3865** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Hastings, **House Bill No. 3870** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Harris, **House Bill No. 3906** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Cunningham, **House Bill No. 3911** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Behavioral and Mental Health, adopted and ordered printed:

AMENDMENT NO. 1 TO HOUSE BILL 3911

AMENDMENT NO. 1 . Amend House Bill 3911 on page 1, by replacing line 14 with the following:

"(1) Revising agencies' and organizations' employee"; and

on page 1, line 18, by replacing "abnormal" with "disproportionate"; and

on page 1, line 20, after "funding", by inserting "or resources"; and

on page 2, line 26, by replacing "meditation," with "mindfulness-based stress reduction techniques, moderate and vigorous intensity activities,"; and

on page 3, line 2, by replacing "the human psyche" with "brain health and mental wellness"; and

on page 5, line 15, by replacing "sophisticated trainings" with "comprehensive and evidence-based training"; and

on page 5, line 17, by replacing "movement" with "physical movement".

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

On motion of Senator Barickman, **House Bill No. 3928** having been printed, was taken up and read by title a second time.

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

AMENDMENT NO. 1 TO HOUSE BILL 3928

AMENDMENT NO. 1 . Amend House Bill 3928 on page 3, lines 4 and 5, 6 and 7, 8 and 9, and 11 and 12, by replacing "Director Designee" each time it appears with "the Director's designee"; and

by replacing line 26 on page 3 through line 1 on page 4 with the following:

"chairperson;

(15) one seed producer appointed by the chairperson; and

(16) one representative of a statewide outdoor sportsman organization appointed by the chairperson.".

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

On motion of Senator Connor, **House Bill No. 3955** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Cunningham, **House Bill No. 3968** having been printed, was taken up, read by title a second time and ordered to a third reading.

READING CONSTITUTIONAL AMENDMENTS A THIRD TIME

On motion of Senator Villivalam, **Senate Joint Resolution Constitutional Amendment No. 11**, having been printed, was taken up, read in full a third time.

Senator Villivalam moved that Senate Joint Resolution Constitutional Amendment No. 11, be adopted.

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

YEAS 49; NAYS 7.

The following voted in the affirmative:

Anderson	DeWitte	Koehler	Simmons
Aquino	Ellman	Landek	Sims
Belt	Feigenholtz	Lightford	Stadelman
Bennett	Fine	Loughran Cappel	Stoller
Bryant	Fowler	Martwick	Syverson
Bush	Gillespie	McClure	Villa
Castro	Glowiak Hilton	Morrison	Villanueva
Collins	Harris	Muñoz	Villivalam
Connor	Hastings	Murphy	Wilcox
Crowe	Holmes	Pacione-Zayas	Mr. President
Cullerton, T.	Hunter	Peters	
Cunningham	Johnson	Rezin	
Curran	Joyce	Rose	

The following voted in the negative:

Bailey	McConchie	Stewart	Turner, S.
Barickman	Plummer	Tracy	

The motion prevailed.

And the resolution, was adopted by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

READING BILLS OF THE SENATE A THIRD TIME

On motion of Senator Belt, **Senate Bill No. 1770** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

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

YEAS 56; NAYS None.

The following voted in the affirmative:

Anderson	DeWitte	Lightford	Stadelman
Aquino	Ellman	Loughran Cappel	Stewart
Bailey	Feigenholtz	Martwick	Stoller
Barickman	Fine	McClure	Syverson
Belt	Fowler	McConchie	Tracy
Bennett	Gillespie	Morrison	Turner, S.
Bryant	Glowiak Hilton	Muñoz	Villa
Bush	Harris	Murphy	Villanueva
Castro	Hastings	Pacione-Zayas	Villivalam
Collins	Holmes	Peters	Wilcox
Connor	Hunter	Plummer	Mr. President
Crowe	Johnson	Rezin	
Cullerton, T.	Joyce	Rose	
Cunningham	Koehler	Simmons	
Curran	Landek	Sims	

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

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

LEGISLATIVE MEASURES FILED

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

Amendment No. 2 to House Bill 135

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

Amendment No. 1 to House Bill 3445

RESOLUTIONS CONSENT CALENDAR

SENATE RESOLUTION NO. 304

Offered by Senator Bennett and all Senators:
Mourns the passing of Mikel Jay "Mike" Cannon.

SENATE RESOLUTION NO. 308

Offered by Senator Morrison and all Senators:
Mourns the passing of Philip James "Phil" Murphy.

SENATE RESOLUTION NO. 309

Offered by Senator Villanueva and all Senators:
Mourns the death of Marcos Muñoz.

SENATE RESOLUTION NO. 310

Offered by Senator Barickman and all Senators:

Mourns the passing of Joseph Alexander "Joey" Hoopingarner.

The Chair moved the adoption of the Resolutions Consent Calendar.
The motion prevailed, and the resolutions were adopted.

At the hour of 1:15 o'clock p.m., the Chair announced that the Senate stands adjourned until Monday, May 24, 2021, at 4:00 o'clock p.m.