



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2658

Introduced 5/6/2025, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

30 ILCS 740/2-3

from Ch. 111 2/3, par. 663

30 ILCS 740/2-7

from Ch. 111 2/3, par. 667

Amends the Downstate Public Transportation Act. Increases the amount paid into the Downstate Public Transportation Fund from 3/32 of 80% of the net revenue realized from the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Use Tax Act, and the Service Use Tax Act within any municipality or county located wholly within the boundaries of a participant to (i) 3/32 of 100% of that net revenue from July 1, 2025 through July 1, 2033 and (ii) 4/32 of 100% of that net revenue on and after July 1, 2033. Makes changes concerning the amount each participant's annual appropriation from the Downstate Public Transportation Fund. Effective immediately.

LRB104 13433 HLH 25821 b

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Downstate Public Transportation Act is
5 amended by changing Sections 2-3 and 2-7 as follows:

6 (30 ILCS 740/2-3) (from Ch. 111 2/3, par. 663)

7 Sec. 2-3. (a) As soon as possible after the first day of
8 each month, ~~beginning July 1, 1984,~~ upon certification of the
9 Department of Revenue, the Comptroller shall order
10 transferred, and the Treasurer shall transfer, the following
11 amounts from the General Revenue Fund to a special fund in the
12 State Treasury which is hereby created, to be known as the
13 Downstate Public Transportation Fund:

14 (1) for tax periods beginning on or after July 1, 2005
15 and beginning before July 1, 2025, 3/32 of 80% of the net
16 revenue realized from the Retailers' Occupation Tax Act,
17 the Service Occupation Tax Act, the Use Tax Act, and the
18 Service Use Tax Act from persons incurring municipal or
19 county retailers' or service occupation tax liability for
20 the benefit of any municipality or county located wholly
21 within the boundaries of each participant, other than any
22 Metro-East Transit District participant certified pursuant
23 to subsection (c) of this Section, during the preceding

1 month;

2 (2) for tax periods beginning on or after July 1, 2025
3 and beginning before July 1, 2033, 3/32 of 100% of the net
4 revenue realized from the Retailers' Occupation Tax Act,
5 the Service Occupation Tax Act, the Use Tax Act, and the
6 Service Use Tax Act from persons incurring municipal or
7 county retailers' or service occupation tax liability for
8 the benefit of any municipality or county located wholly
9 within the boundaries of each participant, other than any
10 Metro-East Transit District participant certified pursuant
11 to subsection (c) of this Section, during the preceding
12 month; and

13 (3) for tax periods beginning on or after July 1,
14 2033, 4/32 of 100% of the net revenue realized from the
15 Retailers' Occupation Tax Act, the Service Occupation Tax
16 Act, the Use Tax Act, and the Service Use Tax Act from
17 persons incurring municipal or county retailers' or
18 service occupation tax liability for the benefit of any
19 municipality or county located wholly within the
20 boundaries of each participant, other than any Metro-East
21 Transit District participant certified pursuant to
22 subsection (c) of this Section, during the preceding
23 month. ~~, an amount equal to 2/32 (beginning July 1, 2005,~~
24 ~~3/32) of the net revenue realized from the Retailers'~~
25 ~~Occupation Tax Act, the Service Occupation Tax Act, the~~
26 ~~Use Tax Act, and the Service Use Tax Act from persons~~

~~incurring municipal or county retailers' or service
occupation tax liability for the benefit of any
municipality or county located wholly within the
boundaries of each participant, other than any Metro East
Transit District participant certified pursuant to
subsection (c) of this Section during the preceding month,
except that the Department shall pay into the Downstate
Public Transportation Fund 2/32 (beginning July 1, 2005,
3/32) of 80% of the net revenue realized under the State
tax Acts named above within any municipality or county
located wholly within the boundaries of each participant,
other than any Metro East participant, for tax periods
beginning on or after January 1, 1990.~~

Net revenue realized for a month shall be the revenue collected by the State pursuant to such Acts during the previous month from persons incurring municipal or county retailers' or service occupation tax liability for the benefit of any municipality or county located wholly within the boundaries of a participant, less the amount paid out during that same month as refunds or credit memoranda to taxpayers for overpayment of liability under such Acts for the benefit of any municipality or county located wholly within the boundaries of a participant.

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 (a) to

1 be transferred by the Treasurer into the Downstate Public
2 Transportation Fund from the General Revenue Fund shall be
3 directly deposited into the Downstate Public Transportation
4 Fund as the revenues are realized from the taxes indicated.

5 (b) As soon as possible after the first day of each month,
6 beginning July 1, 1989, upon certification of the Department
7 of Revenue, the Comptroller shall order transferred, and the
8 Treasurer shall transfer, from the General Revenue Fund to a
9 special fund in the State Treasury which is hereby created, to
10 be known as the Metro-East Public Transportation Fund, an
11 amount equal to $\frac{2}{32}$ of the net revenue realized, as above,
12 from within the boundaries of Madison, Monroe, and St. Clair
13 Counties, except that the Department shall pay into the
14 Metro-East Public Transportation Fund $\frac{2}{32}$ of 80% of the net
15 revenue realized under the State tax Acts specified in
16 subsection (a) of this Section within the boundaries of
17 Madison, Monroe and St. Clair Counties for tax periods
18 beginning on or after January 1, 1990. A local match
19 equivalent to an amount which could be raised by a tax levy at
20 the rate of .05% on the assessed value of property within the
21 boundaries of Madison County is required annually to cause a
22 total of $\frac{2}{32}$ of the net revenue to be deposited in the
23 Metro-East Public Transportation Fund. Failure to raise the
24 required local match annually shall result in only $\frac{1}{32}$ being
25 deposited into the Metro-East Public Transportation Fund after
26 July 1, 1989, or $\frac{1}{32}$ of 80% of the net revenue realized for

1 tax periods beginning on or after January 1, 1990. Beginning
2 July 1, 2005, the provisions of this subsection (b) shall no
3 longer apply with respect to such tax receipts from Monroe and
4 St. Clair Counties. Beginning July 1, 2008, the provisions of
5 this subsection (b) shall no longer apply with respect to such
6 tax receipts from Madison County.

7 (b-5) As soon as possible after the first day of each
8 month, beginning July 1, 2005, upon certification of the
9 Department of Revenue, the Comptroller shall order
10 transferred, and the Treasurer shall transfer, the following
11 amounts from the General Revenue Fund to the Downstate Public
12 Transportation Fund:

13 (1) from July 1, 2005 through July 1, 2025, an amount
14 equal to 3/32 of 80% of the net revenue realized from
15 within the boundaries of Monroe and St. Clair Counties
16 under the State Tax Acts specified in subsection (a) of
17 this Section;

18 (2) from July 1, 2025 through July 1, 2033, an amount
19 equal to 3/32 of 100% of the net revenue realized from
20 within the boundaries of Monroe and St. Clair Counties
21 under the State Tax Acts specified in subsection (a) of
22 this Section; and

23 (3) on and after July 1, 2033, an amount equal to 4/32
24 of 100% of the net revenue realized from within the
25 boundaries of Monroe and St. Clair Counties under the
26 State Tax Acts specified in subsection (a) of this

1 Section. ~~, an amount equal to 3/32 of 80% of the net~~
2 ~~revenue realized from within the boundaries of Monroe and~~
3 ~~St. Clair Counties under the State Tax Acts specified in~~
4 ~~subsection (a) of this Section and provided further that,~~
5 ~~beginning July 1, 2005, the provisions of subsection (b)~~
6 ~~shall no longer apply with respect to such tax receipts~~
7 ~~from Monroe and St. Clair Counties.~~

8 Notwithstanding any provision of law to the contrary,
9 beginning on July 6, 2017 (the effective date of Public Act
10 100-23), those amounts required under this subsection (b-5) to
11 be transferred by the Treasurer into the Downstate Public
12 Transportation Fund from the General Revenue Fund shall be
13 directly deposited into the Downstate Public Transportation
14 Fund as the revenues are realized from the taxes indicated.

15 (b-6) As soon as possible after the first day of each
16 month, beginning July 1, 2008, upon certification by the
17 Department of Revenue, the Comptroller shall order transferred
18 and the Treasurer shall transfer, the following amounts from
19 the General Revenue Fund to the Downstate Public
20 Transportation Fund:

21 (1) from July 1, 2008 through July 1, 2025, an amount
22 equal to 3/32 of 80% of the net revenue realized from
23 within the boundaries of Madison County under the State
24 Tax Acts specified in subsection (a) of this Section;

25 (2) from July 1, 2025 through July 1, 2033, an amount
26 equal to 3/32 of 100% of the net revenue realized from

1 within the boundaries of Madison County under the State
2 Tax Acts specified in subsection (a) of this Section; and
3 (3) on and after July 1, 2033, an amount equal to 4/32
4 of 100% of the net revenue realized from within the
5 boundaries of Madison County under the State Tax Acts
6 specified in subsection (a) of this Section. , an amount
7 ~~equal to 3/32 of 80% of the net revenue realized from~~
8 ~~within the boundaries of Madison County under the State~~
9 ~~Tax Acts specified in subsection (a) of this Section and~~
10 ~~provided further that, beginning July 1, 2008, the~~
11 ~~provisions of subsection (b) shall no longer apply with~~
12 ~~respect to such tax receipts from Madison County.~~

13 Notwithstanding any provision of law to the contrary,
14 beginning on July 6, 2017 (the effective date of Public Act
15 100-23), those amounts required under this subsection (b-6) to
16 be transferred by the Treasurer into the Downstate Public
17 Transportation Fund from the General Revenue Fund shall be
18 directly deposited into the Downstate Public Transportation
19 Fund as the revenues are realized from the taxes indicated.

20 (b-7) Beginning July 1, 2018, notwithstanding any other
21 provisions of law to the contrary, instead of the Comptroller
22 making monthly transfers from the General Revenue Fund to the
23 Downstate Public Transportation Fund, the Department of
24 Revenue shall deposit the designated fraction of the net
25 revenue realized from collections under the Retailers'
26 Occupation Tax Act, the Service Occupation Tax Act, the Use

1 Tax Act, and the Service Use Tax Act directly into the
2 Downstate Public Transportation Fund, except that, for the
3 State fiscal year beginning July 1, 2024, the first
4 \$75,000,000 that would have otherwise been deposited as
5 provided in this subsection shall instead be transferred from
6 the Road Fund to the Downstate Public Transportation Fund by
7 the Treasurer upon certification by the Department of Revenue
8 and order of the Comptroller. The funds authorized and
9 transferred pursuant to this amendatory Act of the 103rd
10 General Assembly are not intended or planned for road
11 construction projects.

12 (c) The Department shall certify to the Department of
13 Revenue the eligible participants under this Article and the
14 territorial boundaries of such participants for the purposes
15 of the Department of Revenue in subsections (a) and (b) of this
16 Section.

17 (d) For the purposes of this Article, beginning in fiscal
18 year 2009 the General Assembly shall appropriate an amount
19 from the Downstate Public Transportation Fund equal to the sum
20 total of funds projected to be paid to the participants
21 pursuant to Section 2-7. If the General Assembly fails to make
22 appropriations sufficient to cover the amounts projected to be
23 paid pursuant to Section 2-7, this Act shall constitute an
24 irrevocable and continuing appropriation from the Downstate
25 Public Transportation Fund of all amounts necessary for those
26 purposes.

1 (e) (Blank).

2 (f) (Blank).

3 (g) (Blank).

4 (h) For State fiscal year 2020 only, notwithstanding any
5 provision of law to the contrary, the total amount of revenue
6 and deposits under this Section attributable to revenues
7 realized during State fiscal year 2020 shall be reduced by 5%.

8 (i) For State fiscal year 2021 only, notwithstanding any
9 provision of law to the contrary, the total amount of revenue
10 and deposits under this Section attributable to revenues
11 realized during State fiscal year 2021 shall be reduced by 5%.

12 (j) Commencing with State fiscal year 2022 programs, and
13 for each fiscal year thereafter, all appropriations made under
14 the provisions of this Act shall not constitute a grant
15 program subject to the requirements of the Grant
16 Accountability and Transparency Act. The Department shall
17 approve programs of proposed expenditures and services
18 submitted by participants under the requirements of Sections
19 2-5 and 2-11.

20 (Source: P.A. 102-626, eff. 8-27-21; 103-588, eff. 6-5-24.)

21 (30 ILCS 740/2-7) (from Ch. 111 2/3, par. 667)

22 Sec. 2-7. Quarterly reports; annual audit.

23 (a) Any Metro-East Transit District participant shall, no
24 later than 60 days following the end of each quarter of any
25 fiscal year, file with the Department on forms provided by the

1 Department for that purpose, a report of the actual operating
2 deficit experienced during that quarter. The Department shall,
3 upon receipt of the quarterly report, determine whether the
4 operating deficits were incurred in conformity with the
5 program of proposed expenditures and services approved by the
6 Department pursuant to Section 2-11. Any Metro-East District
7 may either monthly or quarterly for any fiscal year file a
8 request for the participant's eligible share, as allocated in
9 accordance with Section 2-6, of the amounts transferred into
10 the Metro-East Public Transportation Fund.

11 (b) Each participant other than any Metro-East Transit
12 District participant shall, 30 days before the end of each
13 quarter, file with the Department on forms provided by the
14 Department for such purposes a report of the projected
15 eligible operating expenses to be incurred in the next quarter
16 and 30 days before the third and fourth quarters of any fiscal
17 year a statement of actual eligible operating expenses
18 incurred in the preceding quarters. Except as otherwise
19 provided in subsection (b-5), within 45 days of receipt by the
20 Department of such quarterly report, the Comptroller shall
21 order paid and the Treasurer shall pay from the Downstate
22 Public Transportation Fund to each participant an amount equal
23 to one-third of such participant's eligible operating
24 expenses; provided, however, that in Fiscal Year 1997, the
25 amount paid to each participant from the Downstate Public
26 Transportation Fund shall be an amount equal to 47% of such

1 participant's eligible operating expenses and shall be
2 increased to 49% in Fiscal Year 1998, 51% in Fiscal Year 1999,
3 53% in Fiscal Year 2000, 55% in Fiscal Years 2001 through 2007,
4 ~~and 65% in Fiscal Years ~~Year~~ 2008 through 2026; and in Fiscal~~
5 Year 2027 and thereafter, 75% for participants serving
6 urbanized areas and 80% for participants serving nonurbanized
7 areas and thereafter; however, in any year that a participant
8 receives funding under subsection (i) of Section 2705-305 of
9 the Department of Transportation Law (20 ILCS 2705/2705-305),
10 that participant shall be eligible only for assistance equal
11 to the following percentage of its eligible operating
12 expenses: 42% in Fiscal Year 1997, 44% in Fiscal Year 1998, 46%
13 in Fiscal Year 1999, 48% in Fiscal Year 2000, and 50% in Fiscal
14 Year 2001 and thereafter. Any such payment for the third and
15 fourth quarters of any fiscal year shall be adjusted to
16 reflect actual eligible operating expenses for preceding
17 quarters of such fiscal year. However, no participant shall
18 receive an amount less than that which was received in the
19 immediate prior year, provided in the event of a shortfall in
20 the fund those participants receiving less than their full
21 allocation pursuant to Section 2-6 of this Article shall be
22 the first participants to receive an amount not less than that
23 received in the immediate prior year.

24 (b-5) (Blank).

25 (b-10) On July 1, 2008, each participant shall receive an
26 appropriation in an amount equal to 65% of its fiscal year 2008

1 eligible operating expenses adjusted by the annual 10%
2 increase required by Section 2-2.04 of this Act. In no case
3 shall any participant receive an appropriation that is less
4 than its fiscal year 2008 appropriation. Every fiscal year
5 thereafter, each participant's appropriation shall increase by
6 10% over the appropriation established for the preceding
7 fiscal year as required by Section 2-2.04 of this Act.

8 (b-11) Beginning July 1, 2026, and in each fiscal year
9 thereafter, each participant's appropriation shall increase by
10 an amount equal to the year over year percentage of increase in
11 revenue deposited into the Downstate Public Transportation
12 Fund between the 2 most recent completed fiscal years. If
13 there was a year over year reduction in the revenue deposited
14 into the Fund, then each participant's appropriation shall be
15 equal to the previous fiscal year's appropriation.

16 (b-15) Beginning on July 1, 2007, and for each fiscal year
17 thereafter, each participant shall maintain a minimum local
18 share contribution (from farebox and all other local revenues)
19 equal to the actual amount provided in Fiscal Year 2006 or, for
20 new recipients, an amount equivalent to the local share
21 provided in the first year of participation. The local share
22 contribution shall be reduced by an amount equal to the total
23 amount of lost revenue for services provided under Section
24 2-15.2 and Section 2-15.3 of this Act.

25 (b-20) Any participant in the Downstate Public
26 Transportation Fund may use State operating assistance funding

1 pursuant to this Section to provide transportation services
2 within any county that is contiguous to its territorial
3 boundaries as defined by the Department and subject to
4 Departmental approval. Any such contiguous-area service
5 provided by a participant after July 1, 2007 must meet the
6 requirements of subsection (a) of Section 2-5.1.

7 (c) No later than 180 days following the last day of the
8 participant's Fiscal Year each participant shall provide the
9 Department with an audit prepared by a Certified Public
10 Accountant covering that Fiscal Year. For those participants
11 other than a Metro-East Transit District, any discrepancy
12 between the funds paid and the percentage of the eligible
13 operating expenses provided for by paragraph (b) of this
14 Section shall be reconciled by appropriate payment or credit.
15 In the case of any Metro-East Transit District, any amount of
16 payments from the Metro-East Public Transportation Fund which
17 exceed the eligible deficit of the participant shall be
18 reconciled by appropriate payment or credit.

19 (d) Upon the Department's final reconciliation
20 determination that identifies a discrepancy between the
21 Downstate Operating Assistance Program funds paid and the
22 percentage of the eligible operating expenses which results in
23 a reimbursement payment due to the Department, the participant
24 shall remit the reimbursement payment to the Department no
25 later than 90 days after written notification.

26 (e) Funds received by the Department from participants for

1 reimbursement as a result of an overpayment from a prior State
2 fiscal year shall be deposited into the Downstate Public
3 Transportation Fund in the fiscal year in which they are
4 received and all unspent funds shall roll to following fiscal
5 years.

6 (f) Upon the Department's final reconciliation
7 determination that identifies a discrepancy between the
8 Downstate Operating Assistance Program funds paid and the
9 percentage of the eligible operating expenses which results in
10 a reimbursement payment due to the participant, the Department
11 shall remit the reimbursement payment to the participant no
12 later than 90 days after written notifications.

13 (Source: P.A. 102-626, eff. 8-27-21; 102-790, eff. 1-1-23;
14 103-154, eff. 6-30-23.)

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