

1 AN ACT concerning transportation.

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 2-2.02, 2-2.04, 2-2.05, 2-3, 2-6,  
6 and 2-7 and adding Section 2-5.1 as follows:

7 (30 ILCS 740/2-2.02) (from Ch. 111 2/3, par. 662.02)

8 Sec. 2-2.02. "Participant" means:

9 (1) a city, village, or incorporated town, a county, or a  
10 local mass transit district organized under the Local Mass  
11 Transit District Act (a) serving an urbanized area of over  
12 50,000 population or ~~on December 28, 1989,~~ (b) ~~receiving State~~  
13 ~~mass transportation operating assistance pursuant to the~~  
14 ~~Downstate Public Transportation Act during Fiscal Year 1979, or~~  
15 ~~(c) serving a nonurbanized area and receiving federal rural~~  
16 ~~public transportation assistance on or before June 30, 2002; or~~

17 (2) any Metro-East Transit District established pursuant  
18 to Section 3 of the Local Mass Transit District Act and serving  
19 one or more of the Counties of Madison, Monroe, and St. Clair  
20 during Fiscal Year 1989, all located outside the boundaries of  
21 the Regional Transportation Authority as established pursuant  
22 to the Regional Transportation Authority Act.

23 (Source: P.A. 91-357, eff. 7-29-99; 92-258, eff. 8-7-01;  
24 92-464, eff. 8-22-01.)

25 (30 ILCS 740/2-2.04) (from Ch. 111 2/3, par. 662.04)

26 Sec. 2-2.04. "Eligible operating expenses" means all  
27 expenses required for public transportation, including  
28 employee wages and benefits, materials, fuels, supplies,  
29 rental of facilities, taxes other than income taxes, payment  
30 made for debt service (including principal and interest) on  
31 publicly owned equipment or facilities, and any other

1 expenditure which is an operating expense according to standard  
2 accounting practices for the providing of public  
3 transportation. Eligible operating expenses shall not include  
4 allowances: (a) for depreciation whether funded or unfunded;  
5 (b) for amortization of any intangible costs; (c) for debt  
6 service on capital acquired with the assistance of capital  
7 grant funds provided by the State of Illinois; (d) for profits  
8 or return on investment; (e) for excessive payment to  
9 associated entities; (f) for Comprehensive Employment Training  
10 Act expenses; (g) for costs reimbursed under Sections 6 and 8  
11 of the "Urban Mass Transportation Act of 1964", as amended; (h)  
12 for entertainment expenses; (i) for charter expenses; (j) for  
13 fines and penalties; (k) for charitable donations; (l) for  
14 interest expense on long term borrowing and debt retirement  
15 other than on publicly owned equipment or facilities; (m) for  
16 income taxes; or (n) for such other expenses as the Department  
17 may determine consistent with federal Department of  
18 Transportation regulations or requirements.

19 With respect to participants other than any Metro-East  
20 Transit District participant and those receiving federal  
21 research development and demonstration funds pursuant to  
22 Section 6 of the "Urban Mass Transportation Act of 1964", as  
23 amended, during the fiscal year ending June 30, 1979, the  
24 maximum eligible operating expenses for any such participant in  
25 any fiscal year after Fiscal Year 1980 shall be the amount  
26 appropriated for such participant for the fiscal year ending  
27 June 30, 1980, plus in each year a 10% increase over the  
28 maximum established for the preceding fiscal year. For Fiscal  
29 Year 1980 the maximum eligible operating expenses for any such  
30 participant shall be the amount of projected operating expenses  
31 upon which the appropriation for such participant for Fiscal  
32 Year 1980 is based.

33 With respect to participants receiving federal research  
34 development and demonstration operating assistance funds for  
35 operating assistance pursuant to Section 6 of the "Urban Mass  
36 Transportation Act of 1964", as amended, during the fiscal year

1 ending June 30, 1979, the maximum eligible operating expenses  
2 for any such participant in any fiscal year after Fiscal Year  
3 1980 shall not exceed such participant's eligible operating  
4 expenses for the fiscal year ending June 30, 1980, plus in each  
5 year a 10% increase over the maximum established for the  
6 preceding fiscal year. For Fiscal Year 1980, the maximum  
7 eligible operating expenses for any such participant shall be  
8 the eligible operating expenses incurred during such fiscal  
9 year, or projected operating expenses upon which the  
10 appropriation for such participant for the Fiscal Year 1980 is  
11 based; whichever is less.

12 With respect to all participants other than any Metro-East  
13 Transit District participant, the maximum eligible operating  
14 expenses for any such participant in any fiscal year after  
15 Fiscal Year 1985 shall be the amount appropriated for such  
16 participant for the fiscal year ending June 30, 1985, plus in  
17 each year a 10% increase over the maximum established for the  
18 preceding year. For Fiscal Year 1985, the maximum eligible  
19 operating expenses for any such participant shall be the amount  
20 of projected operating expenses upon which the appropriation  
21 for such participant for Fiscal Year 1985 is based.

22 With respect to any mass transit district participant that  
23 has increased its district boundaries by annexing counties  
24 since 1998 and is maintaining a level of local financial  
25 support, including all income and revenues, equal to or greater  
26 than the level in the State fiscal year ending June 30, 2001,  
27 the maximum eligible operating expenses for any State fiscal  
28 year after 2002 (except State fiscal year 2006) shall be the  
29 amount appropriated for that participant for the State fiscal  
30 year ending June 30, 2002, plus, in each State fiscal year, a  
31 10% increase over the preceding State fiscal year. For State  
32 fiscal year 2002, the maximum eligible operating expenses for  
33 any such participant shall be the amount of projected operating  
34 expenses upon which the appropriation for that participant for  
35 State fiscal year 2002 is based. For that participant, eligible  
36 operating expenses for State fiscal year 2002 in excess of the

1 eligible operating expenses for the State fiscal year ending  
2 June 30, 2001, plus 10%, must be attributed to the provision of  
3 services in the newly annexed counties.

4 With respect to a participant that receives an initial  
5 appropriation in State fiscal year 2002 or thereafter, the  
6 maximum eligible operating expenses for any State fiscal year  
7 after 2003 (except State fiscal year 2006) shall be the amount  
8 appropriated for that participant for the State fiscal year in  
9 which it received its initial appropriation ~~ending June 30,~~  
10 ~~2003~~, plus, in each year, a 10% increase over the preceding  
11 year. For the initial State fiscal year in which a participant  
12 received an appropriation ~~2003~~, the maximum eligible operating  
13 expenses for any such participant shall be the amount of  
14 projected operating expenses upon which the appropriation for  
15 that participant for that State fiscal year ~~2003~~ is based.

16 With respect to the District serving primarily the counties  
17 of Monroe and St. Clair, beginning July 1, 2005, the St. Clair  
18 County Transit District shall no longer be included for new  
19 appropriation funding purposes as part of the Metro-East Public  
20 Transportation Fund and instead shall be included for new  
21 appropriation funding purposes as part of the Downstate Public  
22 Transportation Fund; provided, however, that nothing herein  
23 shall alter the eligibility of that District for previously  
24 appropriated funds to which it would otherwise be entitled.

25 (Source: P.A. 92-258, eff. 8-7-01; 92-464, eff. 8-22-01;  
26 92-651, eff. 7-11-02.)

27 (30 ILCS 740/2-2.05) (from Ch. 111 2/3, par. 662.05)

28 Sec. 2-2.05. "Public Transportation" means the  
29 transportation or conveyance of persons by means available to  
30 the general public including groups of the general public with  
31 special needs

32 (1) within the urbanized area or

33 (2) in the nonurbanized areas within the service area of  
34 each participant as approved by the Department, except for  
35 transportation by automobiles not used for conveyance of the

1 general public as passengers.

2 Service in a participant's service area may be provided by  
3 either (i) another eligible participant through an  
4 intergovernmental agreement, (ii) a private for-profit  
5 operator through a third party contract, or (iii) a private  
6 non-profit operator through a pass through agreement or third  
7 party contract.

8 (Source: P.A. 82-783.)

9 (30 ILCS 740/2-3) (from Ch. 111 2/3, par. 663)

10 Sec. 2-3. (a) As soon as possible after the first day of  
11 each month, beginning July 1, 1984, upon certification of the  
12 Department of Revenue, the Comptroller shall order  
13 transferred, and the Treasurer shall transfer, from the General  
14 Revenue Fund to a special fund in the State Treasury which is  
15 hereby created, to be known as the "Downstate Public  
16 Transportation Fund", an amount equal to 2/32 (beginning July  
17 1, 2005, 3/32) of the net revenue realized from the "Retailers'  
18 Occupation Tax Act", as now or hereafter amended, the "Service  
19 Occupation Tax Act", as now or hereafter amended, the "Use Tax  
20 Act", as now or hereafter amended, and the "Service Use Tax  
21 Act", as now or hereafter amended, from persons incurring  
22 municipal or county retailers' or service occupation tax  
23 liability for the benefit of any municipality or county located  
24 wholly within the boundaries of each participant other than any  
25 Metro-East Transit District participant certified pursuant to  
26 subsection (c) of this Section during the preceding month,  
27 except that the Department shall pay into the Downstate Public  
28 Transportation Fund 2/32 (beginning July 1, 2005, 3/32) of 80%  
29 of the net revenue realized under the State tax Acts named  
30 above within any municipality or county located wholly within  
31 the boundaries of each participant, other than any Metro-East  
32 participant, for tax periods beginning on or after January 1,  
33 1990; provided, however, that beginning with fiscal year 1985,  
34 the transfers into the Downstate Public Transportation Fund  
35 during any fiscal year shall not exceed the annual

1 appropriation from the Downstate Public Transportation Fund  
2 for that year. The Department of Transportation shall notify  
3 the Department of Revenue and the Comptroller at the beginning  
4 of each fiscal year of the amount of the annual appropriation  
5 from the Downstate Public Transportation Fund. Net revenue  
6 realized for a month shall be the revenue collected by the  
7 State pursuant to such Acts during the previous month from  
8 persons incurring municipal or county retailers' or service  
9 occupation tax liability for the benefit of any municipality or  
10 county located wholly within the boundaries of a participant,  
11 less the amount paid out during that same month as refunds or  
12 credit memoranda to taxpayers for overpayment of liability  
13 under such Acts for the benefit of any municipality or county  
14 located wholly within the boundaries of a participant.

15 (b) As soon as possible after the first day of each month,  
16 beginning July 1, 1989, upon certification of the Department of  
17 Revenue, the Comptroller shall order transferred, and the  
18 Treasurer shall transfer, from the General Revenue Fund to a  
19 special fund in the State Treasury which is hereby created, to  
20 be known as the "Metro-East Public Transportation Fund", an  
21 amount equal to  $\frac{2}{32}$  of the net revenue realized, as above,  
22 from within the boundaries of Madison, Monroe, and St. Clair  
23 Counties, except that the Department shall pay into the  
24 Metro-East Public Transportation Fund  $\frac{2}{32}$  of 80% of the net  
25 revenue realized under the State tax Acts specified in  
26 subsection (a) of this Section within the boundaries of  
27 Madison, Monroe and St. Clair Counties for tax periods  
28 beginning on or after January 1, 1990. A local match equivalent  
29 to an amount which could be raised by a tax levy at the rate of  
30 .05% on the assessed value of property within the boundaries of  
31 Madison County, ~~Monroe and St. Clair Counties~~ is required  
32 annually to cause a total of  $\frac{2}{32}$  of the net revenue to be  
33 deposited in the Metro-East Public Transportation Fund.  
34 Failure to raise the required local match annually shall result  
35 in only  $\frac{1}{32}$  being deposited into the Metro-East Public  
36 Transportation Fund after July 1, 1989, or  $\frac{1}{32}$  of 80% of the

1 net revenue realized for tax periods beginning on or after  
2 January 1, 1990.

3 (b-5) As soon as possible after the first day of each  
4 month, beginning July 1, 2005, upon certification of the  
5 Department of Revenue, the Comptroller shall order  
6 transferred, and the Treasurer shall transfer, from the General  
7 Revenue Fund to the Downstate Public Transportation Fund, an  
8 amount equal to 3/32 of 80% of the net revenue realized from  
9 within the boundaries of Monroe and St. Clair Counties under  
10 the State Tax Acts specified in subsection (a) of this Section  
11 and provided further that, beginning July 1, 2005, the  
12 provisions of subsection (b) shall no longer apply with respect  
13 to such tax receipts from Monroe and St. Clair Counties.

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

19 (d) For the purposes of this Article the Department shall  
20 include in its annual request for appropriation of ordinary and  
21 contingent expenses an amount equal to the sum total funds  
22 projected to be paid to the participants pursuant to Section  
23 2-7.

24 (e) In addition to any other permitted use of moneys in the  
25 Fund, and notwithstanding any restriction on the use of the  
26 Fund, moneys in the Downstate Public Transportation Fund may be  
27 transferred to the General Revenue Fund as authorized by Public  
28 Act 87-14. The General Assembly finds that an excess of moneys  
29 existed in the Fund on July 30, 1991, and the Governor's order  
30 of July 30, 1991, and the Governor's order of July 30, 1991,  
31 requesting the Comptroller and Treasurer to transfer an amount  
32 from the Fund to the General Revenue Fund is hereby validated.

33 (Source: P.A. 86-590; 86-953; 87-838.)

34 (30 ILCS 740/2-5.1 new)

35 Sec. 2-5.1. Additional requirements.

1       (a) Any unit of local government that becomes a participant  
2 on or after the effective date of this amendatory Act of the  
3 94th General Assembly shall, in addition to any other  
4 requirements under this Article, meet all of the following  
5 requirements when applying for grants under this Article:

6           (1) The grant application must demonstrate the  
7 participant's plan to provide general public  
8 transportation with an emphasis on elderly, disabled, and  
9 economically disadvantaged populations.

10          (2) The grant application must demonstrate the  
11 participant's plan for interagency coordination that, at a  
12 minimum, allows the participation of all State-funded and  
13 federally-funded agencies and programs with transportation  
14 needs in the proposed service area in the development of  
15 the applicant's public transportation program.

16          (3) Any participant serving a nonurbanized area that is  
17 not receiving Federal Section 5311 funding must meet the  
18 operating and safety compliance requirements as set forth  
19 in that federal program.

20          (4) The participant is required to hold public hearings  
21 to allow comment on the proposed service plan in all  
22 municipalities with populations of 1,500 inhabitants or  
23 more within the proposed service area.

24       (b) Service extensions by any participant after July 1,  
25 2005 by either annexation or intergovernmental agreement must  
26 meet the 4 requirements of subsection (a).

27       (c) In order to receive funding, the Department shall  
28 certify that the participant has met the requirements of this  
29 Section. Funding priority shall be given to service extension,  
30 multi-county, and multi-jurisdictional projects.

31       (30 ILCS 740/2-6) (from Ch. 111 2/3, par. 666)

32       Sec. 2-6. Allocation of funds.

33       (a) With respect to all participants other than any  
34 Metro-East Transit District participant, the Department shall  
35 allocate the funds to be made available to each participant



1 under this Article for the following fiscal year and shall  
2 notify the chief official of each participant not later than  
3 the first day of the fiscal year of this amount. For Fiscal  
4 Year 1975, notification shall be made not later than January 1,  
5 1975, of the amount of such allocation. In determining the  
6 allocation for each participant, the Department shall estimate  
7 the funds available to the participant from the Downstate  
8 Public Transportation Fund for the purposes of this Article  
9 during the succeeding fiscal year, and shall allocate to each  
10 participant the amount attributable to it which shall be the  
11 amount paid into the Downstate Public Transportation Fund under  
12 Section 2-3 from within its boundaries. Said allocations may be  
13 exceeded for participants receiving assistance equal to  
14 one-third of their eligible operating expenses, only if an  
15 allocation is less than one-third of such participant's  
16 eligible operating expenses, provided, however, that no other  
17 participant is denied its one-third of eligible operating  
18 expenses. Beginning in Fiscal Year 1997, said allocation may be  
19 exceeded for participants receiving assistance equal to the  
20 percentage of their eligible operating expenses provided for in  
21 paragraph (b) of Section 2-7, only if allocation is less than  
22 the percentage of such participant's eligible operating  
23 expenses provided for in paragraph (b) of Section 2-7, provided  
24 however, that no other participant is denied its percentage of  
25 eligible operating expenses.

26 (b) With regard to any Metro-East Transit District  
27 organized under the Local Mass Transit District Act and serving  
28 one or more of the Counties of Madison, Monroe and St. Clair  
29 during Fiscal Year 1989, the Department shall allocate the  
30 funds to be made available to each participant for the  
31 following and succeeding fiscal years and shall notify the  
32 chief official of each participant not later than the first day  
33 of the fiscal year of this amount. Beginning July 1, 2005, the  
34 ~~The~~ Department shall allocate ~~55% of~~ the amount paid into the  
35 Metro-East Public Transportation Fund to the District ~~servicing~~  
36 ~~primarily the Counties of Monroe and St. Clair and 45% of the~~

1 ~~amount to that District~~ serving primarily the County of  
2 Madison.

3 (Source: P.A. 89-598, eff. 8-1-96.)

4 (30 ILCS 740/2-7) (from Ch. 111 2/3, par. 667)

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

6 (a) Any Metro-East Transit District participant shall, no  
7 later than 60 days following the end of each quarter of any  
8 fiscal year, file with the Department on forms provided by the  
9 Department for that purpose, a report of the actual operating  
10 deficit experienced during that quarter. The Department shall,  
11 upon receipt of the quarterly report, determine whether the  
12 operating deficits were incurred in conformity with the program  
13 of proposed expenditures approved by the Department pursuant to  
14 Section 2-11. Any Metro-East District may either monthly or  
15 quarterly for any fiscal year file a request for the  
16 participant's eligible share, as allocated in accordance with  
17 Section 2-6, of the amounts transferred into the Metro-East  
18 Public Transportation Fund.

19 (b) Each participant other than any Metro-East Transit  
20 District participant shall, 30 days before the end of each  
21 quarter, file with the Department on forms provided by the  
22 Department for such purposes a report of the projected eligible  
23 operating expenses to be incurred in the next quarter and 30  
24 days before the third and fourth quarters of any fiscal year a  
25 statement of actual eligible operating expenses incurred in the  
26 preceding quarters. Except as otherwise provided in subsection  
27 (b-5), within ~~Within~~ 45 days of receipt by the Department of  
28 such quarterly report, the Comptroller shall order paid and the  
29 Treasurer shall pay from the Downstate Public Transportation  
30 Fund to each participant an amount equal to one-third of such  
31 participant's eligible operating expenses; provided, however,  
32 that in Fiscal Year 1997, the amount paid to each participant  
33 from the Downstate Public Transportation Fund shall be an  
34 amount equal to 47% of such participant's eligible operating  
35 expenses and shall be increased to 49% in Fiscal Year 1998, 51%

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

19 (b-5) With respect to the District serving primarily the  
20 counties of Monroe and St. Clair, beginning July 1, 2005 and  
21 each fiscal year thereafter, the District may, as an  
22 alternative to the provisions of subsection (b) of Section 2-7,  
23 file a request with the Department for a monthly payment of  
24 1/12 of the amount appropriated to the District for that fiscal  
25 year; except that, for the final month of the fiscal year, the  
26 District's request shall be in an amount such that the total  
27 payments made to the District in that fiscal year do not exceed  
28 the lesser of (i) 55% of the District's eligible operating  
29 expenses for that fiscal year or (ii) the total amount  
30 appropriated to the District for that fiscal year.

31 (c) No later than 180 days following the last day of the  
32 Fiscal Year each participant shall provide the Department with  
33 an audit prepared by a Certified Public Accountant covering  
34 that Fiscal Year. For those participants other than a  
35 Metro-East Transit District, any discrepancy between the  
36 grants paid and the percentage of the eligible operating

1 expenses provided for by paragraph (b) of this Section shall be  
2 reconciled by appropriate payment or credit. In the case of any  
3 Metro-East Transit District, any amount of payments from the  
4 Metro-East Public Transportation Fund which exceed the  
5 eligible deficit of the participant shall be reconciled by  
6 appropriate payment or credit.

7 (Source: P.A. 91-239, eff. 1-1-00; 91-357, eff. 7-29-99; 92-16,  
8 eff. 6-28-01; 92-258, eff. 8-7-01; 92-464, eff. 8-22-01.)

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