



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB3815

Introduced 2/25/2005, by Rep. Tom Cross - Sara Feigenholtz - Frank J. Mautino - Edward J. Acevedo, Susana A Mendoza, et al.

#### SYNOPSIS AS INTRODUCED:

New Act

5 ILCS 120/2	from Ch. 102, par. 42
10 ILCS 5/Art. 28A heading new	
10 ILCS 5/28A-5 new	
10 ILCS 5/28A-10 new	
10 ILCS 5/28A-15 new	
10 ILCS 5/28A-20 new	
10 ILCS 5/28A-25 new	
10 ILCS 5/28A-30 new	
10 ILCS 5/28A-35 new	
10 ILCS 5/28A-40 new	
30 ILCS 105/5.640 new	
30 ILCS 105/6z-100 new	
30 ILCS 105/6z-105 new	
30 ILCS 330/2	from Ch. 127, par. 652
30 ILCS 330/6.5 new	
30 ILCS 330/12	from Ch. 127, par. 662
30 ILCS 330/19	from Ch. 127, par. 669

Creates the Illinois Regenerative Medicine Institute Act. Requires that the 2006 general election ballot include the proposition that the State issue \$1,000,000,000 in general obligation bonds in support of stem cell research. Creates the Illinois Regenerative Medicine Institute Creation Act to provide for the governance and operation of the institute, which awards grants and loans for the research. Creates the Cosmetic Medical Procedure Utilization Tax Act to impose a tax upon the privilege of using cosmetic medical procedures at the rate of 6% of gross receipts. Amends the Open Meetings Act to permit closed meetings of the Institute's Oversight Committee and advisory panels on certain confidential topics. Amends the Election Code to provide for placement on the ballot of debt issuance referenda under the Revenue Article of the Illinois Constitution. Amends the State Finance Act to provide various funds for the institute operations, the tax proceeds, and the bond proceeds and retirement. Amends the General Obligation Bond Act to provide for the issuance and use of \$1,000,000,000 in bonds. Effective January 1, 2006, except for those portions (institute creation, tax imposition, and bond issuance) conditioned upon voter approval.

LRB094 11272 JAM 42048 b

CORRECTIONAL  
BUDGET AND  
IMPACT NOTE ACT  
MAY APPLY

FISCAL NOTE ACT  
MAY APPLY

STATE DEBT  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning State government.

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

4 ARTICLE 1

5 Section 1-1. Short title. This Act may be cited as the  
6 Illinois Regenerative Medicine Institute Act.

7 Section 1-5. Single law; purpose. The Illinois  
8 Regenerative Medicine Institute Act and the amendatory changes  
9 made in Article 90 of this Act to the Election Code, the State  
10 Finance Act, and the General Obligation Bond Act shall be  
11 considered a single "law" for purposes of Section 9(b) of  
12 Article IX of the Illinois Constitution. The various parts of  
13 this law authorize the State to issue State debt and provide  
14 for the specific purposes and the manner of repayment of that  
15 debt.

16 Section 1-10. Legislative intent. This Act is intended to:

17 (1) Create a research institute to support stem cell  
18 research at Illinois universities and other advanced  
19 medical research facilities throughout the State.

20 (2) Maximize the use of research funds by giving  
21 priority to stem cell research that has the greatest  
22 potential for therapies and cures that cannot or are  
23 unlikely to receive timely or sufficient federal funding.

24 (3) Ensure that the research is conducted safely and  
25 ethically by including provisions to require compliance  
26 with standards based on national models that protect  
27 patient safety, patient rights, patient privacy, and  
28 prohibit the purchase or sale of embryonic or fetal tissue  
29 for research purposes.

30 (4) Prohibit the use of State funds made available

1           pursuant to this Act for research involving human  
2           reproductive cloning, fetuses from induced abortions, or  
3           the creation of embryos through the combination of gametes  
4           solely for the purpose of research.

5           (5) Reduce the long-term health care cost burden on  
6           Illinois through the development of therapies that treat  
7           diseases and injuries with the ultimate goal to cure them.

8           (6) Require strict fiscal and public accountability  
9           through mandatory independent audits, open meetings,  
10          public hearings, open access to published papers, and  
11          annual reports to the public and the General Assembly.

12          (7) Establish a system of governance for the institute  
13          that draws on representatives from the Illinois medical  
14          research and academic community, Illinois disease advocacy  
15          groups, and Illinois experts in the development of medical  
16          therapies and thereby insulates research decisions from  
17          partisan political concerns.

18          (8) Establish new funding sources to pay the debt  
19          service on the bonds issued to fund medical and basic  
20          scientific research that will eventually produce  
21          royalties, patents, and licensing fees for the State and  
22          significantly reduce future State health care costs; a tax  
23          on the use of medical procedures raises revenue from an  
24          industry that is expected to benefit from such research,  
25          and using definitions from the federal tax code to exclude  
26          medically-necessary procedures builds upon the public  
27          policy decisions made by Congress in the field of health  
28          care taxation.

29          (9) Benefit the Illinois economy by creating projects,  
30          jobs, and therapies that will generate significant new  
31          economic activity for the State.

32          Section 1-15. Referendum. Pursuant to Section 9(b) of  
33          Article IX of the Illinois Constitution, the electors of the  
34          State of Illinois shall vote in the 2006 general election  
35          whether to approve this Illinois Regenerative Medicine

1 Institute Act and to incur a State debt not to exceed  
2 \$1,000,000,000 as provided in this Act. The question shall be  
3 substantially as follows: "Shall the State of Illinois from  
4 time to time issue general obligation bonds in a principal  
5 amount not to exceed \$1,000,000,000 for the purposes of  
6 establishing and funding the Illinois Regenerative Medicine  
7 Institute to support stem cell research at Illinois  
8 universities and other research facilities throughout  
9 Illinois, all pursuant to the Illinois Regenerative Medicine  
10 Institute Act enacted by the 94th General Assembly and the  
11 General Obligation Bond Act?". Spaces to mark the ballot "Yes"  
12 or "No" shall be provided. The question shall appear under the  
13 heading "The Illinois Regenerative Medicine Institute Act".

14 Section 1-20. Simple majority required. Because this Act  
15 provides for approval by a majority of the electors voting on  
16 the question at the next general election following passage,  
17 pursuant to subsection (b) of Section 9 of Article IX of the  
18 Illinois Constitution, this Act requires the affirmative vote  
19 of a simple majority of the members elected to each house of  
20 the General Assembly, and not a three-fifths majority.

21 ARTICLE 5

22 Section 5-1. Short title. This Article may be cited as the  
23 Illinois Regenerative Medicine Institute Creation Act.

24 Section 5-5. Definitions.

25 "Adult stem cell" means an undifferentiated cell found in a  
26 differentiated tissue in an adult human that can renew itself  
27 and may, with certain limitations, differentiate to yield all  
28 the specialized cell types of the tissue from which it  
29 originated.

30 "Executive Director" means the Executive Director of the  
31 institute.

32 "IRMI" or "institute" means the Illinois Regenerative

1 Medicine Institute.

2 "Oversight Committee" means the IRMI Oversight Committee.

3 "Pluripotent cells" means cells that are capable of  
4 self-renewal and have broad potential to differentiate into  
5 multiple cell types. Pluripotent stem cells may be derived from  
6 somatic cell nuclear transfer or from surplus embryos produced  
7 during in vitro fertilization treatments and donated under  
8 appropriate informed consent procedures. These excess cells  
9 from in vitro fertilization treatments would otherwise be  
10 intended to be discarded if not used for medical research.

11 "Progenitor cells" means multipotent or precursor cells  
12 that are partially differentiated but retain the ability to  
13 divide and give rise to differentiated cells.

14 "Stem cells" mean nonspecialized cells that have the  
15 capacity to divide in culture and to differentiate into more  
16 mature cells with specialized functions.

17 Section 5-10. Institute creation; purpose; powers.

18 (a) There is established the Illinois Regenerative  
19 Medicine Institute.

20 (b) The institute shall have the following purposes:

21 (1) To make grants and loans for stem cell research to  
22 realize therapies, protocols, and medical procedures that  
23 will result in, as speedily as possible, the cure for, and  
24 substantial mitigation of, major diseases, injuries, and  
25 orphan diseases.

26 (2) To support all stages of the process of developing  
27 cures, from laboratory research through successful  
28 clinical trials.

29 (3) To establish the appropriate regulatory standards  
30 and oversight bodies for research and facilities  
31 development.

32 (c) Notwithstanding any other provision of this or any  
33 other law, the institute may use State issued bonds to fund  
34 medical and basic scientific research involving stem cells,  
35 including therapy development through clinical trials and

1 facilities.

2 Section 5-15. State policy on stem cell research; criminal  
3 penalties.

4 (a) It is the policy of the State to permit stem cell  
5 research that includes research involving adult stem cells,  
6 cord blood stem cells, pluripotent stem cells, progenitor  
7 cells, or any combination of those cells.

8 (b) No funds authorized for, or made available to, the  
9 institute shall be used for research involving human  
10 reproductive cloning or fetuses from induced abortions or to  
11 create embryos through the combination of gametes solely for  
12 the purpose of research.

13 (c) A person who knowingly engages or assists, directly or  
14 indirectly, in the cloning of a human being is guilty of a  
15 Class 1 felony. As used in this Section, "cloning of a human  
16 being" means the asexual human reproduction by implanting or  
17 attempting to implant the product of nuclear transplantation  
18 into a woman's uterus to initiate a pregnancy or the  
19 replication of a human being through the production of a  
20 precise genetic copy of human DNA or any other molecule, cell,  
21 or tissue, in order to create a new human being.

22 (d) A person may not knowingly, for valuable consideration,  
23 purchase or sell embryonic or cadaveric fetal tissue for  
24 research purposes.

25 For the purposes of this subsection, payment of customary  
26 medical charges for the removal, processing, disposal,  
27 preservation, quality control, storage, transplantation, or  
28 implantation of the tissue does not constitute valuable  
29 consideration. This subsection does not prohibit reimbursement  
30 for removal, storage, or transportation of embryonic fetal  
31 tissue for research purposes pursuant to this Act.

32 A person who knowingly purchases or sells embryonic tissue  
33 for research purposes in violation of this Section is guilty of  
34 a Class A misdemeanor for the first conviction and a Class 4  
35 felony for subsequent convictions.

1 Section 5-20. Illinois Regenerative Medicine Institute  
2 Oversight Committee.

3 (a) The Oversight Committee shall be composed of 7 members.  
4 Members shall come from the medical community or the scientific  
5 research community and shall have experience in peer review and  
6 scientific grant making. Members shall be as follows:

7 (1) Two members to be appointed by the Governor with  
8 the advice and consent of the Senate.

9 (2) Two members to be appointed by the Comptroller with  
10 the advice and consent of the Senate.

11 (3) Two members to be appointed by the Treasurer with  
12 the advice and consent of the Senate.

13 (4) The Director of Public Health.

14 (b) At the time of appointment, the Governor shall  
15 designate one member to serve a 2-year term and one member to  
16 serve a 6-year term, the Comptroller shall designate one member  
17 to serve a 4-year term and one to serve a 6-year term, and the  
18 Treasurer shall designate one member to serve a 2-year term and  
19 one to serve a 4-year term. Thereafter, appointments, other  
20 than the Director of Public Health who shall serve ex officio,  
21 shall be for a term of 6 years. A member shall serve until his  
22 or her successor appointed and qualified for office by filing  
23 the oath and bond.

24 No member of the Oversight Committee may receive  
25 compensation for his or her services, but each member may be  
26 reimbursed for expenses incurred in the performance of his or  
27 her duties.

28 (c) Every 4 years the Oversight Committee shall choose from  
29 its membership a Chairperson, a Vice-Chairperson, and a  
30 Secretary. The Chairperson shall preside at meetings of the  
31 Oversight Committee and shall have other duties as provided for  
32 in this Article or as provided for by the Oversight Committee.  
33 The Vice-Chairperson shall preside at meetings whenever the  
34 Chairperson is unable to attend or preside. The Secretary shall  
35 ensure that an accurate record is made of all proceedings of

1 the Oversight Committee and shall have other duties as provided  
2 for in this Article or as provided for by the Oversight  
3 Committee.

4 (d) The Oversight Committee shall hold at least 4 public  
5 meetings per year, one of which shall be designated as the  
6 institute's annual meeting. The Oversight Committee may hold  
7 additional meetings as it determines are necessary or  
8 appropriate.

9 (e) The Oversight Committee shall award all grants, loans,  
10 and contracts in public meetings and shall adopt and amend all  
11 governance, scientific, medical, and regulatory standards in  
12 public meetings.

13 (f) The Oversight Committee functions are:

14 (1) Oversee the operations of the institute and appoint  
15 an Executive Director for the institute.

16 (2) Develop annual and long-term strategic research  
17 and financial plans for the institute.

18 (3) Approve an annual budget for the institute.

19 (4) Make final decisions on research standards and  
20 grant and loan awards.

21 (5) Approve appointments to the institute's various  
22 advisory panels.

23 (6) Ensure the completion of an annual financial audit  
24 of the institute's operations.

25 (7) Issue public reports on the activities of the  
26 institute and to the extent possible provide open access to  
27 published papers.

28 (8) Amend policies regarding intellectual property  
29 rights arising from research funded by the institute.

30 (9) Amend rules and guidelines for the operation of the  
31 institute.

32 (10) Adopt, amend, and rescind rules to carry out the  
33 purposes and provisions of this Article, and to govern the  
34 procedures of the institute.

35 The Illinois Administrative Procedure Act, including  
36 review by the Joint Committee on Administrative Rules, is



1 hereby expressly adopted and shall apply to all  
2 administrative rules and procedures adopted by the  
3 Oversight Committee. The Oversight Committee may use its  
4 emergency rulemaking authority to adopt initial rules. The  
5 General Assembly finds that the adoption of rules to  
6 implement this Article is deemed an emergency and necessary  
7 for the public interest, safety, and welfare.

8 (11) Request the issuance of bonds pursuant to Section  
9 6.5 of the General Obligation Bond Act with the proceeds to  
10 be deposited into the Regenerative Medicine Bond Fund and  
11 expend the proceeds of those bonds. The Oversight  
12 Committee, however, shall not request the issuance of bonds  
13 unless, based on estimates and reports from the Commission  
14 on Government Forecasting and Accountability, the  
15 Comptroller, and the Governor's Office of Management and  
16 Budget, the funds in the Cosmetic Medical Procedure  
17 Utilization Tax Fund and the Regenerative Medicine  
18 Institute Operations Fund are reasonably estimated to be  
19 sufficient to pay the debt service on such bonds issued  
20 pursuant to Section 6.5 of the General Obligation Bond Act.

21 (12) Use funds from the Regenerative Medicine  
22 Institute Operations Fund for its operations and  
23 activities.

24 (13) Annually modify its funding and finance programs  
25 to optimize the institute's ability to achieve the  
26 objective that its activities be revenue-positive for the  
27 State of Illinois without jeopardizing the progress of its  
28 core medical and scientific research program.

29 (14) Accept additional revenue and real and personal  
30 property, including but not limited to gifts, royalties,  
31 interest, and appropriations that may be used to supplement  
32 annual research grant funding and the operations of the  
33 institute.

34 (15) At the institute's discretion, fix, determine,  
35 charge, and collect any premiums, fees, charges, costs, and  
36 expenses, including without limitation any application

1 fees, grant administration fees, program fees, financing  
2 charges, or publication fees from any person in connection  
3 with its activities.

4 (16) Perform all other acts necessary or appropriate in  
5 the exercise of its power, authority, and jurisdiction over  
6 the institute.

7 Section 5-25. Advisory panels.

8 (a) The Chairperson of the Oversight Committee shall  
9 appoint persons, with the advice and consent of a majority of  
10 the Oversight Committee, to serve on various advisory panels.

11 The Oversight Committee shall determine the number and size  
12 of advisory panels to be appointed.

13 Persons appointed to advisory panels shall have expertise  
14 in medical or stem cell research as researchers, physicians,  
15 ethicists, or administrators.

16 (b) The advisory panels shall review and make a  
17 recommendation on the merits of all grant and loan proposals  
18 prior to final action by the Oversight Committee.

19 (c) The advisory panels shall follow the current Review  
20 Procedures for Scientific Review Group Meetings as stipulated  
21 by the National Institutes of Health, Center for Scientific  
22 Review.

23 (d) Each advisory panel shall hold at least 2 public  
24 meetings per year. Advisory panels may hold additional meetings  
25 as necessary or appropriate.

26 Section 5-30. Applicability of open government and ethics  
27 laws.

28 (a) Nothing in this Act shall exempt the Oversight  
29 Committee or the various advisory panels from the Open Meetings  
30 Act.

31 (b) Nothing in this Act shall exempt the institute,  
32 including the Oversight Committee and the various advisory  
33 panels, from the Freedom of Information Act or the State  
34 Records Act.

1 (c) The State Officials and Employees Ethics Act and  
2 Article 4A of the Illinois Governmental Ethics Act shall apply  
3 to members of the Oversight Committee, the various advisory  
4 panels, and employees of the institute.

5 (d) No member of the Oversight Committee, the various  
6 advisory panels, or employee of the institute shall make,  
7 participate in making, or in any way attempt to use his or her  
8 official position to influence a decision to approve or award a  
9 grant, loan, or contract to his or her employer (or another  
10 employee of his or her employer), but a member may participate  
11 in a decision to approve or award a grant, loan, or contract to  
12 a nonprofit entity in the same field as his or her employer.

13 A member of the Oversight Committee, the various advisory  
14 panels, or the institute may participate in a decision to  
15 approve or award a grant, loan, or contract to an entity for  
16 the purposes of research involving a disease from which a  
17 member or his or her immediate family suffers or in which the  
18 member has an interest as a representative of a disease  
19 advocacy organization.

20 The adoption of standards pursuant to Section 5-40 of this  
21 Article is not a decision subject to this subsection.

22 The Oversight Committee shall adopt additional policies on  
23 ethics, including conflicts of interests, in order to minimize  
24 possible influences of personal finances and partisan  
25 political motivations on the decisions and activities of the  
26 institute, the various advisory panels, and the Oversight  
27 Committee. The initial policies on conflicts of interests shall  
28 be based on standards applicable to members of scientific  
29 review committees of the National Institutes of Health.

30 Section 5-35. Public and financial accountability  
31 standards.

32 (a) The institute shall issue an annual report to the  
33 public, the Governor, and the General Assembly that sets forth  
34 its activities, grants awarded, grants in progress, research  
35 accomplishments, and future program directions. Each annual

1 report shall include but not be limited to the following: the  
2 number and dollar amounts of research grants; the grantees for  
3 the prior year; the institute's administrative expenses; an  
4 assessment of the available funding for stem cell research from  
5 sources other than the institute; a summary of research  
6 findings, including promising new research areas; an  
7 assessment of the relationship between the institute's grants  
8 and the overall strategy of its research program; and a report  
9 of the institute's strategic research and financial plans.

10 This report shall be posted on the institute's website and  
11 shall be available to the general public upon request.

12 (b) The institute shall issue quarterly reports throughout  
13 the fiscal year to the public, the Governor, and the General  
14 Assembly that should include the number and dollar amounts of  
15 the research grants, a summary of research findings, and an  
16 assessment of the relationship between the institute's grants  
17 and the overall strategy of its research program.

18 This report shall be posted on the institute's website and  
19 shall be available to the general public upon request.

20 (c) Subject to the Illinois State Auditing Act, the  
21 institute shall annually commission an independent financial  
22 audit of its activities and operations from a certified public  
23 accounting firm that shall be provided to the Auditor General,  
24 who shall review the audit and annually issue a public report  
25 of that review.

26 Section 5-40. Medical and scientific accountability  
27 standards.

28 (a) The institute and its grantees shall be governed solely  
29 by the provisions of this Article in the establishment of  
30 standards, the award of grants, and the conduct of grants  
31 awarded pursuant to this Article.

32 (b) The institute shall establish standards for the  
33 following:

34 (1) Informed consent. Standards for obtaining the  
35 informed consent of research donors, patients, or

1 participants initially shall be generally based on the  
2 standards in place on January 1, 2006, for all research  
3 funded by the National Institutes of Health, with  
4 modifications to adapt to the mission and objectives of the  
5 institute.

6 (2) Controls on research involving humans. Standards  
7 for the review of research involving human subjects  
8 initially shall be generally based on the Institutional  
9 Review Board standards promulgated by the National  
10 Institutes of Health and in effect on January 1, 2006, with  
11 modifications to adapt to the mission and objective of the  
12 institute.

13 (3) Prohibition on compensation. Standards prohibiting  
14 compensation to research donors or participants shall  
15 permit reimbursement of expenses.

16 (4) Patient privacy laws. Standards shall ensure  
17 compliance with State and federal patient privacy laws.

18 (5) Limitations on payments for cells. Standards shall  
19 limit payments for the purchase of stem cells or stem cell  
20 lines to reasonable payment for removal, processing,  
21 disposal, preservation, quality control, storage,  
22 transplantation, implantation, or legal transaction or  
23 other administrative costs associated with these medical  
24 procedures and shall specifically include any required  
25 payments for medical or scientific technologies, products,  
26 or processes for royalties, patent, licensing fees, or  
27 other costs for intellectual property.

28 (6) Time limits for obtaining cells. Standards shall  
29 set a limit on the time during which cells may be extracted  
30 from blastocysts, which shall initially be 8 to 12 days  
31 after cell division begins, not counting any time during  
32 which the blastocysts or cells have been stored frozen.

33 Section 5-45. Institute operations.

34 (a) The institute may sue and be sued; provided that any  
35 suit against the institute based upon a claim sounding in tort

1 must be filed in the Court of Claims.

2 Based upon institute standards, institute grantees shall  
3 indemnify or insure, and hold the institute harmless against  
4 any and all losses, claims, damages, expenses, or liabilities,  
5 including attorneys' fees, arising from research conducted by  
6 the grantee pursuant to the grant, or, in the alternative,  
7 grantees shall name the institute as an additional insured and  
8 submit proof of that insurance.

9 To the extent allowed under the Illinois Constitution and  
10 given the scientific, medical, and technical nature of the  
11 issues facing the institute, the institute is authorized to  
12 retain outside counsel when, after consultation with the  
13 Attorney General, the institute determines that the institute  
14 requires specialized services not provided by the Attorney  
15 General's office.

16 (a-5) The institute may enter into contracts or obligations  
17 that are authorized or permitted by law.

18 (b) The Oversight Committee shall select an Executive  
19 Director who shall exercise the powers delegated in this  
20 subsection.

21 The Executive Director shall be the chief administrative  
22 and operational officer of the institute, shall direct and  
23 supervise its administrative affairs and general management  
24 and perform such other duties as may be prescribed from time to  
25 time by the Oversight Committee, and shall receive compensation  
26 fixed by the Oversight Committee.

27 (c) The institute shall be subject to the Illinois  
28 Procurement Code. For purposes of the Illinois Procurement  
29 Code, the institute shall be considered an institute of higher  
30 education and use the services of the higher education chief  
31 procurement officer and the higher education procurement  
32 bulletin.

33 The institute shall ensure that grantees purchase goods and  
34 services from Illinois suppliers to the extent reasonably  
35 possible, in a good faith effort to achieve a goal of more than  
36 50% of those purchases from Illinois suppliers.

1 (d) All grants and loan awards issued by the institute  
2 shall be subject to intellectual property agreements that  
3 provide protections and incentives to encourage both the  
4 discovery and development of new knowledge and its transfer for  
5 the public benefit.

6 (e) The institute shall hold ownership rights in all  
7 intellectual property created as a result of the grant or loan  
8 received by the creator or creators from the institute.

9 "Intellectual property" as used in this subsection is  
10 broadly defined to include inventions, discoveries, know-how,  
11 show-how, processes, unique materials, copyrightable works,  
12 original data, and other creative or artistic works that have  
13 value. Intellectual property includes that which is  
14 protectable by statute or legislation, such as patents,  
15 copyrights, trademarks, service marks, trade secrets, and mask  
16 works. It also includes the physical embodiments of  
17 intellectual effort, such as models, machines, devices,  
18 designs, apparatus, instrumentation, circuits, computer  
19 programs and visualizations, biological materials, chemicals,  
20 other compositions of matter, and records of research.

21 "Trademarks" and "service marks" are distinctive words or  
22 graphic symbols identifying the source, product, producer, or  
23 distributor of goods or services. Registration of trademarks or  
24 service marks, at the State or federal level, shall be approved  
25 by the Executive Director.

26 As used in this Section "creator" refers to an individual  
27 or group of individuals who make, conceive, reduce to practice,  
28 author, or otherwise make a substantive intellectual  
29 contribution to the creation of intellectual property.  
30 "Creator" includes the definition of "inventor" used in U.S.  
31 patent law and the definition of "author" used in the U.S.  
32 Copyright Act.

33 (f) All intellectual property in which the institute has an  
34 ownership interest under the provisions of this Article and  
35 that has the potential to be brought into practical use for  
36 public benefit or for which disclosure is required by law shall

1 be reported promptly in writing by the creator or creators to  
2 the institute. The disclosure shall constitute a full and  
3 complete disclosure of the subject matter of the discovery or  
4 the development and identify all persons participating  
5 therein. The creator or creators shall furnish such additional  
6 information and execute such documents from time to time as may  
7 be reasonably requested.

8 (g) After evaluation of the intellectual property and  
9 review of applicable contractual commitments, the institute  
10 may develop the property through licensing, may release it to  
11 the creator or creators if permitted by law, or may take such  
12 other actions as are determined to be in the public interest.  
13 Exploitation by the institute may or may not involve statutory  
14 protection of the intellectual property rights, such as filing  
15 for patent protection or registering the copyright.

16 (h) If there is a question as to whether the institute has  
17 a valid ownership claim in intellectual property, the  
18 intellectual property should be disclosed in writing to the  
19 institute by the creator or creators in accordance with this  
20 Section. The disclosure is without prejudice to the creator's  
21 ownership claim. The institute shall provide the creator with a  
22 written statement as to the institute's ownership interest.

23 (i) The institute shall inform the principal creators of  
24 its substantive decisions regarding protection,  
25 commercialization, or disposition of intellectual property  
26 that has been disclosed. Specific terms of agreements with  
27 external parties, however, may be proprietary business  
28 information and subject to confidentiality restrictions.

29 (j) Should the institute decide to abandon development or  
30 protection of institute-owned intellectual property, ownership  
31 may be assigned to the creator or creators as allowed by law  
32 subject to the rights of sponsors and to the retention of a  
33 license to practice for institute purposes. The minimum terms  
34 of that license shall grant the institute the right to use the  
35 intellectual property in its programs of research and public  
36 service on a perpetual, royalty-free, non-exclusive basis. The



1 institute may retain more than the minimum license rights, and  
2 the assignment or license may be subject to additional terms  
3 and conditions, such as revenue sharing with the institute or  
4 reimbursement of the costs of statutory protection, when  
5 justified by the circumstances of development.

6 (k) The institute may, at its discretion and consistent  
7 with the public interest, license intellectual property to the  
8 creator or creators on an exclusive or non-exclusive basis. The  
9 creators must demonstrate technical and business capability to  
10 commercialize the intellectual property. The creators may be  
11 required to assume the cost of statutory protection. Agreements  
12 with creators shall be subject to review and approval of  
13 conflict of interest issues.

14 (l) The institute may accept assignment of intellectual  
15 property from other parties, provided that the action is  
16 determined to be consistent with the public interest.  
17 Intellectual property so accepted shall be administered in a  
18 manner consistent with the administration of other  
19 institute-owned intellectual property.

20 (m) The creators of intellectual property owned by the  
21 institute under the terms of this Article may be required to  
22 state that to the best of their knowledge the intellectual  
23 property does not infringe on any existing patent, copyright,  
24 or other legal rights of third parties; that if the work is not  
25 the original expression or creation of the creators, the  
26 necessary permission for use has been obtained from the owner;  
27 and that the work contains no libelous material nor material  
28 that invades the privacy of others.

29 (n) The Oversight Committee has ultimate authority for the  
30 stewardship of intellectual property developed within the  
31 institute. Primary responsibility is delegated through the  
32 Executive Director for establishing operational guidelines and  
33 procedures for the administration of intellectual property,  
34 including but not limited to determination of ownership,  
35 assignment, protection, licensing, marketing, maintenance of  
36 records, oversight of revenue or equity collection and

1 distribution, approval of individual exceptions, and  
2 resolution of disputes among creators.

3 (o) Licenses, options for licenses, and other agreements  
4 related to commercialization or exploitation of intellectual  
5 property shall be granted in the name of the Illinois  
6 Regenerative Medicine Institute.

7 (p) Research agreements shall provide that all  
8 intellectual property developed as a result of a sponsored  
9 research project shall belong to the institute unless otherwise  
10 specified in writing. Outside sponsors of a research project  
11 may receive an option to license the resulting intellectual  
12 property on terms to be negotiated, the option to be exercised  
13 within a specified period following the disclosure of the  
14 intellectual property. When the nature of the proposed research  
15 allows identification of a specific area of intellectual  
16 property or application that is of interest to the outside  
17 sponsor, the institute may accept research agreements with  
18 terms that entitle the sponsor to specific commercial rights  
19 within the defined field of interest. Otherwise, the specific  
20 terms of licenses and rights to commercial development shall be  
21 based on negotiation between the sponsor and the institute at  
22 the time of exercise of an option by the outside sponsor and  
23 shall depend on the nature of the intellectual property and its  
24 application, the relative contributions of the institute and  
25 the outside sponsor to the work, and the conditions deemed most  
26 likely to advance the commercial development and acceptance of  
27 the intellectual property. In all cases where exclusive  
28 licensing is deemed appropriate, the license agreements shall  
29 require diligent commercial development of the intellectual  
30 property by the licensee. The institute may also determine, on  
31 a case-by-case basis, that it is in the institute's interest to  
32 assign ownership of resulting intellectual property to an  
33 outside sponsor as an exception to this policy when  
34 circumstances warrant that action, in accordance with  
35 guidelines established by the Oversight Committee.

36 (q) Recommendations for exceptions to the provisions of the

1 policy in this Section shall be made by the Executive Director  
2 to the Oversight Committee.

3 (r) For purposes of this Article, "proceeds" shall refer to  
4 all revenue and equity, as defined in this subsection, received  
5 by the institute from transfer, commercialization, or other  
6 exploitation of institute-owned intellectual property.

7 "Revenue" shall mean cash from payments, including but not  
8 limited to royalties, option fees, or license fees or from the  
9 sale of the institute's equity interest.

10 "Equity" shall include but not be limited to stock,  
11 securities, stock options, warrants, buildings, real or  
12 personal property, or other non-cash consideration.

13 When revenue is received by the institute, all  
14 out-of-pocket payments or obligations (and in some cases, a  
15 reasonable reserve for anticipated future expenses)  
16 attributable to protecting (including defense against  
17 infringement or enforcement actions), marketing, licensing, or  
18 administering the property may be deducted from the income. The  
19 income remaining after the deductions is defined as "net  
20 revenue".

21 The creator normally shall receive 50% of net revenue. If  
22 there are joint creators, the net income shall be divided  
23 equally among them absent a mutual agreement to the contrary.

24 The institute normally shall receive 50% of net revenue.  
25 Distribution of the institute's share shall be allocated in  
26 support of its future grant and loan making programs.

27 When the institute executes an agreement with a corporation  
28 or other business entity for purposes of exploiting  
29 intellectual property owned by the institute and the institute  
30 receives or is entitled to receive equity, the equity or the  
31 proceeds of the equity shall be shared among the creators and  
32 the institute in the same proportions as revenue distributions.

33 Special facts or circumstances may warrant a different  
34 distribution of proceeds than specified in this subsection, and  
35 the distributions shall be determined on a case-by-case basis  
36 under the authority of the Oversight Committee.

1           When the institute receives revenue from third parties that  
2 results from successful actions for the purpose of defending or  
3 enforcing the institute's rights in its intellectual property,  
4 the revenue may first be used to reimburse the institute (or  
5 the sponsor or licensee, if appropriate) for expenses incurred  
6 in the actions. The creators shall be entitled to recovery of  
7 lost royalties from the remaining net revenue, in the same  
8 proportions as specified in this subsection or in a prior  
9 written agreement. The remaining net revenue shall be allocated  
10 in support of the institute's grant and loan making programs.

11           Section 5-50. Appropriation and allocation of funding.

12           (a) Moneys in the Regenerative Medicine Bond Fund shall be  
13 used to make grants and loans for stem cell research pursuant  
14 to this Article.

15           Grants and loans for research shall be awarded based on  
16 scientific merit. When determining the scientific merit of a  
17 proposal the advisory panels and the Oversight Committee should  
18 consider criteria including:

19           (1) A demonstrated record of achievement in the areas  
20 of pluripotent stem cell and progenitor cell biology and  
21 medicine.

22           (2) The quality of the research proposal.

23           (3) The potential for achieving significant research  
24 or clinical results.

25           (4) The timetable for realizing the significant  
26 results.

27           (5) The importance of the research objectives.

28           (6) The innovativeness of the proposed research.

29           The grantee shall provide or demonstrate available  
30 matching funds of a minimum of 20% of the grant amount.

31           The institute shall limit indirect costs to 25% of a  
32 research award except that the indirect cost limitation may be  
33 increased by that amount by which the grantee provides matching  
34 funds in excess of 20% of the grant amount. "Indirect costs"  
35 mean the recipient's costs in the administration, accounting,

1 general overhead, and general support costs for implementing a  
2 grant or loan of the institute. NIH definitions of "indirect  
3 costs" shall be used as one of the bases to create guidelines  
4 for recipients under this definition.

5 Grants and loans for buildings, building leases, and  
6 capital equipment shall be solely for facilities and equipment  
7 located within Illinois.

8 (b) The institute shall have the ability to receive and  
9 distribute funds in the Regenerative Medicine Institute  
10 Operations Fund and the Regenerative Medicine Bond Fund on  
11 December 1, 2006 in order to commence operations.

12 ARTICLE 10

13 Section 10-1. Short title. This Article may be cited as the  
14 Cosmetic Medical Procedure Utilization Tax Act. The tax imposed  
15 by this Article may be referred to as the "Cosmetic Medical  
16 Procedure Utilization Tax".

17 Section 10-5. Tax imposed; collection of tax. Beginning on  
18 January 1, 2007, a tax is imposed upon the privilege of  
19 utilizing cosmetic medical procedures in this State. The  
20 subject of the cosmetic medical procedure shall pay the tax,  
21 which shall be collected from the procedure subject by the  
22 person billing the gross receipts from the cosmetic medical  
23 procedure when collecting the payment for the cosmetic medical  
24 procedure in the manner prescribed by the Department of  
25 Revenue. If more than one person bills gross receipts from a  
26 single cosmetic medical procedure, each person shall be  
27 responsible for the collection of the gross receipts tax on the  
28 portion of the gross receipts billed.

29 Section 10-10. Rate of tax. The tax imposed by this Article  
30 is at the rate of 6% of the gross receipts from a cosmetic  
31 medical procedure.

1 Section 10-15. Definitions. For the purposes of this  
2 Article, the following terms shall have the following meanings:

3 "Cosmetic medical procedure" means any medical procedure  
4 performed on an individual that is directed at improving the  
5 procedure subject's appearance and that does not meaningfully  
6 promote the proper function of the body or prevent or treat  
7 illness or disease. "Cosmetic medical procedure" includes but  
8 is not limited to cosmetic surgery, hair transplants, cosmetic  
9 injections, cosmetic soft tissue fillers, dermabrasion and  
10 chemical peel, laser hair removal, laser skin resurfacing,  
11 laser treatment of leg veins, sclerotherapy, and cosmetic  
12 dentistry. "Cosmetic medical procedure" does not include  
13 reconstructive surgery or dentistry.

14 "Cosmetic surgery" means any procedure that is directed at  
15 improving the patient's appearance and does not meaningfully  
16 promote the proper function of the body or prevent or treat  
17 illness or disease.

18 "Department" means the Department of Revenue.

19 "Gross receipts from a cosmetic medical procedure" means  
20 all amounts paid for services, property, or occupancy required  
21 for or associated with the performance of a cosmetic medical  
22 procedure and billed to the procedure subject's account.

23 "Person" means any natural individual, firm, partnership,  
24 association, joint stock company, joint venture, public or  
25 private corporation, limited liability company, and any  
26 receiver, executor, trustee, guardian, or other representative  
27 appointed by order of any court.

28 "Reconstructive surgery or dentistry" includes any surgery  
29 or dentistry necessary to ameliorate a deformity arising from,  
30 or directly related to, a congenital abnormality, a personal  
31 injury resulting from an accident or trauma, or disfiguring  
32 disease.

33 Section 10-20. Reporting of tax. The Department shall  
34 collect and administer the tax imposed pursuant to this  
35 Article. The tax shall be reported and paid on a quarterly

1 basis in a manner prescribed by the Department.

2 Section 10-25. Rules. The Department shall promulgate such  
3 rules and procedures as are required to implement this Article  
4 and may use its emergency rulemaking authority to adopt initial  
5 rules. The General Assembly finds that the adoption of rules to  
6 implement this Article is deemed an emergency and necessary for  
7 the public interest, safety, and welfare. The Illinois  
8 Administrative Procedure Act is hereby expressly adopted and  
9 shall apply to all administrative rules and procedures of the  
10 Department of Revenue under this Article, except that (1)  
11 paragraph (b) of Section 5-10 of the Illinois Administrative  
12 Procedure Act does not apply to final orders, decisions, and  
13 opinions of the Department, (2) item (ii) of subsection (a) of  
14 Section 5-10 of the Illinois Administrative Procedure Act does  
15 not apply to forms established by the Department for use under  
16 this Article, and (3) the provisions of Section 10-45 of the  
17 Illinois Administrative Procedure Act regarding proposals for  
18 decision are excluded and not applicable to the Department  
19 under this Article.

20 Section 10-30. Tax as billing item. The tax imposed by this  
21 Article may be stated as a distinct item separate and apart on  
22 any billing for the procedure, and shall be so stated when  
23 requested by the procedure subject.

24 Section 10-35. Registration. Every person required to  
25 collect the tax imposed by this Article shall apply to the  
26 Department (upon a form prescribed and furnished by the  
27 Department) for a Certificate of Registration under this  
28 Article. In completing the application, the applicant shall  
29 furnish such information as the Department may reasonably  
30 require. Upon approval of an application for Certificate of  
31 Registration, the Department shall issue, without charge, a  
32 Certificate of Registration to the applicant. The Certificate  
33 of Registration shall be displayed at the address that the

1 applicant states in his or her application to be the principal  
2 place of business or location from which he or she will perform  
3 cosmetic medical procedures in this State. If the applicant  
4 will perform cosmetic medical procedures in this State from  
5 other places of business or locations, he or she shall list the  
6 addresses of the additional places of business or locations in  
7 his or her application for Certificate of Registration, and the  
8 Department shall issue a Sub-Certificate of Registration to the  
9 applicant for each additional place of business or location.  
10 Each Sub-Certificate of Registration shall be conspicuously  
11 displayed at the place for which it is issued. Each  
12 Sub-Certificate of Registration shall bear the same  
13 registration number as that appearing upon the Certificate of  
14 Registration to which the Sub-Certificate relates. Where an  
15 applicant operates more than one place of business that is  
16 subject to registration under this Section and those businesses  
17 are substantially different in character or are engaged in  
18 under different trade names or are engaged in under other  
19 substantially dissimilar circumstances (so that it is more  
20 practical, from an accounting, auditing, or bookkeeping  
21 standpoint, for the businesses to be separately registered),  
22 the Department may require or permit the person to apply for  
23 and obtain a separate Certificate of Registration for each  
24 business or for any of the businesses instead of registering  
25 the person, as to all those businesses, under a single  
26 Certificate of Registration supplemented by related  
27 Sub-Certificates of Registration. No Certificate of  
28 Registration shall be issued to any person who is in default to  
29 the State of Illinois for moneys due under this Article.

30 Section 10-40. Returns. Every person required to collect  
31 the tax imposed by this Article shall file a return in  
32 accordance with reasonable rules promulgated by the Department  
33 in accordance with Section 10-25. The return shall be filed on  
34 a form prescribed by the Department and shall contain such  
35 information as the Department may reasonably require. The



1 Department shall require returns to be filed on a quarterly  
2 basis. A return for each calendar quarter shall be filed on or  
3 before the twentieth day of the calendar month following the  
4 end of that calendar quarter.

5 Section 10-45. Tax proceeds. All moneys received by the  
6 Department pursuant to this Article shall be paid into the  
7 Cosmetic Medical Procedure Utilization Tax Fund of the State  
8 treasury, except that 5% of moneys received, up to a maximum  
9 per fiscal year of \$1,000,000, shall be paid into the  
10 Regenerative Medicine Institute Operations Fund.

11 Section 10-50. Records. Every person required to collect  
12 the tax imposed by this Article shall keep such records,  
13 receipts, invoices, and other pertinent books, documents,  
14 memoranda, and papers as the Department shall require, in the  
15 form the Department shall require. In accordance with Section  
16 10-25, the Department may adopt rules that establish  
17 requirements, including record forms and formats, for records  
18 required to be kept and maintained by taxpayers. For the  
19 purpose of administering and enforcing the provisions of this  
20 Article, the Department, or any officer or employee of the  
21 Department designated in writing by the Director of Revenue,  
22 may hold investigations and hearings concerning any matters  
23 covered in this Article and may examine any relevant books,  
24 papers, records, documents, or memoranda of any person required  
25 to collect the tax imposed by this Article or any taxable  
26 purchaser, and may require the attendance of that person or any  
27 officer or employee of that person, or of any person having  
28 knowledge of the facts, and may take testimony and require  
29 proof for its information.

30 Section 10-55. Tax additional to other taxes. The tax  
31 imposed by this Article shall be in addition to all other  
32 occupation or privilege taxes imposed by the State of Illinois  
33 or by any municipal corporation or political subdivision of the

1 State of Illinois.

2 Section 10-60. Liability for tax. Any person required to  
3 collect the tax imposed by this Article shall be liable to the  
4 Department for the tax, whether or not the person has collected  
5 the tax. To the extent that a person required to collect the  
6 tax imposed by this Article has actually collected that tax,  
7 the tax is held in trust for the benefit of the Department. The  
8 Department may adopt rules necessary to effectuate a program of  
9 electronic funds transfer for the payment of the tax imposed by  
10 this Article.

11 Section 10-65. Uniform Penalty and Interest Act. The  
12 Uniform Penalty and Interest Act shall apply, as far as  
13 practical, to the subject matter of this Article to the same  
14 extent as if those provisions were included in this Article.

15 Section 10-90. Severability. It is the purpose of Section  
16 10-5 of this Article to impose a tax upon the privilege of  
17 utilizing cosmetic medical procedures in this State, the tax to  
18 be based upon the gross receipts from cosmetic medical  
19 procedures, so far as the same may be done, under the  
20 Constitution and statutes of the United States, and the  
21 Constitution of the State of Illinois. The tax is not imposed  
22 upon the privilege of engaging in any business in interstate  
23 commerce or otherwise, however, which business may not, under  
24 the Constitution and statutes of the United States, be made the  
25 subject of taxation by this State. If any clause, sentence,  
26 Section, provision, or part of this Article or its application  
27 to any person or circumstance shall be adjudged to be  
28 unconstitutional, the remainder of this Article or its  
29 application to persons or circumstances, other than those to  
30 which it is held invalid, shall not be affected thereby.

31

ARTICLE 90

1 Section 90-2. The Open Meetings Act is amended by changing  
2 Section 2 as follows:

3 (5 ILCS 120/2) (from Ch. 102, par. 42)

4 Sec. 2. Open meetings.

5 (a) Openness required. All meetings of public bodies shall  
6 be open to the public unless excepted in subsection (c) and  
7 closed in accordance with Section 2a.

8 (b) Construction of exceptions. The exceptions contained  
9 in subsection (c) are in derogation of the requirement that  
10 public bodies meet in the open, and therefore, the exceptions  
11 are to be strictly construed, extending only to subjects  
12 clearly within their scope. The exceptions authorize but do not  
13 require the holding of a closed meeting to discuss a subject  
14 included within an enumerated exception.

15 (c) Exceptions. A public body may hold closed meetings to  
16 consider the following subjects:

17 (1) The appointment, employment, compensation,  
18 discipline, performance, or dismissal of specific  
19 employees of the public body or legal counsel for the  
20 public body, including hearing testimony on a complaint  
21 lodged against an employee of the public body or against  
22 legal counsel for the public body to determine its  
23 validity.

24 (2) Collective negotiating matters between the public  
25 body and its employees or their representatives, or  
26 deliberations concerning salary schedules for one or more  
27 classes of employees.

28 (3) The selection of a person to fill a public office,  
29 as defined in this Act, including a vacancy in a public  
30 office, when the public body is given power to appoint  
31 under law or ordinance, or the discipline, performance or  
32 removal of the occupant of a public office, when the public  
33 body is given power to remove the occupant under law or  
34 ordinance.

35 (4) Evidence or testimony presented in open hearing, or

1 in closed hearing where specifically authorized by law, to  
2 a quasi-adjudicative body, as defined in this Act, provided  
3 that the body prepares and makes available for public  
4 inspection a written decision setting forth its  
5 determinative reasoning.

6 (5) The purchase or lease of real property for the use  
7 of the public body, including meetings held for the purpose  
8 of discussing whether a particular parcel should be  
9 acquired.

10 (6) The setting of a price for sale or lease of  
11 property owned by the public body.

12 (7) The sale or purchase of securities, investments, or  
13 investment contracts.

14 (8) Security procedures and the use of personnel and  
15 equipment to respond to an actual, a threatened, or a  
16 reasonably potential danger to the safety of employees,  
17 students, staff, the public, or public property.

18 (9) Student disciplinary cases.

19 (10) The placement of individual students in special  
20 education programs and other matters relating to  
21 individual students.

22 (11) Litigation, when an action against, affecting or  
23 on behalf of the particular public body has been filed and  
24 is pending before a court or administrative tribunal, or  
25 when the public body finds that an action is probable or  
26 imminent, in which case the basis for the finding shall be  
27 recorded and entered into the minutes of the closed  
28 meeting.

29 (12) The establishment of reserves or settlement of  
30 claims as provided in the Local Governmental and  
31 Governmental Employees Tort Immunity Act, if otherwise the  
32 disposition of a claim or potential claim might be  
33 prejudiced, or the review or discussion of claims, loss or  
34 risk management information, records, data, advice or  
35 communications from or with respect to any insurer of the  
36 public body or any intergovernmental risk management

1 association or self insurance pool of which the public body  
2 is a member.

3 (13) Conciliation of complaints of discrimination in  
4 the sale or rental of housing, when closed meetings are  
5 authorized by the law or ordinance prescribing fair housing  
6 practices and creating a commission or administrative  
7 agency for their enforcement.

8 (14) Informant sources, the hiring or assignment of  
9 undercover personnel or equipment, or ongoing, prior or  
10 future criminal investigations, when discussed by a public  
11 body with criminal investigatory responsibilities.

12 (15) Professional ethics or performance when  
13 considered by an advisory body appointed to advise a  
14 licensing or regulatory agency on matters germane to the  
15 advisory body's field of competence.

16 (16) Self evaluation, practices and procedures or  
17 professional ethics, when meeting with a representative of  
18 a statewide association of which the public body is a  
19 member.

20 (17) The recruitment, credentialing, discipline or  
21 formal peer review of physicians or other health care  
22 professionals for a hospital, or other institution  
23 providing medical care, that is operated by the public  
24 body.

25 (18) Deliberations for decisions of the Prisoner  
26 Review Board.

27 (19) Review or discussion of applications received  
28 under the Experimental Organ Transplantation Procedures  
29 Act.

30 (20) The classification and discussion of matters  
31 classified as confidential or continued confidential by  
32 the State Employees Suggestion Award Board.

33 (21) Discussion of minutes of meetings lawfully closed  
34 under this Act, whether for purposes of approval by the  
35 body of the minutes or semi-annual review of the minutes as  
36 mandated by Section 2.06.

1 (22) Deliberations for decisions of the State  
2 Emergency Medical Services Disciplinary Review Board.

3 (23) The operation by a municipality of a municipal  
4 utility or the operation of a municipal power agency or  
5 municipal natural gas agency when the discussion involves  
6 (i) contracts relating to the purchase, sale, or delivery  
7 of electricity or natural gas or (ii) the results or  
8 conclusions of load forecast studies.

9 (24) Meetings of a residential health care facility  
10 resident sexual assault and death review team or the  
11 Residential Health Care Facility Resident Sexual Assault  
12 and Death Review Teams Executive Council under the  
13 Residential Health Care Facility Resident Sexual Assault  
14 and Death Review Team Act.

15 (25) Discussions of the Illinois Regenerative Medicine  
16 Institute Oversight Committee or its advisory panels that  
17 involve (i) personally identifiable information relating  
18 to patients or medical subjects or (ii) matters concerning  
19 confidential intellectual property and confidential  
20 scientific research or data.

21 (d) Definitions. For purposes of this Section:

22 "Employee" means a person employed by a public body whose  
23 relationship with the public body constitutes an  
24 employer-employee relationship under the usual common law  
25 rules, and who is not an independent contractor.

26 "Public office" means a position created by or under the  
27 Constitution or laws of this State, the occupant of which is  
28 charged with the exercise of some portion of the sovereign  
29 power of this State. The term "public office" shall include  
30 members of the public body, but it shall not include  
31 organizational positions filled by members thereof, whether  
32 established by law or by a public body itself, that exist to  
33 assist the body in the conduct of its business.

34 "Quasi-adjudicative body" means an administrative body  
35 charged by law or ordinance with the responsibility to conduct  
36 hearings, receive evidence or testimony and make

1 determinations based thereon, but does not include local  
2 electoral boards when such bodies are considering petition  
3 challenges.

4 (e) Final action. No final action may be taken at a closed  
5 meeting. Final action shall be preceded by a public recital of  
6 the nature of the matter being considered and other information  
7 that will inform the public of the business being conducted.

8 (Source: P.A. 93-57, eff. 7-1-03; 93-79, eff. 7-2-03; 93-422,  
9 eff. 8-5-03; 93-577, eff. 8-21-03; revised 9-8-03.)

10 Section 90-5. The Election Code is amended by adding  
11 Article 28A as follows:

12 (10 ILCS 5/Art. 28A heading new)

13 ARTICLE 28A

14 DEBT REFERENDA

15 (10 ILCS 5/28A-5 new)

16 Sec. 28A-5. Legislative intent. Section 9(b) of Article IX  
17 of the Illinois Constitution provides that State debt may be  
18 incurred "as may be provided either in a law passed by the vote  
19 of three-fifths of the members elected to each house of the  
20 General Assembly or in a law approved by a majority of the  
21 electors voting on the question at the next general election  
22 following passage." This amendatory Act of the 94th General  
23 Assembly provides the statutory framework for the incurring of  
24 State debt through the approval of a law in a referendum.

25 (10 ILCS 5/28A-10 new)

26 Sec. 28A-10. General election law. To the extent not  
27 inconsistent with this Act, the general election law shall  
28 govern referendums held pursuant to Section 9(b) of Article IX  
29 of the Illinois Constitution.

30 (10 ILCS 5/28A-15 new)

31 Sec. 28A-15. Question. The law passed by the General

1 Assembly shall provide for the form of the question to be  
2 submitted to the electors as it will appear on the ballot.

3 (10 ILCS 5/28A-20 new)

4 Sec. 28A-20. Limit on number of questions inapplicable. The  
5 limitation on the number of public questions contained in  
6 Section 28-1 of this Code shall not apply to questions  
7 submitted pursuant to Section 9(b) of Article IX of the  
8 Constitution.

9 (10 ILCS 5/28A-25 new)

10 Sec. 28A-25. Certification. Not less than 67 days before  
11 the general election, the State Board of Elections shall  
12 certify all questions submitted pursuant to Section 9(b) of  
13 Article IX of the Illinois Constitution to the respective  
14 county clerks. Not less than 61 days before the general  
15 election, the county clerk shall certify such question or  
16 questions to the board of election commissioners, if any, in  
17 his or her county. The certification shall include the form of  
18 the question or questions to be placed on the ballot.

19 (10 ILCS 5/28A-30 new)

20 Sec. 28A-30. Notice. It is the duty of the election  
21 authority to have the questions published and posted at the  
22 same time, in the same manner, and at the same places that  
23 sample ballots and instructions to voters are required by law  
24 to be posted.

25 (10 ILCS 5/28A-35 new)

26 Sec. 28A-35. Votes; canvassing; returns. The votes cast for  
27 and against the question or questions shall be by the judges of  
28 such election received, canvassed, and returned to the county  
29 clerks of their respective counties, at the same time and in  
30 the same manner as the votes cast at the election for members  
31 of the General Assembly are by law required to be received,  
32 canvassed, and returned to the clerks. The clerks shall prepare



1 and transmit to the State Board of Elections an abstract of the  
2 votes at the same time and in the same manner as the votes cast  
3 at the election for members of the General Assembly are by law  
4 required to be abstracted and transmitted.

5 (10 ILCS 5/28A-40 new)

6 Sec. 28A-40. Proclamation. The State Board of Elections  
7 shall canvass the votes given for and against the question or  
8 questions in the same manner as it canvasses the votes cast  
9 upon amendments to the Illinois Constitution, and if it appears  
10 that a majority of the electors voting on any question have  
11 voted for the question, the State Board shall declare that  
12 question approved and the Governor shall cause a proclamation  
13 to be made of the result of the vote, which proclamation shall  
14 be filed with the Secretary of State.

15 Section 90-10. The State Finance Act is amended by adding  
16 Sections 5.640, 6z-100, and 6z-105 as follows:

17 (30 ILCS 105/5.640 new)

18 Sec. 5.640. The Regenerative Medicine Bond Fund.

19 (30 ILCS 105/6z-100 new)

20 Sec. 6z-100. The Cosmetic Medical Procedure Utilization  
21 Tax Fund.

22 (a) The Cosmetic Medical Procedure Utilization Tax Fund is  
23 created as a special fund in the State Treasury.

24 (b) Subject to the transfer provisions set forth in this  
25 Section, money in the Cosmetic Medical Procedure Utilization  
26 Tax Fund shall, if and when bonds are issued pursuant to  
27 Section 6.5 of the General Obligation Bond Act, be transferred  
28 to the General Obligation Bond Retirement and Interest Fund.

29 In addition to other transfers to the General Obligation  
30 Bond Retirement and Interest Fund made pursuant to Section 15  
31 of the General Obligation Bond Act, upon each issuance of bonds  
32 under Section 6.5 of the General Obligation Bond Act, the State

1 Comptroller shall compute and certify to the State Treasurer  
2 the total amount of principal of, interest on, and premium, if  
3 any, on such bonds during the then current and each succeeding  
4 fiscal year. With respect to the interest payable on variable  
5 rate bonds, such certifications shall be calculated at the  
6 maximum rate of interest that may be payable during the fiscal  
7 year, after taking into account any credits permitted in the  
8 related indenture or other instrument against the amount of  
9 such interest required to be appropriated for that period.

10 On or before the last day of each month, the State  
11 Treasurer and State Comptroller shall transfer from the  
12 Cosmetic Medical Procedure Utilization Tax Fund to the General  
13 Obligation Bond Retirement and Interest Fund an amount  
14 sufficient to pay the aggregate of the principal of, interest  
15 on, and premium, if any, on the bonds payable on their next  
16 payment date, divided by the number of monthly transfers  
17 occurring between the last previous payment date (or the  
18 delivery date if no payment date has yet occurred) and the next  
19 succeeding payment date, plus any deficiency accumulated from a  
20 preceding month. Interest payable on variable rate bonds shall  
21 be calculated at the maximum rate of interest that may be  
22 payable for the relevant period, after taking into account any  
23 credits permitted in the related indenture or other instrument  
24 against the amount of such interest required to be appropriated  
25 for that period.

26 (c) Any surplus, as determined by the Comptroller, in the  
27 Cosmetic Medical Procedure Utilization Tax Fund after the  
28 payment of principal and interest on bonded indebtedness then  
29 annually due and after paying any refunds due to taxpayers  
30 under the Cosmetic Medical Procedure Utilization Tax Act shall,  
31 subject to appropriation, be used to pay the expenses of the  
32 Illinois Regenerative Medicine Institute in administering  
33 programs under the Illinois Regenerative Medicine Institute  
34 Creation Act or pay for any grants and loans under the Illinois  
35 Regenerative Medicine Institute Creation Act. Funds remaining  
36 after the payment of principal and interest on bonds issued

1 under Section 6.5 of the General Obligation Bond Act then  
2 annually due and after paying any refunds due to taxpayers  
3 under the Cosmetic Medical Procedure Utilization Tax Act shall  
4 not be considered surplus if such funds are reasonably required  
5 for future payments of principal and interest on bonds issued  
6 under Section 6.5 of the General Obligation Bond Act. The State  
7 Treasurer and State Comptroller shall transfer the surplus to  
8 the Regenerative Medicine Institute Operations Fund.

9 (d) Investment income that is attributable to the  
10 investment of moneys of the Cosmetic Medical Procedure  
11 Utilization Tax Fund shall be retained in that fund. Moneys in  
12 this Fund shall not be transferred to the General Revenue Fund  
13 for any purposes other than those outlined in this Section.

14 (30 ILCS 105/6z-105 new)

15 Sec. 6z-105. Regenerative Medicine Institute Operations  
16 Fund.

17 (a) The Regenerative Medicine Institute Operations Fund is  
18 created as a special fund in the State Treasury.

19 (b) The following items of income for the Illinois  
20 Institute for Regenerative Medicine shall be deposited into the  
21 Fund: funds received pursuant to the Cosmetic Medical Procedure  
22 Utilization Tax Act; the fees charged by the institute;  
23 payments received as repayment of loans made by the institute;  
24 funds received in connection with the retention, receipt,  
25 assignment, license, sale or transfer of interests in, rights  
26 to, or income from discoveries, inventions, patents, or  
27 copyrightable works; donations, monetary gifts, or other  
28 financial assistance from private sources of individuals; and  
29 any other funds appropriated or transferred into the Fund.

30 (c) Pursuant to appropriation the institute may use those  
31 funds for activities and purposes provided in the Illinois  
32 Regenerative Medicine Institute Creation Act, including  
33 activities and operations of the institute. Further, the  
34 Oversight Committee of the Illinois Institute for Regenerative  
35 Medicine may request that the Comptroller and the Treasurer

1 transfer funds from the Regenerative Medicine Institute  
2 Operations Fund to the Cosmetic Medical Procedure Utilization  
3 Tax Fund in order to pay debt service on bonds issued pursuant  
4 to the Illinois Regenerative Medicine Institute Act.

5 (d) Investment income that is attributable to the  
6 investment of moneys of the Regenerative Medicine Institute  
7 Operations Fund shall be retained in the Fund.

8 Section 90-15. The General Obligation Bond Act is amended  
9 by changing Sections 2, 12, and 19 and by adding Section 6.5 as  
10 follows:

11 (30 ILCS 330/2) (from Ch. 127, par. 652)

12 Sec. 2. Authorization for Bonds. The State of Illinois is  
13 authorized to issue, sell and provide for the retirement of  
14 General Obligation Bonds of the State of Illinois for the  
15 categories and specific purposes expressed in Sections 2  
16 through 8 of this Act, in the total amount of \$28,658,149,369  
17 ~~\$27,658,149,369~~.

18 The bonds authorized in this Section 2 and in Section 16 of  
19 this Act are herein called "Bonds".

20 Of the total amount of Bonds authorized in this Act, up to  
21 \$2,200,000,000 in aggregate original principal amount may be  
22 issued and sold in accordance with the Baccalaureate Savings  
23 Act in the form of General Obligation College Savings Bonds.

24 Of the total amount of Bonds authorized in this Act, up to  
25 \$300,000,000 in aggregate original principal amount may be  
26 issued and sold in accordance with the Retirement Savings Act  
27 in the form of General Obligation Retirement Savings Bonds.

28 Of the total amount of Bonds authorized in this Act, the  
29 additional \$10,000,000,000 authorized by this amendatory Act  
30 of the 93rd General Assembly shall be used solely as provided  
31 in Section 7.2.

32 The issuance and sale of Bonds pursuant to the General  
33 Obligation Bond Act is an economical and efficient method of  
34 financing the long-term capital needs of the State. This Act

1 will permit the issuance of a multi-purpose General Obligation  
2 Bond with uniform terms and features. This will not only lower  
3 the cost of registration but also reduce the overall cost of  
4 issuing debt by improving the marketability of Illinois General  
5 Obligation Bonds.

6 (Source: P.A. 92-13, eff. 6-22-01; 92-596, eff. 6-28-02;  
7 92-598, eff. 6-28-02; 93-2, eff. 4-7-03; 93-839, eff. 7-30-04.)

8 (30 ILCS 330/6.5 new)

9 Sec. 6.5. Illinois Regenerative Medicine Research Funding.  
10 The amount of \$1,000,000,000 for grants and loans to facilities  
11 is authorized pursuant to the Illinois Regenerative Medicine  
12 Institute Creation Act and for the making of deposits into the  
13 Regenerative Medicine Institute Operations Fund for the making  
14 of loans. The bonds shall be issued in an aggregate original  
15 principal amount (excluding the amount of any bonds issued to  
16 refund or advance refund bonds issued under the Illinois  
17 Regenerative Medicine Institute Act) not to exceed  
18 \$100,000,000 per fiscal year, except that this \$100,000,000 per  
19 fiscal year limit may be increased by the difference between  
20 the cumulative total of the \$100,000,000 limits for all prior  
21 fiscal years and the cumulative aggregate original principal  
22 amount (excluding the amount of any bonds issued to refund or  
23 advance refund bonds issued under the Illinois Regenerative  
24 Medicine Institute Act) of bonds issued during all prior fiscal  
25 years.

26 (30 ILCS 330/12) (from Ch. 127, par. 662)

27 Sec. 12. Allocation of Proceeds from Sale of Bonds.

28 (a) Proceeds from the sale of Bonds, authorized by Section  
29 3 of this Act, shall be deposited in the separate fund known as  
30 the Capital Development Fund.

31 (b) Proceeds from the sale of Bonds, authorized by  
32 paragraph (a) of Section 4 of this Act, shall be deposited in  
33 the separate fund known as the Transportation Bond, Series A  
34 Fund.

1 (c) Proceeds from the sale of Bonds, authorized by  
2 paragraphs (b) and (c) of Section 4 of this Act, shall be  
3 deposited in the separate fund known as the Transportation  
4 Bond, Series B Fund.

5 (d) Proceeds from the sale of Bonds, authorized by Section  
6 5 of this Act, shall be deposited in the separate fund known as  
7 the School Construction Fund.

8 (e) Proceeds from the sale of Bonds, authorized by Section  
9 6 of this Act, shall be deposited in the separate fund known as  
10 the Anti-Pollution Fund.

11 (e-5) Proceeds from the sale of bonds, authorized by  
12 Section 6.5 of this Act, shall be deposited into the separate  
13 fund known as the Regenerative Medicine Bond Fund.

14 (f) Proceeds from the sale of Bonds, authorized by Section  
15 7 of this Act, shall be deposited in the separate fund known as  
16 the Coal Development Fund.

17 (f-2) Proceeds from the sale of Bonds, authorized by  
18 Section 7.2 of this Act, shall be deposited as set forth in  
19 Section 7.2.

20 (f-5) Proceeds from the sale of Bonds, authorized by  
21 Section 7.5 of this Act, shall be deposited as set forth in  
22 Section 7.5.

23 (g) Proceeds from the sale of Bonds, authorized by Section  
24 8 of this Act, shall be deposited in the Capital Development  
25 Fund.

26 (h) Subsequent to the issuance of any Bonds for the  
27 purposes described in Sections 2 through 8 of this Act, the  
28 Governor and the Director of the Governor's Office of  
29 Management and Budget ~~Bureau of the Budget~~ may provide for the  
30 reallocation of unspent proceeds of such Bonds to any other  
31 purposes authorized under said Sections of this Act, subject to  
32 the limitations on aggregate principal amounts contained  
33 therein. Upon any such reallocation, such unspent proceeds  
34 shall be transferred to the appropriate funds as determined by  
35 reference to paragraphs (a) through (g) of this Section.

36 (Source: P.A. 92-596, eff. 6-28-02; 93-2, eff. 4-7-03; revised

1 8-23-03.)

2 (30 ILCS 330/19) (from Ch. 127, par. 669)

3 Sec. 19. Investment of Money Not Needed for Current  
4 Expenditures - Application of Earnings.

5 (a) The State Treasurer may, with the Governor's approval,  
6 invest and reinvest any money from the Capital Development  
7 Fund, the Transportation Bond, Series A Fund, the  
8 Transportation Bond, Series B Fund, the School Construction  
9 Fund, the Anti-Pollution Fund, the Coal Development Fund, the  
10 Regenerative Medicine Bond Fund, and the General Obligation  
11 Bond Retirement and Interest Fund, in the State Treasury, which  
12 is not needed for current expenditures due or about to become  
13 due from these funds.

14 (b) Monies received from the sale or redemption of  
15 investments from the Transportation Bond, Series A Fund shall  
16 be deposited by the State Treasurer in the Road Fund.

17 Monies received from the sale or redemption of investments  
18 from the Capital Development Fund, the Transportation Bond,  
19 Series B Fund, the School Construction Fund, the Anti-Pollution  
20 Fund, and the Coal Development Fund shall be deposited by the  
21 State Treasurer in the General Revenue Fund.

22 Moneys received from the sale or redemption of investments  
23 from the Regenerative Medicine Bond Fund shall be deposited by  
24 the State Treasurer into the Cosmetic Medical Procedure  
25 Utilization Tax Fund.

26 Monies from the sale or redemption of investments from the  
27 General Obligation Bond Retirement and Interest Fund shall be  
28 deposited in the General Obligation Bond Retirement and  
29 Interest Fund.

30 (c) Monies from the Capital Development Fund, the  
31 Transportation Bond, Series A Fund, the Transportation Bond,  
32 Series B Fund, the School Construction Fund, the Anti-Pollution  
33 Fund, ~~and~~ the Coal Development Fund, and the Regenerative  
34 Medicine Bond Fund may be invested as permitted in "AN ACT in  
35 relation to State moneys", approved June 28, 1919, as amended

1 and in "AN ACT relating to certain investments of public funds  
2 by public agencies", approved July 23, 1943, as amended. Monies  
3 from the General Obligation Bond Retirement and Interest Fund  
4 may be invested in securities constituting direct obligations  
5 of the United States Government, or obligations, the principal  
6 of and interest on which are guaranteed by the United States  
7 Government, or certificates of deposit of any state or national  
8 bank or savings and loan association. For amounts not insured  
9 by the Federal Deposit Insurance Corporation or the Federal  
10 Savings and Loan Insurance Corporation, as security the State  
11 Treasurer shall accept securities constituting direct  
12 obligations of the United States Government, or obligations,  
13 the principal of and interest on which are guaranteed by the  
14 United States Government.

15 (d) Accrued interest paid to the State at the time of the  
16 delivery of the Bonds shall be deposited into the General  
17 Obligation Bond Retirement and Interest Fund in the State  
18 Treasury.

19 (Source: P.A. 84-1248; 84-1474.)

20 ARTICLE 99

21 Section 99-5. Effective date. Articles 1, 15, and 99 of  
22 this Act and the amendatory changes to the Election Code  
23 contained in Section 90-5 of Article 90 of this Act take effect  
24 January 1, 2006. The remainder of this Act takes effect upon  
25 certification by the State Board of Elections by January 1,  
26 2007 that the question described in Section 1-15 of Article 1  
27 of the Illinois Regenerative Medicine Institute Act has been  
28 approved by a majority of electors voting on that question at  
29 the 2006 general election.