

AN ACT concerning transportation.

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

Section 5. The Downstate Public Transportation Act is amended by changing Sections 2-2.02, 2-2.04, 2-2.05, 2-3, 2-6, and 2-7 and adding Section 2-5.1 as follows:

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

Sec. 2-2.02. "Participant" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) within the urbanized area or

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

general public as passengers.

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

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

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

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

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

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

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

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

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

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

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

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

(30 ILCS 740/2-5.1 new)

Sec. 2-5.1. Additional requirements.

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

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

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

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

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

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

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

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

Sec. 2-6. Allocation of funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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